

SUBJECT: AMC RESOURCE MOBILISATION

Agenda item: 09

Category: For Information

Section A: Introduction and summary

This paper presents the strategy for the Gavi COVAX AMC replenishment. In doing so, it presents the fundraising status to date following the launch of the COVAX AMC at the Global Vaccine Summit in June 2020. With the prospect of COVID-19 vaccines being available in implementing countries early next year, it highlights the need for immediate financing to accelerate and secure doses of the vaccines to tackle the acute phase of the pandemic in the 92 AMC eligible economies (see Annex A), protecting the most vulnerable and helping to restart the world economy. Finally, it lays out the plan for the replenishment, including the narrative, the funding scenarios, and the campaign.

Section A : The hope for equitable access for AMC 92 economies

- 1.1 The COVID-19 pandemic has had a devastating impact: at least 50 million people worldwide have been infected, with 1.5 million deaths, and the pandemic accelerating in many countries. The world economy will shrink by nearly USD 6 trillion this year alone, with negative growth in 150 countries, including in sub-Saharan Africa for the first time in quarter of a century. 1.6 billion students have missed school because of the pandemic, and 150 million people will be pushed into extreme poverty by 2021.
- 1.2 To fast track a global solution, under the umbrella of Access to COVID-19 Tools (ACT) Accelerator, Gavi, the Vaccine Alliance has created the COVAX Facility and the Gavi COVAX AMC with our CEPI (Coalition for Epidemic Preparedness Innovations) and WHO partners with one central goal: to get effective, safe COVID-19 vaccines to all participants regardless of wealth on the same urgent timeline.
- 1.3 The Gavi Covax AMC has been set up as an innovative finance mechanism to frontload financing of procurement of at least 1 billion vaccine doses for lower income countries in record time. It draws upon Gavi's experience of rolling out increasing numbers of vaccines and reaching more people and children over the years: >800m through routine immunisation, and >1bn people through campaigns, mainly against diseases of epidemic potential. In addition, Gavi and its partners have increasingly expanded and strengthened the health systems infrastructure to roll out vaccines. Most importantly Gavi's unique experience in innovative financing, market shaping and procurement at scale of vaccines and cold chains can be key

assets in accelerating the response to COVID-19. In particular, the COVAX AMC draws upon the lessons of the Pneumococcal (PCV) AMC Pilot, established in 2009, which accelerated access to Pneumococcal vaccines to children in lower income settings. Thanks to the PCV AMC, for the first time a vaccine was made available in lower income countries the same year as in higher income economies. The PCV AMC has been instrumental in reducing the impact of pneumococcal disease in children, building a sustainable supply side market, and at a progressively affordable price for implementing countries over the past decade. Building from this experience, the Gavi COVAX AMC (“the AMC”) will further rely on the expertise and complementarity of the various partners: CEPI, WHO, the World Bank, civil society and the broader alliance operating the COVAX Facility.

- 1.4 With the required funds, the AMC replenishment represents a unique opportunity to achieve equitable global access to vaccines. The AMC can in record time help by 2021 to achieve the following outcomes (a) **protect** health care workers and the most vulnerable populations by initially funding doses that are dedicated for these populations. The aim will be to immunise 500 million to one billion people – depending upon vaccine characteristics and available funding – across the eligible economies; (b) **prevent** disease; (c) **prosper** by helping governments to lift restrictions and restart the world economy.
- 1.5 The AMC is shaping the vaccine market by investing early in a broad portfolio of vaccine candidates, mitigating the risk of vaccine failure, and creating extra manufacturing capacity for the benefit of lower income countries. It is using the market power of almost 190 countries in the COVAX Facility representing 90% of the world's population to achieve terms that would otherwise be unavailable to countries.
- 1.6 Three candidate vaccines have now reported high levels of efficacy in results from their phase 3 clinical trials and are in the process of applying for emergency use authorisation. Gavi is assembling a vaccine portfolio for the Facility and the AMC as set out in Doc 08, and discussions are ongoing to ensure that this COVAX Facility Portfolio is as broad as possible, including by drawing upon CEPI’s candidates. The first doses from the portfolio will be available for AMC participants soon after doses from most pre-paid bilateral agreements. A second wave of results and expedited approvals is expected for several vaccines in the first half of 2021.
- 1.7 AMC grant funding is intended to: (a) accelerate the availability and use of safe and effective vaccines in the world's most vulnerable places ensuring that immunisation is not delayed and takes place in 2021 (b) reserve immediately enough doses for lower income countries to ensure the building of capacity for equitable access of COVID vaccines at the same time as the rest of the world (c) pay at least for the first 1 billion doses of approved vaccines to be distributed to countries on an equitable basis and at no cost with an aspiration of reaching 20% population coverage.
- 1.8 Immediate grant funding is critical for each of these uses as it will allow the AMC to place orders for vaccines immediately and before other sources of

