



**Report to the
GAVI Alliance Board**
18-19 June 2014

| | |
|------------------------|--|
| Subject: | Financial Forecast |
| Report of: | Barry Greene, Managing Director, Finance and Operations |
| Authored by: | Tony Dutson, Senior Director, Finance & Chief Accounting Officer and Minzi Lam Meier, Head Financial Planning, Analysis and Management Reporting |
| Agenda item: | 08 |
| Category: | For Information |
| Strategic goal: | Alliance operations |

Section A: Overview

1. Purpose of the report

- 1.1 This report informs the Board of the updated GAVI financial forecast for 2011-2020.
- 1.2 It also informs the Board of programme expenditure through 30 April 2014, and utilisation of the Programme Funding Envelopes and the 2013 Business Plan Budget.
- 1.3 No programme funding approvals are being requested on this occasion.

2. Recommendations

- 2.1 None; this report is for information only.

3. Executive summary

- 3.1 The GAVI financial forecast, v9.0Fb (see Section B), incorporates the latest demand estimates and funding decisions to date (through 30 April 2014). The level of resources reflects amounts pledged to date and an allowance for forecasting purposes that direct contributions will continue at their 2012-2014 level in subsequent years. The financial implications are summarised in paragraph 5 below.
- 3.2 The expenditure forecast does not include a provision for funding a malaria vaccine, which is subject to further consideration by the Board in the future, or for strategic investments to fund priority areas, pending consideration by the Board within the 2016-2020 strategy development process.
- 3.3 Expenditure on IPV is not yet included within the updated GAVI financial forecast pending finalisation of expenditure estimates. Neither is the additional polio-specific funding to meet this expenditure. As decided by the Board, expenditure

on IPV is subject to polio-specific funds being made available from donors; hence inclusion of IPV expenditure and resources in due course will have a neutral net impact on the financial forecast.

3.4 No funding decisions are requested in this paper.

4. Risk implications and mitigations

4.1 See paragraph 12.

5. Financial implications

2011-2015

5.1 Expenditure for all Existing Programmes is fully covered by Qualifying Resources through 2016 (i.e. through the next two calendar years), as is required by the Programme Funding Policy.

5.2 After taking into account an allowance for future direct contributions of US\$ 153 million, additional funding of US\$ 2 million will be required to fully meet estimated demand through 2015 from expected future requests for currently supported vaccines and cash-based programmes. This makes no provision for any early investments in 2014-15 in priority areas¹ that may result from the GAVI strategy for 2016-20, when approved by the Board in June 2014. Hence it is essential that donors complete their contributions for 2014 and 2015.

2016-2020

5.3 The current outlook for 2016-20 estimates expenditure at US\$ 9.0 billion. That is prior to allowing for strategic investments in 2016-20 in priority areas that may result from the GAVI strategy for 2016-20, potentially requiring a further US\$ 0.5 billion, which would bring expenditure to US\$ 9.5 billion.

5.4 Assured Resources for 2016-20 are currently valued at US\$ 1.8 billion. This is likely to have increased by the start of 2016, to an amount in the region of US\$ 2.0 billion as donors complete their pledges for 2014 and 2015.

5.5 Taking account of the foregoing, the Replenishment Ask for 2016-20 is based on total expenditure of US\$ 9.5 billion and Assured Resources US\$ 2.0 billion, resulting in the Ask amount of US\$ 7.5 billion. That is equivalent to US\$ 1.5 billion per year, on average, to be raised from direct contributions and/or the proceeds of new IFFIm pledges. Direct contributions received in 2013 totaled US\$ 1.3 billion.

¹ Priority areas such as strengthening supply chains, improving immunisation coverage and equity, modernising data systems and providing catalytic support to graduating countries.

6. Terminology and Rounding

6.1 Terms used in this paper have the meanings described below:

(a) Assured Resources comprise:

- Cash and investments of the GAVI Alliance, in the amount that exceeds the Cash and Investments Reserve (see (g) below)
- Expected proceeds from IFFIm, based on existing donor pledges
- Expected AMC and any other contributions that are contingent on programmatic expenditure included in the expenditure forecast
- Confirmed direct contributions to GAVI Alliance that are pledged under already-signed agreements or otherwise confirmed in writing.
- Projected investment income

(b) Allowance for Further Direct Contributions: An allowance for further expected direct contributions from existing donors who have not confirmed their pledges for each year, based on current overall contribution levels. The allowance is mandated by the Programme Funding Policy and is important towards enabling programme funding decisions to be made while pledges have yet to be completed for particular years. The allowance assumes that in years where currently confirmed direct contributions total less than the current level, further contributions will bring the total to that level. The current level is US\$ 1.1 billion for the year, which equates to the annual average of confirmed pledges for 2012-2014. (Note: Direct contributions for 2013 totaled US\$ 1.3 billion.)

(c) Qualifying Resources : The sum of Assured Resources and the Allowance for Further Direct Contributions (i.e. (a) plus (b) above)

(d) Existing Programmes: Country programmes (for vaccine and cash-based programmes and investment cases) that have already been approved for support by GAVI, and the GAVI Business Plan.

(e) New Requests: Projected demand from country applications that are currently being recommended by the Independent Review Committee for approval.

(f) Expected Future Requests: Projected demand from countries expected to request GAVI support in the future for the currently approved portfolio of vaccines and cash-based programmes. It does not include any additional vaccines that GAVI may consider for support in the future (such as Malaria).

(g) Cash and Investments Reserve: The reserve required by the Programme Funding Policy to be maintained at minimum equaling eight months of expected annual expenditures.

6.2 Rounding

In text and tables throughout this paper, numbers may be rounded to shorter, significant numbers in order to enhance readability and ease of reference. Individual numbers and the totals they comprise are rounded independently. Consequently, the individual numbers may appear not to sum to the total because of rounding.

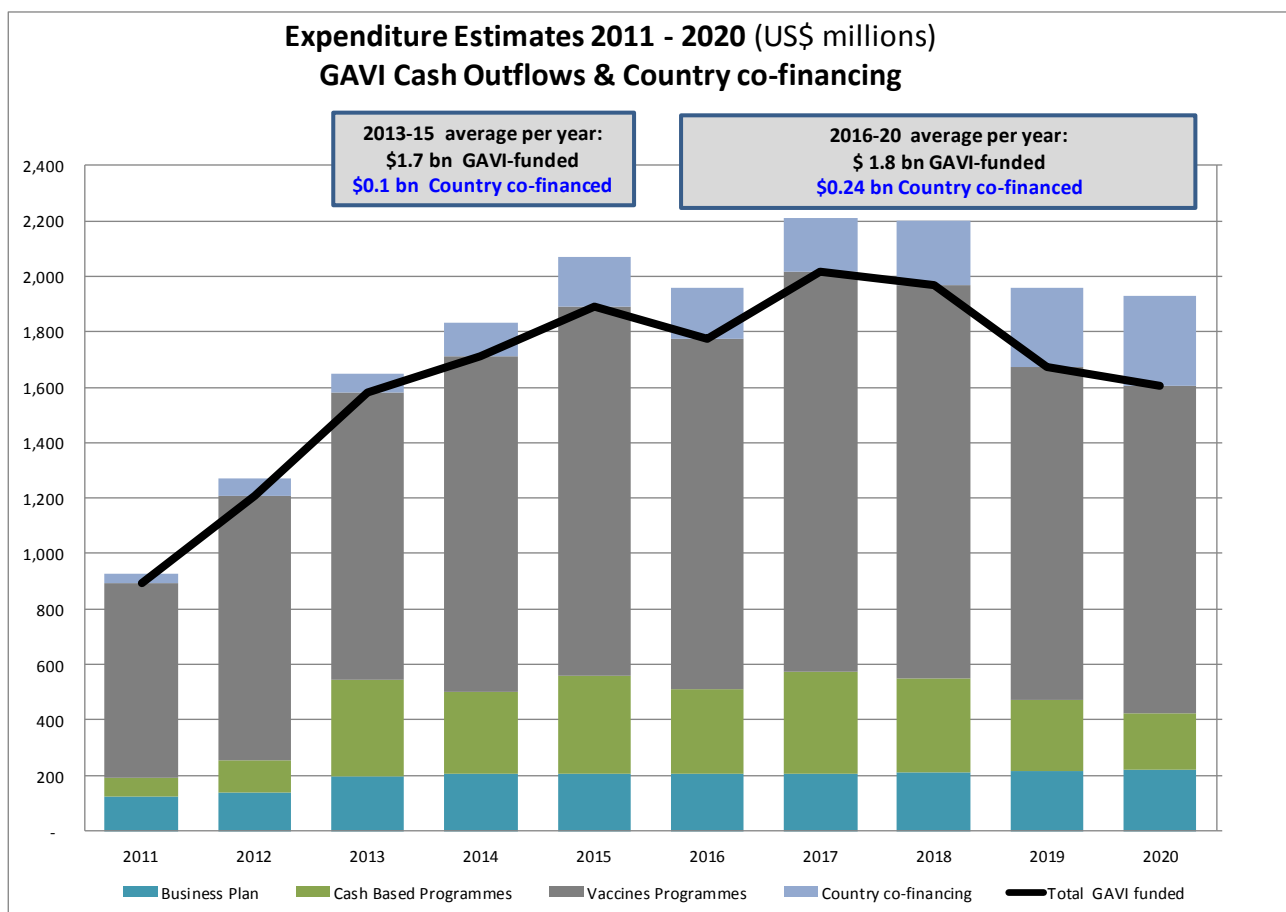
Section B: Forecast of needs and resources

7. Estimates of expenditure to meet country demand through 2020

7.1 The expenditure estimates in this forecast (version 9.0Fb²) are based on the latest Adjusted Strategic Demand Forecast (version 9.0), issued in March 2014. The forecast reflects all previous funding decisions of the EC/Board. It incorporates updated implementation assumptions based on latest country and supplier information regarding country readiness and supply availability. No new funding decisions are requested in this paper.

