

SUBJECT: FINANCIAL FORECAST AND 2015 PROGRAMME FUNDING ENVELOPE APPROVALS

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Agenda item: 09

Category: For Decision

Strategic goal: Alliance operations

Section A: Overview

1. Purpose of the report

- 1.1 This report informs the Gavi Alliance Board (“Board”) of the updated Gavi financial forecast for 2011-2020 (version 10.0Fa), in Section B.
- 1.2 It requests the Board to approve two programme funding envelopes for 2015 to be allotted to individual programmes by the Secretariat, one for Inactivated Polio Vaccine (IPV) programmes; the other for non-IPV programmes, in Section D.
- 1.3 The report also informs the Board of programme expenditure in 2014, in Section E.

2. Recommendations

- 2.1 The GAVI Alliance Board is requested to:

2015 Envelope for “unrestricted” countries

Approve a 2015 Programme Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2015, to:

- i. Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 2,452 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)

- ii. Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2016 for an aggregate amount not exceeding US\$ 1,357 million. (These amounts are a sub-component of endorsed programme budgets.)

2.2 The Board in session without the participation of US citizens and residents is requested to:

2015 Envelope for “restricted” countries

Approve a 2015 Programme Funding Envelope for restricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2015, to:

- i. Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 20 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
- ii. Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2016 for an aggregate amount not exceeding US\$ 10 million. (These amounts are a sub-component of endorsed programme budgets.)

2.3 The Board is requested to:

2014 and 2015 IPV Programme Funding Envelope

Approve, subject to polio-specific additional funds being made available from donors, an IPV Funding Envelope from which the Secretariat shall allot funding to IPV programmes approved in 2014 and 2015 to:

- i. Endorse or adjust previously endorsed amounts of programme multi-year budgets for IPV programmes for an aggregate amount not exceeding US\$ 389 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
- ii. Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed IPV programme budgets for periods ending no later than 31 December 2016 for an aggregate amount not exceeding US\$ 389 million. (These amounts are a subcomponent of endorsed programme budgets.)

- 2.4 To assist the Board in its decision making, the Audit and Finance Committee in November 2014 reviewed the financial implications of the requested decisions and confirmed that they can be approved by the Board in accordance with the Programme Funding Policy.

3. Executive summary

- 3.1 The GAVI financial forecast (see Section B), incorporates the latest demand estimates and funding decisions to date (through 30 September 2014). It also includes a provision for strategic investments to fund priority areas, pending consideration by the Board within the 2016-2020 strategy development process.
- 3.2 Overall expenditure levels forecast for 2011-2015 and 2016-2020 are in line with last forecast, presented to the Board in June 2014. The forecast level of resources reflects amounts pledged to date and an allowance - for programme approval purposes - that direct contributions will continue at their 2012-2014 level in subsequent years. To fully meet expected demand in 2016-2020 that level of resources will need to be exceeded.
- 3.3 The paper requests Board decisions to establish two programme funding envelopes for 2015 (see Section C). The financial implications of these decisions are included within the expenditure estimates in the forecast. The forecast indicates that these decisions can be made in accordance with the Programme Funding Policy.
- 3.4 Additional resources will be needed to fully meet estimated demand anticipated for future programmes (i.e. through new proposals expected in the future for currently supported vaccines) through 2020. The Replenishment process is addressing that need.
- 3.5 The overall financial implications of the updated forecast are summarised in paragraph 5 below. The forecast indicates that the amount of resources being sought through the ongoing Replenishment process for 2016-2020 remains valid, and also that it is crucial that donors complete their pledges for 2015.
- 3.6 Forecast expenditure on Inactivated Polio Vaccine (IPV) and the polio-specific funding to meet this expenditure are presented separately from the main forecast, consistent with the Board decision that expenditure on IPV is subject to polio-specific funds being made available from donors.
- 3.7 Programme disbursements in 2014 are now forecast at US\$ 1.4 billion for the whole year, rather than the US\$ 1.5 billion forecast in June 2014 (see Section D). This reflects updated estimates of country readiness and postponement of some cash grant disbursements pending completion of financial assessments.