financing can be drawn down (e.g. from Multilateral Development Banks). Were countries to wait until other sources of financing are available, early doses will already be wholly reserved through bilateral deals. Without paying for the cost of the first 1 billion doses, many lower income countries will wait 3-4 years to receive vaccines.¹ Gavi is able to secure doses with the current AMC funding but to complete their purchase, the AMC needs to secure a rapid increase in pledges, signed grant agreements, and payments from donors.

- 1.9 In some cases, final agreements will require an upfront payment to manufacturers to enable required investments in advance of the vaccine candidates' licensure and approval. Gavi is aiming to keep these advance payments to a maximum of 10% of the expected total cost of procuring all AMC doses (the "value at risk"), without prejudicing Gavi's ability to enter into deals to reach 1 billion doses. Because vaccine candidates are proceeding well through trials and based on the deals signed or close to signing, the current anticipated value at risk is coming in at substantially less than 10%.
- 1.10 In addition to the cost of procuring of doses, the following costs are envisaged to be covered by the AMC:
 - a) A COVAX Buffer. As set out in Doc 08, this would ensure access to vaccines for high-risk² populations in humanitarian settings that are not covered in national vaccine deployment plans, and provide a contingency provision for emergency release of doses to help tackle the most severe clusters of mortality where normal vaccine allocation timelines may be too slow. 5% of AMC funding would be reserved for doses to be deployed via the Buffer. Doses will be progressively financed through the AMC as its funding increases, with the final number depending on dose availability, estimations of need, and fundraising success.
 - b) A no-fault compensation scheme. This will address a key barrier to supplying vaccines to lower income economies during the pandemic. As manufacturers cannot get the usual insurance for their products in the context of the pandemic, manufacturers are requiring economies receiving their COVID-19 vaccines to indemnify them for the losses they may incur as a result of the deployment and use of their vaccines. As most AMC92 countries do not have financial support if their citizens develop adverse reactions to vaccines, and to mitigate the anticipated financial risk that this creates for the AMC92, a mechanism is being established to ensure that recipients of AMC vaccines who suffer serious adverse events associated with these vaccines or their administration can receive fair no fault lump-sum compensation in full and final settlement of any claims. This would be administered by WHO and

¹ Based upon BMGF internal analysis

² As per SAGE recommendations: World Health Organization. [WHO SAGE Roadmap for Prioritizing Uses of Covid-19 Vaccines in the Context of Limited Supply](#).

funded by a levy of US\$ 0.10 per dose. When the scheme is wound up, any unused funds would be returned to the AMC.

- c) Operational costs for the AMC. These will in future be included in Gavi's Core Finance and budgets but for 2021 are estimated to be US\$ 16.5 million, which provide budgets for the Office of the Facility costs linked to AMC92 engagement, procurement costs and the AMC replenishment process.

Uses of funding

1.11 With the recent positive news on various vaccines trial results and efficacy, 2021 has the potential to be a turning point in providing access to COVID-19 vaccines to the world and in particular to AMC92 economies **if the AMC is fully funded**. Within an overall aspiration of reaching 20 percent coverage, the key drivers of expenditures are ultimately (a) the choice of the vaccines that may ultimately be efficacious and approved; (b) the timing of regulatory approval of the vaccines which drives partly the composition of the vaccine portfolio among lower and higher priced vaccines (c) the price of the vaccine(s) that will eventually be approved (d) the manufacturing yield of the vaccines and the improvement in this over time (e) the volumes of doses that can be reserved in advance and are needed.