7.2 The overview of projected expenditures for GAVI through 2020 per Figure 1 illustrates the scale-up of country demand, with GAVI-funded expenditure expected to reach a level of US\$ 1.7 billion per year on average in 2013-2015. This will reach a plateau of around US\$ 1.8 billion per year in the period 2016-20.

Figure 1: Expenditure estimates



7.3 Figure 1 also illustrates the country co-financed amounts from 2011-2020 (at the top of each bar, above the trend line). Total estimated co-financing for 2011-2015 amounts to US\$ 0.5 billion. This will increase to US\$ 1.2 billion for 2016-2020.

² Version 9.0Fa of the Financial Forecast was shared with Audit & Finance Committee on 17 April 2014. That has been updated (as Version 9.0Fb) for this paper, to include programme funding decisions taken and pledges made through 30 April 2014.

Additional to this co-financing are the investments that the countries make in their immunisation programmes.

- 7.4 Details of the expenditure estimates for each five-year period are provided in Annex 1, Figure 1. The estimates are based on current GAVI eligibility and graduation rules and include provision for the opening of the envisaged new vaccine windows for Japanese Encephalitis and Typhoid (from 2018).
- 7.5 IPV: The estimate of expenditure needs for inactivated polio vaccine (IPV) continues to be refined to incorporate the latest demand and supply information, and is not yet included in this forecast. GAVI expenditure to support IPV cannot exceed the specific funding for IPV which, correspondingly, is for now excluded from the estimates of resource availability. The response from countries has been positive, with more than a third of countries having applied within six months of the November 2013 Board decision. However, many countries have suggested a higher IPV target coverage than the WHO/UNICEF estimates of DTP3 (given alongside IPV). Furthermore, supply availability of the lower wastage (and thus cheaper) 5-doses presentation is delayed. As a result of these factors, the overall polio-related activity costs through 2018 may be higher than the US\$ 430 million estimated by GAVI and the Global Polio Eradication Initiative in November 2013. Work is on-going to manage the IPV programme within the original budget; should this not be possible, further consideration by donors and the Board will be necessary.
- 7.6 Malaria: The expenditure estimates in this forecast do not include a provision for malaria vaccine, which will be subject to further consideration by the Board in the future.

8. Estimates of resource availability

- 8.1 Contributions: The forecast relies on all pledged contributions being paid when due. Because the current replenishment period extends through 2015 only, the resource forecast, in compliance with the Programme Funding Policy, includes an Allowance for Direct Contributions not yet pledged which assumes that the overall level of direct contributions will be maintained at no less than the 2012-14 level of US\$ 1.1 billion per year in subsequent years (see paragraph 6.1b). The Secretariat expects that this level will be exceeded, and contributions received in 2013 total US\$ 1.3 billion.
- 8.2 IFFIm proceeds: The forecast includes proceeds from existing IFFIm pledges, taking account of the maximum amount that can be provided to GAVI based on the current leverage limit (~57%) and the timing of GAVI's need for this funding. The ability to receive IFFIm proceeds when most needed for programme funding helps GAVI to match the timing of expenditure needs and the availability of resources. Any new pledges to IFFIm would increase these proceeds.

9. Forecast Period

- 9.1 The forecast spans the period 2011 to 2020, sub-divided into two periods: the current strategy period (2011-2015) and the next (2016-2020). The Programme Funding Policy requires the financial implications of funding decisions to be assessed over the current year and five subsequent calendar years (i.e. a 'rolling

six-year' view). Hence funding decisions made in 2014 require visibility on Qualifying Resources through 2019. For information, Annex 2 provides the details that are always provided whenever funding decisions are requested; however, no funding decisions are requested at this Board meeting.

9.2 The evolution of the forecast since the version reviewed by the Board in November 2013 to the current version is outlined below, in paragraph 10 and Figure 2 for 2011-16, and paragraph 11 and Figure 3 for 2016-20. Figure 4 provides an overview of both periods, and the Replenishment Ask for 2016-2020. Further details of the expenditure and resource amounts in Figures 2 and 3 are provided in Annex 1, Figures 1 & 2.

10. Forecast for 2011-2015

Changes since the last forecast (see Figure 2)

10.1 The forecast reviewed by the Board in November 2013 for the period 2011 to 2015, indicated that additional resources of US\$ 202 million needed to be raised to fully meet country demand in 2011-15. This amount now stands at US\$ 155 million, per the current forecast.

Figure 2: Overview of forecast for 2011-2015

| 2011-2015 | | Cash flow basis | US\$ millions | Nov 2013 Board | Change in estimates | June 2014 Board | | % of A |
|-------------------------|---|-----------------|---------------|----------------|---------------------|-----------------|-------------------|-------------|
| | Existing Programmes & Business Plan | | | 6,769 | 215 | 6,983 | \$7.0 bn | 96% |
| | Expected Future Requests (for existing portfolio) | | | 793 | (494) | 299 | \$0.3 bn | 4% |
| A | Total Expenditure | | | 7,561 | (279) | 7,282 | \$7.3 bn | 100% |
| b1 | Assured Resources | | | 7,359 | (232) | 7,127 | \$7.1 bn | 98% |
| b2 | Allowance for Further Direct Contributions* | | | 116 | 37 | 153 | \$0.2 bn | 2% |
| B | Qualifying Resources | | | 7,475 | (195) | 7,280 | \$7.3 bn | 100% |
| C (A-B) | Surplus / (Additional required) | | | (86) | 84 | (2) | (\$0.0 bn) | 0% |
| | Surplus after Existing Programmes | | | | | 293 | \$0.3 bn | |
| | Expected Future Requests (net of AMC funding) | | | | | (295) | (\$0.3 bn) | |
| C | Additional required for Expected Future Requests | | | | | (2) | (\$0.0 bn) | |
| Fundraising Need | | | | | | | | |
| b2 | Allowance for Further Direct Contributions* | | | 116 | | 153 | | |
| C | Additional required | | | 86 | | 2 | | |
| | Funds yet to be raised | | | 202 | | 155 | \$0.2 bn | |

* Conservative allowance for further direct contributions to maintain an overall annual level equivalent to that confirmed for 2012-2014 (\$1.1bn) in subsequent years

10.2 Expenditure: Since the prior forecast for 2011-2015, estimates of expenditure have reduced by US\$ 279 million, some of which (for campaigns) will increase expenditure in 2016-20.

- 10.3 Resources: Assured Resources have reduced by a net US\$ 232 million, which includes increases in direct contributions and AMC proceeds, and a reduction of US\$ 420 million in the amount of IFFIm proceeds that GAVI needs to receive from IFFIm through 2015. This increases the IFFIm proceeds available to GAVI in 2016-2020, which has reduced the replenishment needs for 2016-2020.

Capacity to meet projected demand through 2015

- 10.4 For 2011-15, expenditure to meet forecast demand is forecast at US\$ 7.3 billion. Qualifying Resources also amount to US\$ 7.3 billion, which includes an allowance of US\$ 153 million for extension of pledges through 2015. In addition to that, US\$ 2 million will be required to fully meet estimated demand through 2015, bringing the current fundraising need to US\$ 155 million. Confirmation of pledges for 2014 and 2015 by donors who have yet to do so would achieve this and create an initial base of resources to enable funding decisions in 2016.

11. Forecast for 2016-2020

Changes since the last forecast (see Figure 3)

- 11.1 Expenditure: The November 2013 forecast estimated expenditure in 2016-2020 at US\$ 9.2 billion. This included a US\$ 0.3 billion provision for funding of a potential malaria vaccine, which the Board subsequently decided to defer for further consideration in the future. Hence the current expenditure forecast, at US\$ 9.0 billion, reflects an increase of US\$ 0.1 billion, compared to the November forecast of US\$ 8.9 billion excluding the provision for malaria, due mainly to the inclusion of vaccine campaigns deferred from 2014-15 (per paragraph 10.2). Additional to the expenditure of US\$ 9.0 billion is a provision of US\$ 0.5 billion for strategic investments in priority areas³.
- 11.2 Resources: Assured Resources has increased by US\$ 587 million, due mainly to the deferral of some IFFIm proceeds from 2014-15 into this period (as mentioned in paragraph 10.3), bringing Assured Resources to US\$ 1.8 billion. It is anticipated that this will have increased by the start of 2016 by potentially US\$ 0.2 billion as donors complete their pledges for 2014-15.