4. Risk implication and mitigation

- 4.1 See paragraph 13.

5. Financial implications

2011-2015

- 5.1 Expenditure for all Existing Programmes and the decisions recommended in this paper 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 Additional funding of US\$ 242 million will be required to fully meet estimated demand through 2015 from expected future requests for currently supported vaccines and cash-based programmes. This includes a provision for US\$ 150 million in additional HSS funding in 2015, including towards re-strengthening health systems degraded by the Ebola outbreak. However, this makes no provision for any early investments in 2015 in priority areas resulting from the GAVI strategy for 2016-2020 that was approved by the Board in June 2014. Hence it is essential that donors complete their contributions for 2015.

2016-2020

- 5.3 The current outlook for 2016-2020 estimates expenditure at US\$ 9.5 billion, including a provision of US\$ 0.5 billion for strategic investments in priority areas identified in the GAVI strategy for 2016-2020.
- 5.4 Assured Resources for 2016-2020 currently amount to US\$ 2.2 billion, leaving a further US\$ 7.3 billion yet to be raised for those years. This corresponds with the Replenishment Ask for 2016-2020 of US\$ 7.5 billion, towards which US\$ 0.2 billion has already been pledged.

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 (for the purpose of approving programme funding): 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: The total of direct contributions for 2013 was US\$ 1.3 billion and this is forecast to be US\$ 1.2 billion for 2014.)

- (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

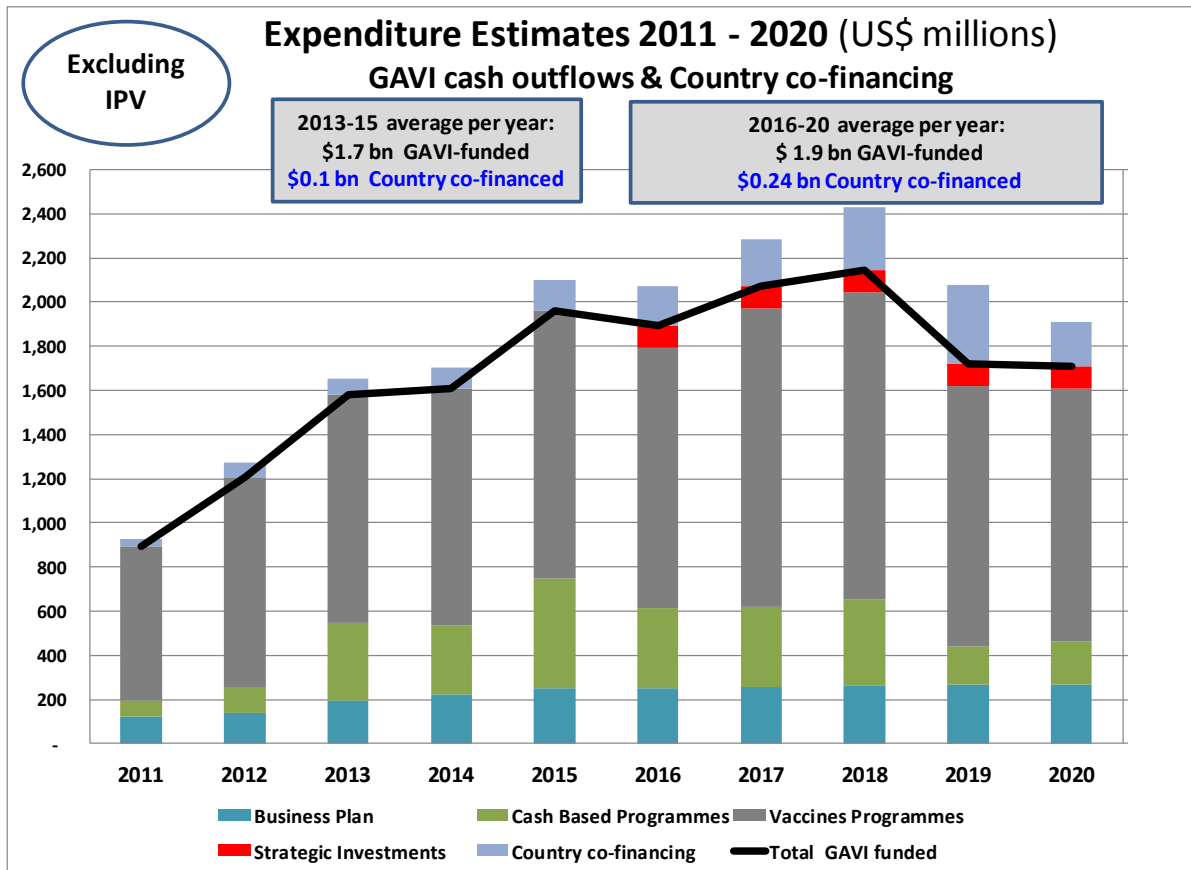
7. Estimates of expenditure to meet country demand through 2020