Figure 1: Illustrative resource mobilisation scenarios

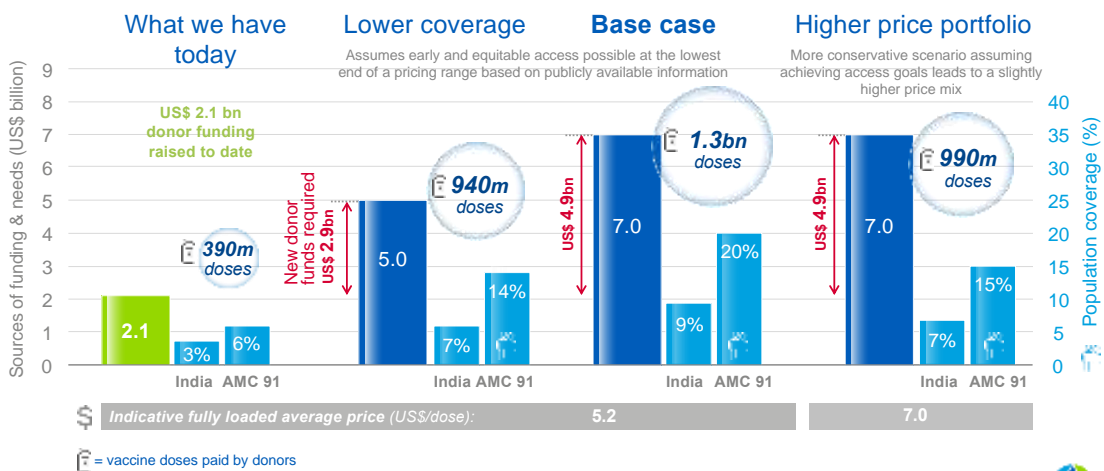


Table 1: Illustrative resource mobilisation scenarios

	Today	Scenario 1 ("Lower coverage")	Scenario 2 ("Base case")	Scenario 3 ("Higher price")
Scenario description	• \$2.1 billion donor funding raised to date	• Assumes early and equitable access possible at the lowest end of a pricing range based on publicly available information		• Assumes achieving access goals requires a slightly higher price mix
Sources of funding				
Existing donor funds (\$m)		2,100		
New donor funds required (\$m)	-	2,900		4,900
Total available (\$m)	2,100	5,000		7,000
Uses of funding				
Average fully loaded price (\$/dose)	5.2	5.2	5.2	7.0
Doses paid by donors (m)	390	940	1,320	990
Buffer (million doses)	20	50	70	50
India				
Doses (m)	70	180	250	190
Coverage	3%	7%	9%	7%
Other 91 AMC countries				
Doses (m)	300	720	1,000	750
Coverage	6%	14%	20%	15%
Compensation fund (\$m)	40	90	130	100

Assumptions:

- 5% of doses held in buffer
- 20% share of donor funded doses go to India
- Compensation fund based on \$0.10 per dose
- 2 dose regimen
- Operating expenses of \$16m
- Device, diluant, freight and procurement costs from manufacturers to country included in loading assumptions

- 1.12 Based on the scenarios in Figure 1 and Table 1 above and taking into account the uncertainty around vaccine efficacy and portfolio mix, the total funding requirement that is likely to ensure that vaccines are available to AMC 92 countries as soon as they receive regulatory approval is **US\$ 7 billion equivalent to an ask of an additional US\$ 4.9 billion** (scenario 2). This scenario assumes a diverse portfolio with a range of price points, weighted towards lower priced vaccines (with an indicative average fully loaded price of US\$ 5.2/dose). This is the only scenario that would allow the AMC to provide **20 percent coverage in 91 countries**.
- 1.13 The **low scenario** (scenario 1), in which the AMC succeeds in mobilising an additional **US\$ 2.9 billion for a total of US\$ 5 billion**, would represent a major failure to achieve COVAX's goal. Under current best available fully loaded average pricing forecasts, barely two-thirds of the 20% coverage target in low and lower-middle countries would be achieved. Even a major (and almost certainly unrealistic) effort by AMC eligible economies to provide additional funding themselves for a further 5% of the population would leave the COVAX short of the goal.
- 1.14 If the indicative fully loaded average price is higher at US\$ 7/dose (scenario 3), for example because higher priced vaccines become available sooner, coverage will also undershoot the 20% aspiration.
- 1.15 In addition to procurement under the AMC, Gavi has contributed US\$ 150 million in catalytic technical assistance and cold chain support. The Alliance is coordinating with other donors, especially the multilateral development banks, to help countries secure these resources. However, some AMC countries may not have access to alternative funding, and this may pose a risk to successful vaccine roll-out, especially in poor and fragile settings. The Secretariat therefore proposes to set aside an additional US\$ 150 million that could be used in exceptional circumstances to cover critical gaps that cannot be funded from other sources. While the total amount required is uncertain, this envelope would be adequate to cover the needs of countries which have already been identified as potentially not

having access to other sources of financing, as well as those facing challenges of fragility. The Secretariat will include this in its ongoing fundraising efforts (subject to the Board's approval of the decision in Doc 08) and define a transparent process with clear criteria for access to this support.