Capacity to meet projected demand in 2016-2020

- 11.3 Expenditure to meet country demand is projected at US\$ 9.0 billion for 2016-20, prior to the provision of US\$ 0.5 billion for strategic investments mentioned in paragraph 11.1. Of this demand, US\$ 6.2 billion (69%) is expected to come from existing programmes including their extension through 2020 and US\$ 2.8 billion (31%) from Expected Future Requests. Already assured resources of US\$ 1.8 billion, mainly from IFFIm and AMC, cover 20% of projected expenditure, leaving US\$ 7.2 billion to be raised for 2016-20.
- 11.4 Because pledges of direct contributions for 2016-2020 have yet to be made (through the replenishment process that will conclude in 2015), the major part of

³ Strategic investments in priority areas such as strengthening supply chains, improving immunisation coverage and equity, modernising data systems and providing catalytic support to graduating countries.

Qualifying Resources – that provide the capacity to approve programme funding decisions – relies, for now, on the Allowance for Further Direct Contributions of US\$ 5.7 billion (which assumes that direct contributions will be maintained the 2012-14 level of US\$ 1.1 billion per year). That Allowance brings Qualifying Resources for 2016-2020 to US\$ 7.5 billion, enabling programme funding decisions to be made while the replenishment process proceeds.

Figure 3: Overview of forecast for 2016-2020

| 2016-2020 | | Cash flow basis | US\$ millions | Nov 2013 Board | Change in estimates | June 2014 Board | | % of A |
|------------------|---|-----------------|---------------|----------------|---------------------|-------------------|-------------------|-------------|
| | Existing Programmes & Business Plan | | | 5,981 | 261 | 6,242 | \$6.2 bn | 69% |
| | Expected Future Requests (for existing portfolio) | | | 2,955 | (161) | 2,794 | \$2.8 bn | 31% |
| | Potential funding of a malaria vaccine | | | 287 | (287) | 0 | | |
| A | Total Expenditure (prior to Strategic Investments) | | | 9,222 | (187) | 9,036 | \$9.0 bn | 100% |
| b1 | Assured Resources | | | 1,202 | 587 | 1,789 | \$1.8 bn | 20% |
| b2 | Allowance for Further Direct Contributions* | | | 5,556 | 115 | 5,671 | \$5.7 bn | 63% |
| B | Qualifying Resources | | | 6,758 | 703 | 7,461 | \$7.5 bn | 83% |
| C (A-B) | Surplus / (Additional required) | | | (2,464) | 890 | (1,575) | (\$1.6 bn) | -17% |
| | | | | | | | | |
| | Surplus after Existing Programmes | | | | | 1,205 | \$1.2 bn | |
| | Expected Future Requests (net of AMC funding) | | | | | (2,780) | (\$2.8 bn) | |
| C | Additional required -- for Expected Future Requests | | | | | (1,575) | (\$1.6 bn) | |
| | | | | | | | | |
| | Fundraising Need | | | | | | | |
| b2 | Allowance for Further Direct Contributions* | | | | | 5,671 | | |
| C | Additional required | | | | | 1,575 | | |
| | Funds yet to be raised, prior to Strategic Investments | | | | | 7,246 | | |
| | | | | | | \$7.2 bn | | |
| | Add: Provision for Strategic Investments in priority areas | | | | | \$0.5 bn | | |
| | Deduct: Anticipated increase in Assured Resources by the start of 2016 | | | | | (\$0.2 bn) | | |
| | Replenishment Ask for 2016-2020 | | | | | \$7.5 bn | | |

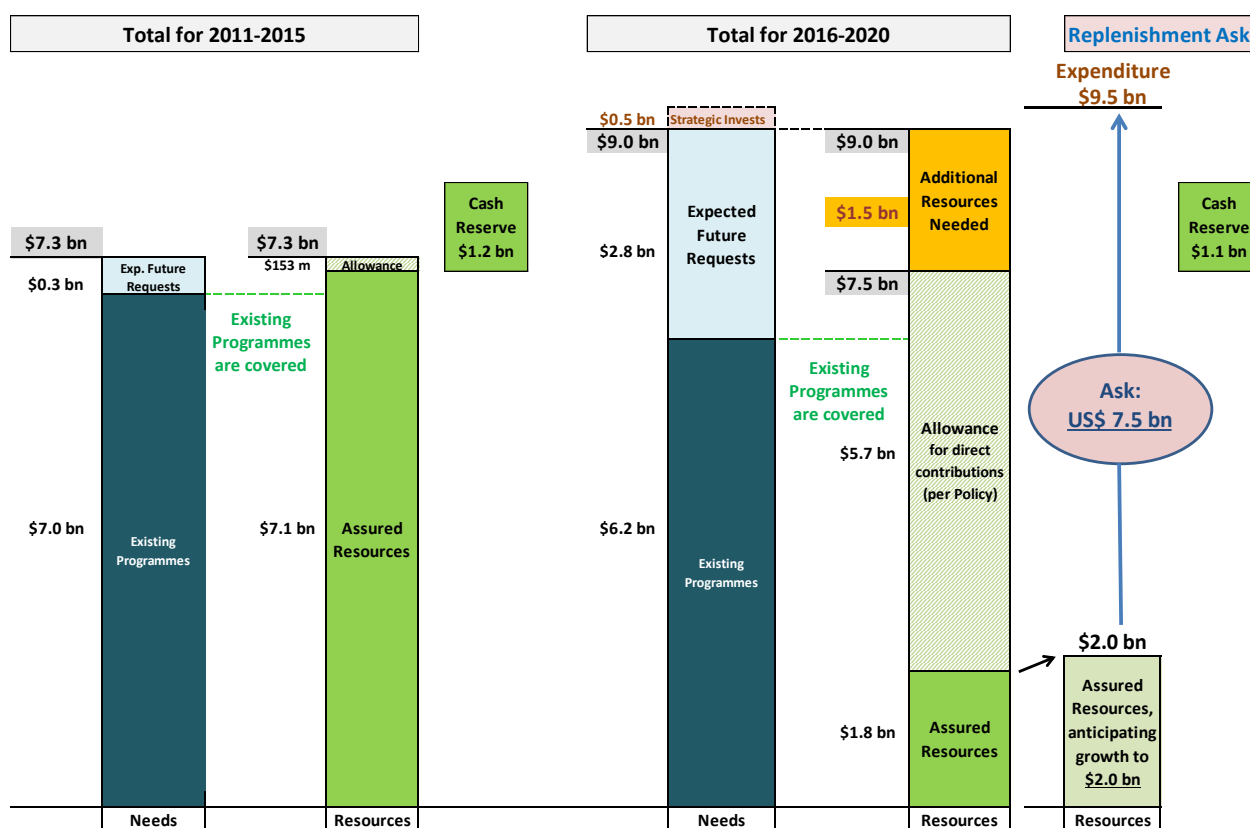
* Conservative allowance for further direct contributions to maintain an overall annual level equivalent to that confirmed for 2012-2014 (\$1.1bn) in subsequent years

Replenishment Ask:

- 11.5 In quantifying the Replenishment needs for 2016-2020, a provision of US\$ 0.5 billion for strategic investments in priority areas has been included separately from the expenditure estimate of US\$ 9.0 billion that is derived from the strategic demand forecast and the Business Plan (as mentioned in paragraph 11.1). This addition to expenditure is partially offset by an anticipation that Assured Resources will increase by US\$ 0.2 billion (beyond the US\$ 1.8 billion currently included in the forecast) by the start of 2016, as donors complete their pledging for 2014 and 2015. Hence the Replenishment Ask for 2016-2020 amounts to US\$ 7.5 billion.

- 11.6 At US\$ 7.5 billion, the Replenishment Ask is equivalent to US\$ 1.5 billion per year, on average, to be raised from direct contributions and/or the proceeds of new IFFIm pledges. Direct contributions received in 2013 totaled US\$ 1.3 billion.
- 11.7 Further details of the Replenishment Ask are provided in the document “The 2016-2020 GAVI Alliance Investment Opportunity” (May 2014). That document also describes the opportunity for further acceleration of impact if resources greater than the Ask amount were invested, and the consequences for GAVI’s response to country demand of investing less than the Ask amount.
- 11.8 Figure 4 below illustrates the forecast capacity to meet the needs of existing and future programmes as outlined above, in each of the five-year replenishment periods, and the Replenishment Ask.

Figure 4: Overview of needs and resources



See paragraph 6 ‘Terminology’ for an explanation of terms used in Figure 4, summarised as follows:

Existing Programmes – Country programmes already approved for GAVI support and Business Plan, including extension through the five year period.

Expected Future Requests – Projected demand from country programmes expected to seek GAVI support in the future, including their extension through the five year period, for currently supported vaccines and cash-based programmes.

Assured Resources – Direct contributions confirmed, IFFIm and AMC proceeds, investment income and drawdown of cash (to the required reserve level).

Allowance – Allowance for further direct contributions to maintain an overall annual level equivalent to that confirmed for 2012-2014 (US\$ 1.1 bn) in subsequent years (as mandated by the Programme Funding Policy).

Additional Resources Needed – in order to fully fund Expected Future Requests.

Cash Reserve – In addition to Assured Resources, a Cash and Investments Reserve is maintained at a level sufficient to cover at least 8 months' future expenditure needs, as mandated by the Board.