- 7.1 The expenditure estimates in this forecast (version 10.0Fa¹) are based on the latest Adjusted Strategic Demand Forecast (version 10.0), issued in September 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.
- 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\$ 1.9 billion

¹ Version 10.0Fa of the Financial Forecast was shared with Audit & Finance Committee on 3 November 2014.

per year in the period 2016-2020². This does not include Inactivated Polio Vaccine (see 7.5).

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\$ 0.4 billion. This will increase to US\$ 1.2 billion for 2016-2020. 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 2020).

Inactivated polio vaccine (IPV)

7.5 The forecast of expenditure needs for inactivated polio vaccine (IPV) continues to be held at the original estimate of US\$ 389³ million for vaccine

² After including a provision of US\$ 500 million for strategic investments in 2016-2020 distributed evenly over those years, pending Board consideration of such potential expenditure.

and vaccine introduction grants through 2018. This also corresponds with the IPV-specific contributions pledged by donors, which Gavi expenditure on IPV cannot exceed.

- 7.6 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 (which is given alongside IPV). Furthermore, supply availability of the lower wastage (and thus cheaper) 5-doses presentation is delayed.
- 7.7 As a result of these factors, the overall polio-related activity costs through 2018 may be higher than the US\$ 389 million (for vaccines and introduction grants) 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 of US\$ 389 million; should this not be possible, further consideration by donors and the Board will be necessary. The recommendation in Section 2.3 of this report enables the allocation of funding currently available to programmes approved in 2014 and 2015 and replaces the initial funding envelope for IPV the Board approved at its meeting in November 2013.

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 Further Direct Contributions not yet pledged. The Allowance assumes – solely for the purpose of making programme funding decisions – that the overall level of direct contributions will be maintained at no less than the 2012-2014 level of US\$ 1.1 billion per year in subsequent years (see paragraph 6.1b). The Secretariat expects that this level will be exceeded; direct contributions received in 2013 totaled US\$ 1.3 billion and approximately US\$ 1.2 billion is expected in 2014.
- 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 (57.8%) 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

³ A further US\$ 41 million was included for Business Plan costs, in addition to the US\$ 389 million for vaccine and vaccine introduction grants, bringing the total estimate to US\$ 430 million, for which resources have been pledged.

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. Paragraph 12 provides the details that are always provided whenever funding decisions are requested.

9.2 The evolution of the forecast since the version reviewed by the Board in June 2014 is outlined below, in paragraph 10 for 2011-2016, and paragraph 11 for 2016-2020, while Figure 4 provides an overview of both periods. Further details of the expenditure and resource amounts are provided in Annex 1, Figures 1 & 2.

10. Forecast for 2011-2015

Changes since the last forecast

10.1 The forecast reviewed by the Board in June 2014 for the period 2011 to 2015, indicated that additional resources of US\$ 155 million were needed to be raised to fully meet country demand in 2011-2015. This amount now stands at US\$ 290 million, per the current forecast.