Sources of funding

- 1.16 On the resources side, the first phase of fundraising of the AMC provides an initial base of "assured resources" of US\$ 2.1 billion including proceeds from new International Finance Facility for Immunisation (IFFIm) pledges. Under scenario 2, at least US\$ 7 billion would require an additional US\$ 4.9 billion in new funding that could be met with a combination of three main instruments: (a) IFFIm pledges, (b) direct sovereign contributions and (c) private sector contributions.
- 1.17 An opportunity to secure new IFFIm pledges as part of the AMC replenishment would offer the flexibility for interested donors to make long-term pledges and spread budgetary contributions while IFFIm's ability to frontload can put Gavi in a strong position to immediately engage with COVID-19 vaccine manufacturers and roll out promising new vaccines that could come to the market. IFFIm is a uniquely powerful tool that engages the international capital markets and investor community in the context of a pandemic where upfront investment to control the disease and restart the global economy provides significant returns.
- 1.18 IFFIm provides a powerful instrument to respond to pandemic financing needs. Gavi has already benefitted from a US\$ 500 million bond issuance by IFFIm in October which was three times oversubscribed. An IFFIm envelope of US\$ 1.5 billion in proceeds in 2021 could be achieved if 10 donors were to contribute each US\$ 20 million a year over the period 2021-2030. These figures are for illustration but provide an example of what is feasible. As with direct funding, the bulk of pledges will be required early in 2021 to secure doses for delivery to countries in 2021.
- 1.19 In addition to leveraging our innovative finance instruments and tailored instruments to frontload resources needed immediately and to cater to various budgetary requirements of our growing donor base, Gavi's funding strategy will focus on (a) maintaining the leadership and contributions of the core top donors (b) deepening and broadening the group of new and critical donor champions (c) further expanding the base of sovereign and private investors and (d) countries wishing to expand coverage beyond (or up to in scenario 1) 20 percent aspiration contributing to cost-sharing.
- 1.20 Finally, Gavi is engaging with countries that have made bilateral deals to open the possibility for these economies to transfer doses that they have purchased but exceed their need to be provided to the AMC in order to maximize opportunities for support. These doses would need to be available soon to tackle the acute phase of the pandemic, and the AMC participants would need to agree to the principle of donations.

Cost sharing

- 1.21 Gavi usually works with countries through a co-financing approach to promote country ownership and financial sustainability of routine immunisation programmes. Once more is known about effective COVID-19 vaccine strategies, for example if it will be routinised, Gavi's will apply its normal co-financing policies to its engagement with countries for COVID-19 vaccine support. However, given the urgency of the pandemic, the fiscal pressures facing countries, and the high degree of uncertainty, Gavi is proposing an exceptional 'cost sharing' approach. The Gavi Board confirmed this approach at its meeting in September.
- 1.22 Through this cost-sharing approach, countries will have an opportunity to complement and build on the essential foundation built by the early, donor funded doses if they wish to achieve a higher population coverage of an additional 4-5%. Fully subsidised donor-funded doses will be provided to the AMC92 until donor resources have been fully deployed. Participants will then have the opportunity to allocate additional funds to receive further doses from the Facility.³
- 1.23 Participants can use financing from the World Bank and regional development banks such as the European Investment Bank, the Asian Development Bank and the Inter-American Development Bank, to support these cost-sharing contributions, and it is expected that a group of participants will do so. Gavi and UNICEF co-hosted an "IFI Roundtable" on December 3rd with the participation of 8 MDBs where the banks indicated their willingness to cooperate and proposed steps to align more closely to ensure the most extensive support is possible to countries. The World Bank has announced that US\$ 12 billion of IDA and IBRD credits will be made available to countries to contribute towards increased vaccine coverage. This funding is expected to be made available at the country's request once vaccines have received regulatory approval and so will complement, rather than substitute for, the grant donor funding required to establish the AMC. Within their country allocation, countries will need to consider their alternative uses and terms of financing. Of the 92 AMC countries, 52 are eligible to borrow on standard IDA terms, 38 of which including either a 50% or 100% grant component under the IDA Debt Sustainability Analysis, a further 18 are eligible for slightly harder IDA Blend terms, while 16 can borrow on IBRD terms and 6 are either ineligible to borrow or currently inactive.
- 1.24 The World Bank funds are also available for country applications for delivery support to complement Gavi funding for delivery. The preparations for the vaccine delivery workstream include all key partners including the World Bank. Gavi is working closely with Multilateral Development Banks (MDBs) to ensure there is alignment between the parameters of MDB financing and