12. Risk implications and mitigation

Factors that may impact the expenditure forecast include:

- 12.1 Reviews of Annual Progress Reports and Secretariat adjustments for updated implementation assumptions have historically resulted in the reduction of endorsed programme budgets in light of actual implementation progress; to reflect the likelihood of this continuing, a forecast adjustment (reduction) of US\$ 150 million has been made in the period 2016-2020. If however the original assumptions / goals are achieved then expenditure would be more than currently estimated.
- 12.2 The forecast allows for expected supply availability and country readiness for pneumococcal, rotavirus and yellow fever vaccines in 2014, as currently anticipated.
- 12.3 Expenditure reductions may also be achieved through future vaccine price reductions that cannot yet be counted in the forecast.
- 12.4 Pending future consideration by the Board as part of the 2016-2020 strategy process, the forecast does not yet include provision for additional strategic investments to fund priority areas, such as strengthening supply chains, improving immunisation coverage and equity, modernising data systems and providing catalytic support to graduating countries.⁴
- 12.5 The introduction of new vaccines would increase expenditure, as would any changes to the recommended age catchments for vaccine campaigns.

Factors that may impact the forecast of resources available include:

- 12.6 Direct contributions: The resources forecast for 2011-2015 include Direct Contributions in the amount of US\$ 5.3 billion (comprised of US\$ 5.1 billion already confirmed and an allowance of US\$ 0.2 billion for future contributions yet to be confirmed). If actual contributions through 2015 were less than forecast, then for each 10% reduction on the overall amount, resources would be reduced by US\$ 0.15 billion. The forecast already conservatively includes a provision of US\$ 0.1 billion for the risk that some assured resources may not be fully contributed if the requirements of the Matching Fund and Challenge Grant for matching by other donors are not fully met.
- 12.7 Proceeds to GAVI from IFFIm: In 2013, the IFFIm Board enhanced IFFIm's overall risk profile in a manner that will be beneficial to GAVI for the longer term, while postponing proceeds to GAVI in the near-term. No further such adjustments are currently anticipated that would affect the resources available to GAVI. Any new pledges to IFFIm would increase the proceeds to GAVI in 2016-2020.

⁴ The Replenishment Ask for 2016-2020 includes a provision of US\$ 0.5 billion for such strategic investments in priority areas.

- 12.8 Because almost no contributions have yet been pledged for 2016-2020, the forecast for those years relies heavily on the assumption that direct contributions will be maintained at no less than their 2012-2014 average level (see paragraph 8.1). Direct contributions received for 2013 at US\$ 1.3 billion exceed that level.

Risk mitigation

- 12.9 Should the net effect of risk factors materially impact the forecast, the following are important measures towards mitigating that risk:
- (a) The Cash and Investments Reserve, equivalent to eight months' future expenditure, provides a cushion for adverse fluctuations in resources and expenditures.
 - (b) For each year, a surplus is forecast after meeting the needs of Existing Programmes, which is available towards funding Expected Future Requests for programme funding. When, in the future, such requests are considered for funding, endorsement can be declined or deferred in the light of resource availability as foreseen at that time.

13. Conclusions

- 13.1 Expenditure for all Existing Programmes is fully covered by Qualifying Resources through 2019 as is required by the Programme Funding Policy.
- 13.2 Additional resources will be required to fully fund the demand that is forecast from Expected Future Requests. This will be assessed whenever funding decisions are considered.

Section C: Programme Expenditure Report

14. This section informs the Board of:
- (a) Programme disbursements through 30 April 2014 by year since 2010, including forecast amounts for 2014 and 2015, and impact indicators for each year (Figure 10).
 - (b) Amounts endorsed for programme budgets since the inception of GAVI, and the amounts disbursed for these programmes, through 30 April 2014. (This is included in response to requests at the November 2013 Board meeting.)
 - (c) Utilisation of the Board-approved Programme Funding Envelopes through 30 April 2014.

15. Programme disbursements by year

- 15.1 Figure 5 below provides a summary of programme disbursements made, or forecast to be made, in each year from 2010 through 2015. This is complemented by impact indicator data.
- 15.2 For 2013, a comparison is made with the estimates provided to the Board in December 2012 and November 2013.

15.3 To provide context to the 2014 estimates, the actual disbursement amounts for 2011, 2012 and 2013 are expressed as a percentage of the original forecasts for those years that were provided to the Board immediately prior to the start of each year.

Figure 5: Programme Disbursements, by year

| 2010 | US\$ millions | 2011 | | 2012 | | Full Year 2013 | | | | | Full Year 2014 - Estimate | | | Jan-Apr 2014 | | 2015 | 2011-15 |
|------|---|------------|--------------|-------------------------------|-------------------------------|-----------------------|--------------|------------------------|-------------------------------|------------------------|---------------------------|------------|------------------------|-----------------|-----------------|------|---------|
| | | Actual | Actual | Estimate to Board in Dec 2012 | Estimate to Board in Nov 2013 | Change since Dec 2012 | Actual 2013 | % of Dec 2012 Estimate | Estimate to Board in Nov 2013 | Changes since Nov 2013 | Latest Estimate | Actual YTD | % of Nov 2013 Estimate | Latest Estimate | Latest Estimate | | |
| | | a | b | ADF 6 c | ADF 8 d | e=f-c | f | g=f/c | ADF 8 h | i=j-h | ADF 9 i | k | l=k/h | ADF 9 m | a+b+f+i+m | | |
| | Vaccine Programmes | | | | | | | | | | | | | | | | |
| 429 | Pentavalent | 295 | 356 | 362 | 331 | (72) | 290 | 80% | 389 | (32) | 357 | 53 | 14% | 410 | 1,708 | | |
| 146 | Pneumococcal | 354 | 396 | 644 | 457 | (173) | 471 | 73% | 610 | (33) | 577 | 122 | 20% | 664 | 2,461 | | |
| 9 | Rotavirus | 11 | 136 | 163 | 149 | (67) | 96 | 59% | 6 | 79 | 85 | 41 | 688% | 43 | 372 | | |
| 0 | Measles-Rubella | 0 | 4 | 65 | 74 | (8) | 57 | 88% | 56 | 9 | 65 | 23 | 41% | 42 | 167 | | |
| 0 | Measles SIA (vaccine only) | 0 | 3 | 16 | 30 | 13 | 29 | 180% | 3 | 3 | 6 | 1 | 20% | 11 | 48 | | |
| 1 | Measles - 2nd dose | 1 | 5 | 5 | 7 | 3 | 8 | 156% | 5 | (1) | 4 | 0 | 8% | 8 | 25 | | |
| 35 | Meningitis A | 21 | 39 | 49 | 53 | (21) | 28 | 58% | 44 | 13 | 57 | 2 | 5% | 56 | 201 | | |
| 33 | Yellow Fever | 17 | 12 | 120 | 48 | (93) | 27 | 22% | 48 | (7) | 41 | 8 | 16% | 40 | 136 | | |
| 0 | Human Papillomavirus | 0 | 0 | 0 | 2 | 3 | 3 | 1604% | 7 | 3 | 10 | 3 | 39% | 25 | 39 | | |
| 0 | Japanese Encephalitis | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 4 | (3) | 1 | 0 | 0% | 3 | 5 | | |
| 0 | Cholera | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 9 | (0) | 9 | 0 | 0% | 17 | 26 | | |
| (4) | All other | 1 | (0) | 1 | 0 | (1) | (0) | -2% | 0 | 0 | 0 | (0) | 0% | 0 | 1 | | |
| 649 | Vaccine Programmes* | 700 | 951 | 1,424 | 1,150 | (416) | 1,008 | 71% | 1,181 | 30 | 1,211 | 252 | 21% | 1,320 | 5,189 | | |
| 96 | Cash-based Programmes | 68 | 118 | 392 | 389 | (15) | 377 | 96% | 394 | (98) | 296 | 64 | 16% | 363 | 1,222 | | |
| 745 | Total Programmes | 768 | 1,069 | 1,816 | 1,539 | (432) | 1,385 | 76% | 1,575 | (69) | 1,506 | 316 | 20% | 1,683 | 6,411 | | |
| | % of original forecast for ye: | 66% | 73% | | | | | 76% | | | | | | | | | |
| | % of original forecast for 2014 (in Nov 2013) | | | | | | | | [100%] | -4% | 96% | 20% | | | | | |

* Includes country programmes and investment cases

Impact Indicators

The indicator data are compiled by programme year and hence do not directly correspond to the cash flow amounts (above) for a particular year.

| | 2011 | 2012 | 2013* | 2014* | 2015* | Total |
|-----------------------------|------|------|-------|-------|-------|-------|
| Persons Immunised (million) | 92 | 112 | 206 | 297 | 270 | 977 |
| Deaths Averted (million) | 0.5 | 0.6 | 0.9 | 1 | 1 | 4 |

*The impact indicator values for years after 2012 are projections based on Strategic Demand Forecast version 9.

The indicator of Persons Immunised shown here captures the total number of complete series administered with a GAVI supported vaccine, rather than the unique number of individuals reached with a GAVI supported vaccine, since the former more closely corresponds to the monetary values shown above by capturing the scale-up of the number of vaccines included within the GAVI portfolio. The corresponding results for GAVI mission indicator 3 are shown on the GAVI website along with the full definition of each indicator: <http://www.gavi.org/alliance/results/goal-level-indicators/>. It is projected that between 2011 and the end of 2013 GAVI supported vaccines will have reached 145 million unique children, placing GAVI on track to meet the 2011-2015 target of 243 million.

2013, full year

15.4 The original financial forecast for 2013 as presented to the Board in December 2012 estimated programme disbursements at US\$ 1.8 billion. This was subsequently updated during 2013 to US\$ 1.5 billion with actual disbursements coming in at US\$ 1.4 billion. The reduction US\$ 0.4 billion versus the original forecast arises principally from underspends in GAVI’s vaccines programmes, as follows:

- (a) Pentavalent: US\$ (72) million versus original forecast. Major driver - delayed rollout of vaccine programme in India to 2014, approximately US\$ 25 million.
- (b) Pneumococcal: US\$ (173) million versus original forecast resulting from delays in introductions due to country readiness and supply constraints.

(c) Rotavirus: US\$ (67) million versus original forecast resulting from delays in introductions due to country readiness, supply constraints and a postponement of a in a key supplier payment forecasted for December 2013 into 2014 as requested by UNICEF.

(d) Yellow Fever: US\$ (93) million versus original forecast resulting from updated assumptions on the forecast for the Yellow Fever Investment Case and timing of disbursements for the Yellow Fever Campaigns for Nigeria and Sudan.

2014, January through April

15.5 The current financial forecast (version 9.0Fb) estimates programme disbursements in 2014 at US\$ 1.5 billion which is US\$ 69 million less than that estimated presented to the November 2013 Board.

15.6 In the first four months of 2014, GAVI has disbursed US\$ 316 million in support of country programmes. This compares with US\$ 173 million and US\$ 405 million in the first four months of 2012 and 2013 respectively, and represents 20% of the currently estimated amount for all of 2014.

16. Amounts endorsed and disbursed since GAVI inception

16.1 Since inception in 2000 through to April 2014, the Board has endorsed programme budgets totaling US\$ 9.3 billion (covering programmes years 2000 to 2019) of which US\$ 7.6 billion is for years through 2014. As at the end of April 2014, GAVI had disbursed US\$ 6.8 billion representing 89% of the endorsed programmes through 2014. Of the programmes endorsed through the end of 2014, a further US\$ 0.9 billion (11%) is still to be disbursed. This is summarised in Figure 6 below and details by programme are provided in Annex 1, Figure 3.

Figure 6: Amounts endorsed and disbursed since GAVI inception

| US\$ million | Endorsed to Date | | Disbursed To Date | |
|--|------------------|---------------------|-------------------|------------|
| | Total 2000-19 | For years thru 2014 | (Apr 2014) | |
| Vaccines | | | | |
| Penta | 3,075 | 2,741 | 2,547 | 33% |
| Pneumo | 2,254 | 1,549 | 1,358 | 18% |
| Rotavirus | 346 | 216 | 192 | 3% |
| All Other vaccines | 892 | 766 | 691 | 9% |
| Subtotal | 6,567 | 5,272 | 4,788 | 63% |
| Cash Support | 1,907 | 1,687 | 1,338 | 18% |
| Investment cases (Vaccine + Op costs) | 790 | 684 | 640 | 8% |
| Total Programmes | 9,264 | 7,643 | 6,767 | 89% |
| | | 100% | 89% | |

17. Utilisation of Programme Funding Envelopes

17.1 The Board has approved programme funding envelopes from which the Secretariat can allot funding to programmes, as follows:

- (a) In July 2012 the Board approved an envelope of US\$ 7.4 million of budget amounts to be endorsed for HPV demonstration projects for the year 2013.
- (b) In December 2012 the Board approved an envelope for 2013 of US\$ 615 million for multi-year budget amounts to be endorsed for new cash programmes, the extension and adjustment of existing programmes, and (exceptionally) a measles campaign in Ethiopia.
- (c) In November 2013 the Board approved an envelope for 2014 of US\$ 709 million for multi-year budget amounts to be endorsed for new cash programmes, HPV demonstration projects and the extension and adjustment of existing programmes.

17.2 The utilisation to date of these funding envelopes is shown in Figure 7 below.

Figure 7: Programme Funding Envelope utilisation
For 2013 (full year) and for 2014 (through 30 April 2014)

| Programme year basis Endorsed budget amounts, US\$ million | Envelopes for 2013 (approved Dec 2012) | | | Envelope for 2014 (approved Nov 2013) | | |
|--|---|------------------|-------------|--|------------------|------------|
| | Envelope amount | Allotted to date | % Allotted | Envelope amount | Allotted to date | % Allotted |
| | | 31.12.13 | | | 30.04.14 | |
| <u>New Programmes & extensions to existing programmes</u> | | | | | | |
| a) New cash programmes | 606 | 379 | 63% | 460 | 175 | 38% |
| b) New vaccine campaign (Ethiopia) | 14 | 4 | 32% | | | |
| c) Envelope for HPV demo Projects | 7 | 6 | 74% | 7 | 5 | 75% |
| d) Extensions of existing vaccine programmes | 120 | 47 | 39% | 442 | | 0% |
| | 747 | 436 | 58% | 909 | 181 | 20% |
| <u>Adjustments to existing programmes</u> | | | | | | |
| e) Adjustments to existing programmes | -125 | -523 | 418% | -200 | 44 | -22% |
| Total - Envelope for 2013 and 2014 | 622 | -87 | -14% | 709 | 224 | 32% |

18. Programme Funding Envelopes for 2013

18.1 Through 31 December 2013, US\$ 436 million had been allotted to new programmes and extensions to existing programmes. However significant adjustments downwards to existing programmes amounting to US\$ 523 million resulted in net utilisation of this envelope amounted to -US\$ 87 million. The table (Figure 7) highlights how these funds have been allotted. With regard to each component of the envelope:

- (a) US\$ 606 million was estimated for the endorsement of new cash programmes as and when recommended by the IRC. US\$ 379 million was allotted including US\$ 107 million for India.

- (b) US\$ 14 million was estimated for the vaccine component of a new measles SIA in Ethiopia subject to its approval by the New Proposals IRC in February 2013. The amount finally approved was US\$ 4.5 million for vaccines, and US\$ 7.6 million for campaign operational costs included within new cash programmes.
- (c) Through 31 December 2013, the Secretariat had allotted US\$ 5.5 million to 10 HPV demonstration projects, based on the recommendations of the Independent Review Committee. These projects were for the following countries: Ghana, Kenya, Lao PDR, Madagascar, Malawi, Mozambique, Niger, Sierra Leone, Tanzania and Zimbabwe.
- (d) US\$ 120 million was estimated (conservatively) for the extension of existing programmes as and when recommended by the Monitoring IRC. As at 31 December 2013, US\$ 47 million of funds had been allotted.
- (e) US\$ (125) million (a net reduction) was estimated for adjustments to existing programme budgets for decisions of the Monitoring IRC, updated implementation assumptions and other operational adjustments. As at 31 December 2013, these totaled a net reduction of US\$ 523 million reflecting updated assumptions regarding country readiness, supply availability and vaccine prices. This reduction is net of an increase of US\$ 72 million for vaccine price and dose volume adjustments (implemented in accordance with the amendment to the Programme Funding Policy approved by the Board in November 2013).

18.2 There is no carry-forward of any unutilised amounts from the annual envelope for one year to the subsequent year.

19. Programme Funding Envelope for 2014

19.1 As illustrated in Figure 7, through 30 April 2014, US\$ 181 million had been allotted to new programmes. Adjustments to existing programmes amounted to US\$ 44 million. With regard to each component of the envelope:

- (a) US\$ 460 million was estimated for the endorsement of new cash programmes as and when recommended through the Grant Application Monitoring and Renewal (GAMR) process. To date, US\$ 175 million (38% of annual amount) has been allotted.
- (b) New Vaccine campaign – Ethiopia: not applicable in 2014.
- (c) Through 30 April 2014, the Secretariat had allotted US\$ 5 million (75% of annual amount) to 10 HPV demonstration projects, based on the recommendations of the Independent Review Committee. These projects were for the following countries: Benin, Burundi, Cameroun, Côte d'Ivoire, Gambia, Liberia, Mali, Senegal, Solomon Islands and Togo.
- (d) US\$ 442 million was estimated for the extension of existing programmes as and when recommended through the GAMR process.
- (e) US\$ (200) million (a net reduction) was estimated for adjustments to existing programme budgets for decisions through the GAMR process, updated

implementation assumptions and other operational adjustments. As at 30 April 2014, these total a net increase of US\$ 44 million reflecting updated assumptions for implementation and operational adjustments. Consistent with prior years, it is anticipated that net reductions will materialise from the recommendations through the GAMR process in the second half of 2014.

Section D: Business Plan Expenditure Report

20. 2013 Business Plan budget and actual expenditure

20.1 The report informs the Board GAVI’s business plan expenditure for 2013. An update was provided to the Audit and Finance Committee at its meeting on 17 April 2014.