³ Note that under current assumptions and in all of the resource mobilisation scenarios presented, the amount of cost-sharing funds needed to reach 20% AMC91 population coverage, when calculated on a per-dose basis (i.e. as a contribution per dose on the total number of donor-funded + cost-shared doses received to reach 20% coverage), will not exceed the range of up to \$1.60-\$2 per dose in cost-sharing approved by the Board.

the COVAX Facility. There will need to continue to be close collaboration between Gavi and the MDBs to have joined up, smooth and efficient processes.

Figure 2: Illustrative sources of funding including cost sharing

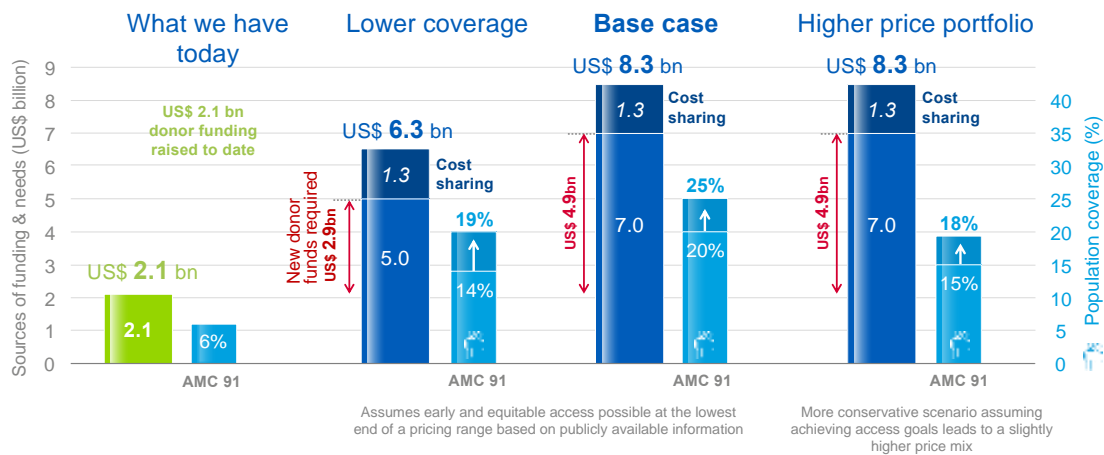


Table 2: Illustrative sources of funding including cost sharing

	Today	Scenario 1 ("Lower coverage")	Scenario 2 ("Base case")	Scenario 3 ("Higher price")
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Sources of funding				
Existing donor funds (\$m)		2,100		
New donor funds required	-	2,900		4,900
Cost sharing	-	1,300		1,300
Total available	2,100	6,300		8,300
Coverage increase with cost sharing (AMC 91 countries)		14% → 19%	20% → 25%	15% → 18%

Mobilising the private sector and new mechanisms

- 1.25 As a public-private partnership, Gavi values the impact that private sector investors can make with the AMC. Already, in just six months, more than US\$ 75 million has been mobilised from corporations and philanthropies, excluding the Bill & Melinda Gates Foundation. Gavi intends to continue to grow significant support to the AMC from non-sovereign donors. Gavi is engaging strategically with those private sector partners with the resource, expertise, and innovations that can support not only the deployment of the COVAX AMC but also the wider immunisation system, leveraging investments made by Gavi and partners to build back stronger and put in place mechanisms that can be activated in the future.
- 1.26 Three avenues will be pursued: (i) a broad collaboration on private sector mobilisation with Global Citizen and the International Chamber of Commerce, under the aegis of ACT-A; (ii) a significant outreach to Gavi’s network of private sector partners to continue to ramp up their direct mobilisation; and (iii) building on innovative mechanisms such as the Gavi Matching Fund, where possible, to create additional incentives to crowd in

private sector funding. Collectively, pursuing these three avenues is expected to secure between US\$ 150-300 million in funding.