Figure 8: GAVI Alliance Business Plan Budget – 2013

| US\$ 000 | Budget 2013 | Actual 2013 | Actual vs. budget | % | Activities Postponed to 2014 |
|--|----------------|----------------|-------------------|---------------|------------------------------|
| Staff Costs | 40,613 | 37,758 | (2,855) | -7% | - |
| Other costs | | | | | |
| Outsourced Services | 16,183 | 20,467 | 4,284 | 26% | 1,415 |
| Facility & Office Costs | 10,843 | 10,329 | (514) | -5% | - |
| Travel | 4,034 | 4,739 | 705 | 17% | - |
| Events & Meetings | 4,842 | 2,874 | (1,968) | -41% | - |
| Media Production, Supplies & Other | 481 | 485 | 4 | 1% | - |
| Total Other Costs | 36,383 | 38,894 | 2,511 | 7% | 1,415 |
| Sub-total: Secretariat | 76,996 | 76,652 | (344) | -0.4% | 1,415 |
| Partners: | | | | | |
| WHO | 51,035 | 51,035 | (0) | 0% | - |
| UNICEF - Supply Division | 16,000 | 16,000 | - | 0% | - |
| UNICEF - Programme Division | 14,850 | 14,850 | 0 | 0% | - |
| PATH VI TAC | 6,846 | 5,327 | (1,519) | -22% | - |
| GAVI CSO constituency (CRS) | 1,710 | 2,302 | 592 | 35% | - |
| Envelope for implementation activities | 4,000 | 977 | (3,023) | -76% | 3,023 |
| Sub-total: Partners | 94,441 | 90,490 | (3,951) | -4.2% | 3,023 |
| Impact assessments | | | | | |
| PATH "Special Studies" | 4,115 | 4,753 | 638 | 16% | - |
| VI TAC Studies | 686 | 929 | 243 | 35% | - |
| Pneumo ADIP / HiB Initiative India | 1,000 | 1,461 | 461 | 46% | - |
| Envelope for impact assessments | 5,026 | 196 | (4,830) | -96% | 1,492 |
| Sub-total: Impact assessments | 10,827 | 7,339 | (3,488) | -32.2% | 1,492 |
| Total Operational expenses | 182,264 | 174,482 | (7,782) | -4.3% | 5,930 |
| % of 2013 budget | 100% | 96% | | | 3% |

- 20.2 Figure 8 summarises the utilisation of the 2013 Business Plan budget. GAVI spent US\$ 174.5 million in 2013 against an approved business plan budget of US\$ 182.3 million reflecting a 96% utilisation and an under spend of US\$ 7.8 million, 4%. Of the US\$ 7.8 million that was not spent in 2013, up to US\$ 5.9 million is likely to be spent in 2014, to complete activities undertaken within the Secretariat or assigned to Alliance partners.
- 20.3 The net budget underspend of US\$ 7.8 million results from:
- (a) US\$ 0.3 million net underspend from the Secretariat budget, which is the net result of savings in some areas that are partially offset by expenditures above budget in other areas. There are approximately \$1.4 million of activities postponed to 2014.
 - (b) US\$ 4.0 million net underspend across the Partner budgets, including US\$ 3.0 million from the Envelope for Implementation Activities.
 - (c) US\$ 3.5 million net underspend on Impact Assessments, comprised of an under spend of US\$ 4.8 million on Envelope for Impact Assessments and overspends on the other impact assessment activities of US\$ 1.3 million.
- 20.4 GAVI will seek to manage the expenditures associated with these postponed activities within its 2014 budget of US\$ 217.9 million and not ask for a budget carry-forward at this time. In the event that such cannot be achieved, an appropriate budget carry-forward will be requested later in 2014 to the Audit and Finance Committee.

Section E: Implications

21. Impact on countries

- 21.1 The visibility on resource availability will enable countries to advance their immunisation plans with greater confidence.

22. Impact on GAVI Stakeholders

- 22.1 Visibility on GAVI resource needs in future years enables stakeholders to plan for their contribution to meeting those needs.

23. Impact on Secretariat

- 23.1 None

24. Legal and governance implications

- 24.1 There are no legal or governance implications.

25. Consultation

- 25.1 The Strategic Demand Forecast is produced by GAVI's Market Shaping Team in collaboration with Vaccine Implementation and partner agencies represented on the SDF sub team and vaccine-specific sub teams of the Vaccine Implementation

Management Team (VIMT). It is reviewed and endorsed by the Head of Market Shaping and the VIMT.

25.2 An earlier version of this paper was reviewed by and discussed with the Audit and Finance Committee at its meeting on 17 April 2014.

26. Gender implications

26.1 None.

Annex 1: Additional figures

Annex 1, Figure 1: Projected expenditure to meet demand - detail

| Expenditure estimate 2011-2015 | Existing Programmes | | Estimate for future demand | Total | | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------------------|---------------------|--------------------------|----------------------------|-----------------|-------------|------------|--------------|--------------|--------------|--------------|
| | Endorsed | Provision for Extensions | | | | | | | | |
| Cash flow basis, US\$ million | | | | | | | | | | |
| Programmes: | | | | | | | | | | |
| Penta | 1,623 | 86 | - | 1,708 | 27% | 295 | 356 | 290 | 357 | 410 |
| Pneumo | 2,154 | 297 | 10 | 2,461 | 38% | 354 | 396 | 471 | 577 | 664 |
| Rota | 316 | 22 | 34 | 372 | 6% | 11 | 136 | 96 | 85 | 43 |
| Measles-Rubella | 122 | - | 45 | 167 | 3% | - | 4 | 57 | 65 | 42 |
| Measles SIA | 36 | - | 12 | 48 | 1% | - | 3 | 29 | 6 | 11 |
| HPV - routine & demo | 29 | 1 | 10 | 39 | 1% | - | - | 3 | 10 | 25 |
| Typhoid | - | - | - | - | | - | - | - | - | - |
| Other vaccines | 328 | 6 | 59 | 393 | 6% | 40 | 56 | 62 | 111 | 124 |
| Total Vaccine Programmes | 4,608 | 411 | 170 | 5,189 | 81% | 700 | 951 | 1,008 | 1,211 | 1,320 |
| Health systems strengthening | 565 | - | 5 | 570 | | 44 | 52 | 119 | 150 | 204 |
| Campaign operational costs | 247 | - | 69 | 316 | | 8 | 29 | 107 | 97 | 75 |
| Vaccine introduction grants | 76 | - | 27 | 103 | | 6 | 15 | 28 | 21 | 33 |
| Measles SIA operational costs | 59 | - | 24 | 83 | | - | - | 58 | 1 | 24 |
| All other cash (ISS, CSO, HPV etc) | 146 | - | 3 | 149 | | 11 | 22 | 64 | 26 | 27 |
| Total Cash-based Programmes | 1,093 | - | 128 | 1,221 | 19% | 68 | 118 | 377 | 296 | 363 |
| Total Programmes | 5,701 | 411 | 299 | 6,411 | 100% | 768 | 1,069 | 1,385 | 1,506 | 1,683 |
| Business Plan | 665 | 205 | - | 871 | | 125 | 139 | 194 | 207 | 205 |
| Total Expenditure | 6,367 | 617 | 299 | 7,282 | | 893 | 1,208 | 1,579 | 1,713 | 1,888 |
| 2011-2015 | \$7.0 bn | | \$0.3 bn | \$7.3 bn | | | | | | |

| Expenditure estimate 2016-2020 (tentative) | Existing Programmes | | Estimate for future demand | Total | | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------------|--------------------------|----------------------------|-----------------|-------------|--------------|--------------|--------------|--------------|--------------|
| | Endorsed | Provision for Extensions | | | | | | | | |
| Cash flow basis, US\$ million | | | | | | | | | | |
| Programmes: | | | | | | | | | | |
| Penta | 36 | 1,258 | - | 1,294 | 16% | 287 | 267 | 258 | 246 | 236 |
| Pneumo | 58 | 2,634 | 96 | 2,789 | 35% | 561 | 649 | 609 | 495 | 474 |
| Rota | 31 | 471 | 453 | 955 | 12% | 157 | 176 | 198 | 210 | 213 |
| Measles-Rubella | 0 | - | 300 | 300 | 4% | 84 | 131 | 79 | 6 | - |
| Measles SIA | 0 | - | 1 | 2 | 0% | 1 | 0 | - | - | - |
| HPV - routine | 12 | 37 | 298 | 347 | 4% | 36 | 48 | 72 | 89 | 103 |
| Typhoid | - | - | 241 | 241 | 3% | - | 23 | 70 | 68 | 81 |
| Other vaccines | 184 | 98 | 273 | 556 | 7.0% | 123 | 138 | 134 | 86 | 76 |
| Total Vaccine Programmes | 322 | 4,498 | 1,663 | 6,484 | 81% | 1,251 | 1,431 | 1,420 | 1,200 | 1,182 |
| Health systems strengthening | 302 | - | 587 | 888 | | 203 | 159 | 160 | 200 | 165 |
| Campaign operational costs | 42 | - | 396 | 438 | | 72 | 163 | 141 | 38 | 25 |
| Vaccine introduction grants | 1 | - | 144 | 145 | | 30 | 43 | 35 | 22 | 16 |
| Measles SIA operational costs | - | - | 2 | 2 | | 2 | - | - | - | - |
| All other cash (ISS, CSO, HPV etc) | 20 | - | 3 | 23 | | 11 | 11 | 1 | 0 | - |
| Total Cash-based Programmes | 365 | - | 1,131 | 1,496 | 19% | 317 | 376 | 337 | 260 | 205 |
| Total Programmes | 687 | 4,498 | 2,794 | 7,980 | 100% | 1,568 | 1,808 | 1,757 | 1,460 | 1,387 |
| Business Plan | | 1,056 | - | 1,056 | | 204 | 208 | 212 | 214 | 218 |
| Total Expenditure | 687 | 5,555 | 2,794 | 9,036 | | 1,772 | 2,016 | 1,968 | 1,674 | 1,606 |
| 2016-2020 | \$6.2 bn | | \$2.8 bn | \$9.0 bn | | | | | | |

Total 2011-2020

\$16.3 bn

Note:

Projected cash flows above are presented on a cash flow basis and hence take into account adjustments for procurement lead times as well as specific supplier payment terms (e.g. Pneumococcal firm order commitment and Rotavirus specific payment schedule)

Health System Strengthening estimates for the 2016-2020 period reflect estimates to maintain to the same proportion of overall cash programme support as in 2011-2015.