- 1.27 The AMC term extends to ten years. Fundraising requirements beyond 2021 will be developed based upon the emerging picture of vaccine characteristics including duration of protection, epidemiology, the market for vaccines, and country demand, with a target date for reaching first agreement on the requirements by June 2021.

Section B : The Gavi COVAX AMC Replenishment Campaign

1. Progress so far

- 1.1 Gavi's fundraising campaign plans have followed a phased approach taking into account the timing of other agencies and coordinating with partners' efforts within ACT-A, including to finance diagnostics and therapeutics.
- 1.2 On 4 May 2020, European Commission President Ursula Von der Leyen hosted a Coronavirus Global Response pledging event. Several donors expressed their support for Gavi to lead on deploying vaccines against COVID-19 in lower income countries. This commitment from the international community was confirmed on 4 June 2020 at the Global Vaccine Summit, hosted by Prime Minister Boris Johnson of the UK. In addition to the replenishment funding, more than US\$ 0.5 billion of additional resources were pledged to fund the newly launched AMC.
- 1.3 From June to November 2020, Gavi worked closely with its public and private donors and civil society partners to achieve additional commitments to accelerate and secure doses with vaccine manufacturers. In particular, Gavi was able to build momentum and support for the AMC in key international forums, notably the G20 under the Saudi Presidency which drove engagement at the highest level starting with the leaders' Summit in March 2020. In September 2020 at the 75th anniversary of the United Nations General Assembly, a high-level event hosted by the UNSG, WHO, the UK and South Africa reaffirmed the world's commitment to ACT-A. In November Gavi's COVAX AMC was one of the 'highlighted projects' at the Paris Peace Forum. These events and the campaign mobilised significant additional commitments, including from donors which have contributed to Gavi for the first time.

2. The Campaign ahead

- 2.1 As we approach the close of 2020, Gavi has successfully reached its initial resource mobilisation milestone of US\$ 2.1 billion worth of commitments from public and private donors in support of the AMC (see Annex B). Now with the potential of vaccines arriving in some countries in the coming weeks and months fundraising efforts must be accelerated to secure the next tranche of funding, with significant new commitments needed in the first half of 2021.

- 2.2 To deal with the world's most pressing challenge we need an intense campaign to achieve our goal of one world, protected. This will begin with the launch of an Investment Opportunity and will require strong engagement by Gavi's existing donors, and outreach to new donors, based upon a partnership with Gavi's many friends and champions. It will depend upon early uptake of the powerful new vaccines by countries, with evidence of early impact.
- 2.3 The new Investment Opportunity document will be launched early in 2021 to underpin the AMC's fundraising efforts and the campaign supporting it. An early opportunity to highlight these efforts will be the World Economic Forum's "The Great Reset" conference, which intends to garner world leaders' commitments towards a more fair, sustainable and resilient future, learning from the current global health crisis. This will mark the beginning of our Phase II campaign, which will last until the summer.
- 2.4 The second phase will be critical as it will run at a time when the first vaccines should be start being made available to countries around the world. There is an immediate need for financing and the campaign will reflect this sense of urgency throughout the first two quarters.
- 2.5 During this next phase, working with the Gavi Board, Gavi's CEO and senior management will further expand and develop discussions with leadership in donor markets and in AMC implementing economies alike, to help build and sustain momentum in favour of the initiative - especially early funding so we can assure doses are available. As part of these efforts, it will be critical for these leaders to leverage their positions and work with their peers in other targeted markets to support additional financing to the AMC.
- 2.6 Gavi will also actively engage with civil society partners globally and in key donor and recipient markets to support and implement strong advocacy plans to meet Gavi's objectives. Working with advocates, we will provide a steady stream of shareable social media and digital content that will also leverage key events and milestones throughout the first part of 2021. We will also work closely with global and market-level influencers and campaign organizations to raise awareness on the plight of COVID-19 and alert political decision-makers on the need to urgently support the AMC.
- 2.7 As the UK and Italy will take over the G7 and G20 presidencies in 2021, Gavi will engage closely with the hosts and participants of the two Summits. We will also continue our close work with the European Commission, building on our past collaboration at the successful events held on 4 May and 27 June this year in support of the global response to COVID-19.
- 2.8 The UK has announced that it plans to use its G7 Presidency in 2021 to drive a five-point plan for global health security. Gavi's mission and work on COVAX aligns well with this plan. Just as there was a new focus on Global Health Security at the Munich Security Conference in 2020, so that forum will provide a key opportunity to maintain the focus on immunisation as a vital tool. Italian Prime Minister Giuseppe Conte and European Commission President Ursula von der Leyen have announced that a Global Health

Summit will be held on 21 May 2021 as part of Italy's G20 Presidency. We will build on the engagement of the G7 and G20 Heads of States and senior government officials who spoke at the Global Vaccine Summit to seek further support for the AMC and facilitate outreach.

- 2.9 While pledges to AMC would be expected to be announced earlier in 2021, the Phase II campaign will culminate in the second quarter with a pledging conference, co-hosted by one or several countries actively involved in the COVAX Facility and the AMC.
- 2.10 This exceptional meeting will be a critical moment to focus international leadership's attention on the issue, take stock of progress so far, and agree a positive vision on the next steps. The meeting will integrate the latest vaccine discoveries and understanding of the pandemic. It will also be a pledging opportunity for countries that have been unable to make commitments prior to this date. The moment will also provide a platform to welcome private sector and philanthropic donor pledges in support of Gavi's efforts with the pandemic.
- 2.11 In June, Gavi will enter Phase III of its fundraising efforts, and adjust its plans after taking stock of the results achieved with Phase II. Throughout this process, Gavi will ensure close coordination with the ACT-A platform. Gavi is already working with other agencies and partners involved in ACT-A to organize regular information exchange in some markets and is committed to participate in similar meetings organised by sister agencies for other geographies. It will be important that asks made to governments be clear, consistent, and mutually reinforcing, rather than competitive or overlapping.
- 2.12 Gavi will also continue to ramp up its public communications activities, not only to ensure decision makers at various levels are sensitised to the need for timely funding to support the initiative but also to support our advocacy and Alliance partners in their efforts. As part of the strategy, Gavi will continue to engage with key journalists and media outlets in targeted markets. In addition, to raise the profile of the AMC, we will use a variety of communications approaches, from publishing compelling digital content across multiple channels to enlisting influential champions to extend its public reach, including in AMC eligible countries.

Section C : Risk management

- 1.1 As Gavi and partners move with unprecedented speed to change the course of the COVID-19 pandemic, there are several risks that they will strive to mitigate. It will be exceptionally challenging, given the economic difficulties all countries are facing, to raise the large sums of AMC money required. Furthermore, these difficulties could intensify if the continued pandemic induces deeper recession and financial crisis. But this risk needs to be mitigated, at least to a significant extent, by making the powerful case that widespread and successful vaccination is in fact the primary and most

efficient pathway to return to economic normality and restart broad-based economic recovery.

- 1.2 The risk that no COVID-19 vaccine proves successful has now passed, although there are still risks that individual vaccine candidates or their manufacturing/scale up will fail, further constraining supply in the short term. The Facility mitigates this risk by assembling a portfolio of vaccine candidates based upon a diverse range of technology, with active management of the portfolio (see Doc 08).
- 1.3 As per the Gavi Board decision at its meeting in July 2020, Gavi is the legal entity administering the AMC, although AMC Participants will take title to the vaccines once delivered to port of entry. This means that the Alliance will ultimately be assuming the financial risk exposure of obligations entered into through Advance Purchase Agreements (APA). Gavi therefore needs to have regard to available cash, signed donor commitments, and expected funding when any APA is signed.
- 1.4 As part of its overall risk management Gavi has engaged Citi as its financial adviser in connection with risk mitigation and execution strategies for the COVAX Facility and AMC. As part of its role, Citi will assist in designing a risk management framework that allows for efficiency, control, transparency, and risk mitigation for the Facility. For the Facility, this is anticipated to include advising and assisting in developing: an appropriate financial governance model and risk metrics; a liquidity risk management strategy; and a strategy for mitigating operational risk.

Annexes

Annex A: AMC eligible economies

Annex B: Pledges to the Gavi COVAX AMC