Annex 1, Figure 2: Updated forecast, with bridge from previous forecast

The table below provides detail of the amounts summarised in Figure 2 and Figure 3

| Cash flow basis US\$ millions | | 2011-2015 | | | 2016-2020 | | | | |
|---|--|----------------|---------------------|-----------------|-------------------|----------------|---------------------|-----------------|-------------------|
| | | Nov 2013 Board | Change in estimates | June 2014 Board | | Nov 2013 Board | Change in estimates | June 2014 Board | |
| A | Expenditure to meet demand | | | | | | | | |
| | Existing Programmes | 5,891 | 221 | 6,112 | | 4,925 | 261 | 5,186 | |
| | Business Plan | 878 | (7) | 871 | | 1,056 | 0 | 1,056 | |
| | Existing Programmes & Business Plan | 6,769 | 215 | 6,983 | \$7.0 bn | 5,981 | 261 | 6,242 | \$6.2 bn |
| | Expected Future Requests (for existing portfolio) | 793 | (494) | 299 | \$0.3 bn | 2,955 | (161) | 2,794 | \$2.8 bn |
| Potential funding of a malaria vaccine | 0 | 0 | 0 | \$0.0 bn | 287 | (287) | 0 | \$0.0 bn | |
| Total Expenditure Outflows | | 7,561 | (279) | 7,282 | \$7.3 bn | 9,222 | (186) | 9,036 | \$9.0 bn |
| | | \$7.6 bn | (\$0.3 bn) | \$7.3 bn | | \$9.2 bn | (\$0.2 bn) | \$9.0 bn | |
| B | Resources Available | | | | | | | | |
| | Direct contributions - confirmed | 5,058 | 79 | 5,137 | | 41 | 32 | 73 | |
| | IFFIm proceeds | 1,170 | (420) | 750 | | 550 | 480 | 1,030 | |
| | AMC proceeds | 983 | 24 | 1,007 | | 426 | (10) | 416 | |
| | Investment income | 165 | 9 | 174 | | 160 | 0 | 160 | |
| | Total inflows | 7,376 | (308) | 7,068 | | 1,176 | 503 | 1,679 | |
| | Drawdown of cash & investments | (17) | 76 | 59 | | 26 | 85 | 111 | |
| Assured Resources | 7,359 | (232) | 7,127 | \$7.1 bn | 1,202 | 587 | 1,789 | \$1.8 bn | |
| Allowance for further direct contributions* | 116 | 37 | 153 | \$0.2 bn | 5,556 | 115 | 5,671 | \$5.7 bn | |
| Qualifying Resource Inflows | 7,475 | (195) | 7,280 | \$7.3 bn | 6,758 | 703 | 7,461 | \$7.5 bn | |
| | | \$7.5 bn | (\$0.2 bn) | \$7.3 bn | | \$6.8 bn | \$0.7 bn | \$7.5 bn | |
| B-A | Surplus / (Additional required) | (86) | 84 | (2) | (\$0.0 bn) | (2,464) | 889 | (1,575) | (\$1.6 bn) |
| | | (\$0.1 bn) | \$0.1 bn | (\$0.0 bn) | | (\$2.5 bn) | \$0.9 bn | (\$1.6 bn) | |
| | Surplus after existing progs. & new requests | 698 | | 293 | \$0.3 bn | 766 | | 1,205 | \$1.2 bn |
| | Expected Future Requests (net of AMC funding) | (784) | | (295) | (\$0.3 bn) | (2,942) | | (2,780) | (\$2.8 bn) |
| | Additional required -- for Expected Future Requests | (86) | | (2) | (\$0.0 bn) | (2,176) | | (1,575) | (\$1.6 bn) |
| | Cash Reserve maintained - at end of 2015 / 2020 | | | 1,181 | | | | 1,071 | |
| | Fundraising Need | | | | | | | | |
| | Allowance for further direct contributions (as counted above)* | | | 153 | | | | 5,671 | |
| | Additional required -- for Expected Future Requests (per above) | | | 2 | | | | 1,575 | |
| | Funds yet to be raised | | | 155 | \$0.2 bn | | | 7,246 | \$7.2 bn |
| | Add: Provision for Strategic Investments in priority areas | | | | | | | \$0.5 bn | |
| | Deduct: Allowance for increase in Assured Resources by start of 2016 | | | | | | | (\$0.2 bn) | |
| | Replenishment Ask for 2016-2020 | | | | | | | \$7.5 bn | |

* Conservative allowance for further direct contributions to maintain an overall annual level equivalent to that confirmed for 2012-2014 (\$1.1bn) in subsequent years

Annex 1, Figure 3: Programme amounts endorsed and disbursed since inception

| US\$ million | | Endorsed to Date | | Disbursed To Date (Apr 2014) | Yet to be disbursed | | | |
|----------------------------------|-------------------|------------------|--------------|------------------------------------|---------------------|------------|------------|------------|
| | | Total | For years | | Total | | For years | |
| | | 2000-19 | thru 2014 | | thru 2014 | | thru 2014 | |
| Vaccines | | | | | | | | |
| Penta | | 3,075 | 2,741 | 2,547 | 528 | 17% | 194 | 7% |
| Pneumo | | 2,254 | 1,549 | 1,358 | 897 | 40% | 191 | 12% |
| Rotavirus | | 346 | 216 | 192 | 154 | 44% | 24 | 11% |
| HepB mono | | 164 | 164 | 164 | 0 | 0% | 0 | 0% |
| Hib mono | | 2 | 2 | 2 | 0 | 0% | 0 | 0% |
| HPV | | 34 | 3 | 3 | 32 | 92% | 0 | 3% |
| HPV Demo | | 7 | 4 | 3 | 3 | 53% | 1 | 27% |
| Measles | | 28 | 16 | 17 | 11 | 39% | -1 | -4% |
| Measles SIA | | 33 | 33 | 32 | 1 | 2% | 0 | 1% |
| Measles-Rubella | | 106 | 106 | 84 | 22 | 20% | 22 | 20% |
| Meningitis A - campaign | | 140 | 129 | 89 | 51 | 37% | 41 | 31% |
| Tetra DTP-HepB | | 159 | 159 | 159 | 0 | 0% | 0 | 0% |
| Tetra DTP-Hib | | 20 | 20 | 20 | 0 | 0% | 0 | 0% |
| Yellow Fever | | 116 | 107 | 107 | 9 | 8% | 0 | 0% |
| Yellow Fever - campaign | | 83 | 23 | 11 | 72 | 87% | 12 | 51% |
| Subtotal | | 6,567 | 5,272 | 4,788 | 1,779 | 27% | 484 | 9% |
| Cash Support | | | | | | | | |
| HSS | | 991 | 815 | 586 | 405 | 41% | 229 | 28% |
| INS | | 114 | 114 | 108 | 6 | 5% | 6 | 5% |
| ISS | | 362 | 362 | 341 | 22 | 6% | 21 | 6% |
| CSO Type A | | 0 | 0 | 1 | -1 | | -1 | |
| CSO Type B | | 29 | 29 | 26 | 3 | 12% | 3 | 12% |
| HPV Demo - cash support | | 4 | 3 | 2 | 2 | 55% | 1 | 44% |
| Measles SIA - Operational costs | | 59 | 59 | 58 | 1 | 2% | 1 | 1% |
| Meningitis A - operational costs | | 118 | 108 | 68 | 49 | 42% | 40 | 37% |
| MR - Operational costs | | 92 | 92 | 60 | 32 | 35% | 32 | 35% |
| YF - Operational costs | | 42 | 14 | 14 | 28 | 67% | 0 | 0% |
| Vaccine Introduction Grant | | 96 | 91 | 75 | 21 | 22% | 16 | 17% |
| Product Switch Grant | | 0 | 0 | 0 | 0 | 0% | 0 | 0% |
| Subtotal | | 1,907 | 1,687 | 1,338 | 569 | 30% | 348 | 21% |
| Total Country Programmes | | 8,474 | 6,959 | 6,126 | 2,348 | 28% | 833 | 12% |
| Investment Cases | | | | | | | | |
| Measles | Vaccines | 60 | 60 | 60 | 0 | 0% | 0 | 0% |
| | Operational costs | 116 | 116 | 116 | 0 | 0% | 0 | 0% |
| Meningitis | Vaccines | 60 | 60 | 49 | 11 | 19% | 11 | 19% |
| | Operational costs | 28 | 28 | 24 | 4 | 15% | 4 | 15% |
| MNT | Vaccines | 16 | 16 | 16 | 0 | 1% | 0 | 1% |
| | Operational costs | 45 | 45 | 45 | 0 | 0% | 0 | 0% |
| Polio | Vaccines | 143 | 143 | 143 | 0 | 0% | 0 | 0% |
| | Operational costs | 48 | 48 | 48 | 0 | 0% | 0 | 0% |
| Yellow Fever | Vaccines | 123 | 123 | 106 | 18 | 14% | 18 | 14% |
| | Operational costs | 34 | 34 | 33 | 1 | 4% | 1 | 4% |
| Cholera | Vaccines | 115 | 9 | 0 | 115 | 100% | 9 | 100% |
| Total Investment Cases | | 790 | 684 | 640 | 149 | 19% | 43 | 6% |
| Total Programmes | | 9,264 | 7,643 | 6,767 | 2,497 | 27% | 876 | 11% |

Annex 2: Coverage of future programme funding decisions (for information only)

No programme funding decisions are being requested at the June 2014 Board meeting. The detail below is always provided whenever a funding decision is being requested, and is included in this paper for information only.

- 1.1 The GAVI Programme Funding Policy requires that:
 - (a) As a prerequisite to the approval or endorsement of any new programmes, an amount of Qualifying Resources shall be set aside to fully cover all commitments arising in the period from the start of the then current year through the next two calendar years (the Defined Period), currently 2014-16; and
 - (b) The Secretariat shall also provide the Board with a projection of commitments arising and Qualifying Resources in the three years subsequent to the Defined Period, so that the Board can take into account the longer-term implications when considering the funding of new programmes, currently 2017-19.
- 1.2 Hence, a rolling six-year view is required. Figure 4 below provides a year-by-year view of the cash outflows to meet the needs of Existing Programmes and Expected Future Requests, and the resource inflows to meet those needs, highlighting the two 3-year periods relevant to the Programme Funding Policy, currently: 2014-16 and 2017-19.
- 1.3 In 2014 and the two subsequent calendar years (i.e. 2015-16), the Defined Period for which full coverage of needs is a prerequisite:
 - (a) The needs of all Existing Programmes (i.e. already endorsed), including provision for their extension (where relevant) through 2020, are forecast to be fully covered.
 - (b) The estimated demand from Expected Future Requests for programme funding that is anticipated to be endorsed in the years through 2016, would require an additional US\$ 466 million to be raised to be fully covered.
- 1.4 In the three following years (i.e. 2017-19), for which the longer term implications should be considered:
 - (a) The needs of all Existing Programmes including provision for their extension (where relevant) through 2019, are forecast to be fully covered.
 - (b) In order to support the entirety of demand from Expected Future Requests anticipated to be endorsed in the years through 2019, additional resources of US\$ 1,388 million (beyond the resources currently forecast) would be required to meet their cash flow needs during 2018-19.
 - (c) Whenever new programmes are considered for endorsement, an updated forecast is provided to provide visibility on their longer-term implications. Accordingly, endorsement of future programmes can be declined or deferred in the light of resource availability at that time.

1.5 In addition to the foregoing, a cash and investments reserve equivalent to eight months' future expenditure is maintained.

Figure 4: Cash flows by year

| Cash flow basis | | US\$ millions | | | | | | | | | | 2011-15 | 2016-20 | 2011-20 | | |
|--|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|--------------|----------------|----------------|----------|------------|
| | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | | | |
| A | | | | | | | | | | | | | | | | |
| Existing Programmes & Business Plan | | 893 | 1,208 | 1,579 | 1,665 | 1,638 | 1,384 | 1,369 | 1,287 | 1,147 | 1,056 | 6,983 | 6,242 | 13,225 | | |
| Future programmes | | | | | 48 | 251 | 388 | 646 | 682 | 528 | 550 | 299 | 2,794 | 3,093 | | |
| Total Expenditure to meet demand | | 893 | 1,208 | 1,579 | 1,713 | 1,888 | 1,772 | 2,016 | 1,968 | 1,674 | 1,606 | 7,282 | 9,036 | 16,318 | | |
| | | | | | | | | | | | | \$7.3 bn | 100% | \$9.0 bn | 100% | \$16.3 bn |
| Assured Resources | | 893 | 1,862 | 1,634 | 1,477 | 1,261 | 223 | 450 | 555 | 293 | 268 | 7,127 | 1,789 | 8,916 | | |
| Allowance for further contributions * | | | | | | 153 | 1,084 | 1,140 | 1,149 | 1,149 | | 153 | 5,671 | 5,824 | | |
| Qualifying Resources available | | 893 | 1,862 | 1,634 | 1,477 | 1,415 | 1,307 | 1,591 | 1,704 | 1,442 | 1,417 | 7,280 | 7,461 | 14,741 | | |
| | | | | | | | | | | | | \$7.3 bn | 100% | \$7.5 bn | 100% | \$14.7 bn |
| B-A | | | | | | | | | | | | | | | | |
| For year: | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) FOR YEAR | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2011-15 | 2016-20 | 2011-20 | | |
| Surplus after existing programmes | | | 654 | 55 | (190) | (226) | (79) | 215 | 412 | 295 | 361 | 293 | 1,205 | 1,498 | | |
| minus: Future programmes** | | | | | 47 | 248 | 385 | 640 | 677 | 527 | 550 | 295 | 2,780 | 3,075 | | |
| (Additional required) for Future Programmes | | | 654 | 55 | (237) | (474) | (465) | (425) | (265) | (232) | (189) | (2) | (1,575) | (1,577) | | |
| | | | | | | | | | | | | (\$0.0 bn) | 0% of A | (\$1.6 bn) | 17% of A | (\$1.6 bn) |
| Cumulative: | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) CUMULATIVE | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2011-20 | | | | |
| Surplus after Existing Programmes | | | 654 | 709 | 519 | 293 | 214 | 429 | 841 | 1,137 | 1,498 | | 1,498 | | | |
| (Additional required) for Future Programmes | | | 654 | 709 | 472 | (2) | (466) | (891) | (1,156) | (1,388) | (1,577) | | (1,577) | | | |
| Key periods for Programme Funding Policy: | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Cash Reserve maintained (minimum) | | 805 | 1,053 | 1,142 | 1,259 | 1,181 | 1,344 | 1,312 | 1,116 | 1,071 | 1,071 | | | | | |

* Conservative allowance for further direct contributions to maintain an overall annual level equivalent to that confirmed for 2012-2014 in subsequent years

** Anticipated demand for currently supported vaccines from Future Programmes not included in the envelope, minus related AMC funding.

Detail of Expenditure and Resources:

| A | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2011-15 | 2016-20 | 2011-20 | | |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|------|-----------|
| Expenditure to meet demand | | | | | | | | | | | | | | | | |
| Existing Programmes | | 768 | 1,069 | 1,385 | 1,459 | 1,432 | 1,180 | 1,161 | 1,075 | 932 | 837 | 6,112 | 5,186 | 11,298 | | |
| Business Plan | | 125 | 139 | 194 | 207 | 205 | 204 | 208 | 212 | 214 | 218 | 871 | 1,056 | 1,927 | | |
| Existing Programmes & Business Plan | | 893 | 1,208 | 1,579 | 1,665 | 1,638 | 1,384 | 1,369 | 1,287 | 1,147 | 1,056 | 6,983 | 6,242 | 13,225 | | |
| Future Programmes - existing portfolio | | | | | 48 | 251 | 388 | 646 | 682 | 528 | 550 | 299 | 2,794 | 3,093 | | |
| Total Expenditure Outflows | | 893 | 1,208 | 1,579 | 1,713 | 1,888 | 1,772 | 2,016 | 1,968 | 1,674 | 1,606 | 7,282 | 9,036 | 16,318 | | |
| | | | | | | | | | | | | \$7.3 bn | 100% | \$9.0 bn | 100% | \$16.3 bn |
| B | | | | | | | | | | | | | | | | |
| Resources Available | | | | | | | | | | | | | | | | |
| Direct contributions - confirmed | | 795 | 912 | 1,308 | 1,176 | 946 | 64 | 9 | | | | 5,137 | 73 | 5,210 | | |
| IFFIm proceeds | | 300 | 100 | 200 | 150 | | 196 | 211 | 206 | 201 | 216 | 750 | 1,030 | 1,780 | | |
| AMC contributions - existing & new request programmes | | 159 | 217 | 190 | 234 | 203 | 90 | 161 | 116 | 14 | 20 | 1,003 | 402 | 1,404 | | |
| AMC contributions - future programmes | | | | | 1 | 3 | 3 | 6 | 5 | 0 | 0 | 4 | 14 | 18 | | |
| Investment income | | 30 | 55 | 26 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 174 | 160 | 334 | | |
| Total inflows | | 1,283 | 1,284 | 1,723 | 1,593 | 1,184 | 386 | 419 | 359 | 248 | 268 | 7,068 | 1,679 | 8,746 | | |
| Drawdown / (increase) of cash & invests | | (390) | 578 | (90) | (117) | 78 | (163) | 32 | 196 | 45 | 0 | 59 | 111 | 170 | | |
| Assured Resources | | 893 | 1,862 | 1,634 | 1,477 | 1,261 | 223 | 450 | 555 | 293 | 268 | 7,127 | 1,789 | 8,916 | | |
| Allowance for further contributions * | | | | | | 153 | 1,084 | 1,140 | 1,149 | 1,149 | | 153 | 5,671 | 5,824 | | |
| Qualifying Resource Inflows | | 893 | 1,862 | 1,634 | 1,477 | 1,415 | 1,307 | 1,591 | 1,704 | 1,442 | 1,417 | 7,280 | 7,461 | 14,741 | | |
| | | | | | | | | | | | | \$7.3 bn | 100% | \$7.5 bn | 100% | \$14.7 bn |