Figure 2: Overview of forecast for 2011-2015

2011-2015		Cash flow basis	US\$ millions	Jun 2014 Board	Change in estimates	Dec 2014 Board		% of A
	Existing Programmes & Business Plan			6,983	(205)	6,778	\$6.8 bn	93%
	Expected Future Requests (for existing portfolio)			299	174	473	\$0.5 bn	7%
A	Total Expenditure			7,282	(31)	7,251	\$7.3 bn	100%
b1	Assured Resources			7,127	(166)	6,961	\$7.0 bn	96%
b2	Allowance for Further Direct Contributions*			153	(105)	48	\$0.0 bn	1%
B	Qualifying Resources			7,280	(272)	7,008	\$7.0 bn	97%
C (A-B)	Surplus / (Additional required)			(2)	(240)	(242)	(\$0.2 bn)	-3%
	Surplus after Existing Programmes					231	\$0.2 bn	
	Expected Future Requests (net of AMC funding)					(473)	(\$0.5 bn)	
= C	Additional required for Expected Future Requests					(242)	(\$0.2 bn)	
	Fundraising Need for 2014-2015							
b2	Allowance for Further Direct Contributions*			153		48		
= C	Additional required			2		242		
D	Funds yet to be raised for 2014-2015			155		290	\$0.3 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 (per Programme Funding Policy)

10.2 Expenditure: Expenditure in 2011-2015 is forecast to total US\$ 7.3 billion (excluding expenditure for IPV which is considered separately in paragraph 7.5). This reflects a reduction of US\$ 181 million on the June 2014 forecast upon updating demand assumptions in light of in-country stock levels in various countries and implementation delays in the Pakistan pneumo programme. The forecast now includes an additional US\$ 150 million provision for additional HSS support in 2015, including

towards re-strengthening health systems degraded by the Ebola outbreak. The net impact is a decrease of US\$ 31 million in forecast expenditure (per row A in Figure 2 above).

- 10.3 Resources: Assured Resources in 2011-2015 have reduced by a net US\$ 166 million (per row b1 of Figure 2) compared to the June 2014 forecast, due mainly to a reduction of US\$ 150 million in the amount of IFFIm proceeds that Gavi expects to request from IFFIm through 2015, thus increasing the IFFIm proceeds available to Gavi in 2016-2020.

Capacity to meet projected demand through 2015

- 10.4 For 2011-2015, expenditure to meet forecast demand is forecast at US\$ 7.3 billion. Qualifying Resources amount to US\$ 7.0 billion, which includes an allowance of US\$ 48 million for extension of pledges through 2015. In addition to that allowance, US\$ 242 million will be required to fully meet estimated demand through 2015, bringing the current fundraising need to US\$ 290 million for 2015 (per row D of Figure 2). Confirmation of pledges for 2015 by donors who have yet to do so would meet this need 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 (excluding expenditure for IPV which is considered separately in paragraph 7.5): The June 2014 forecast estimated expenditure in 2016-2020 at US\$ 9.5 billion, including a US\$ 0.5 billion provision for strategic investments in priority areas⁴ (to be considered by the Board). Total expenditure remains unchanged at US\$ 9.5 billion in the updated forecast. That is after including reductions of US\$ 444 million to programme estimates mainly due to the earlier than previously anticipated graduation of Nigeria, which are offset by provisions of US\$ 200 million for catalytic support to India, and US\$ 236 million to allow for 2% annual growth in the business plan budget.
- 11.2 Resources: Assured Resources has increased by US\$ 422 million, due mainly to the deferral of US\$ 150 million of IFFIm proceeds from 2015 into this period (as mentioned in paragraph 10.3), and new pledges announced. It is anticipated that this will have increased by the start of 2016 by potentially US\$ 50 million as donors complete their pledging for 2015.

Figure 3: Overview of forecast for 2016-2020

⁴ Provision for Strategic Investments in priority areas such as for improving: sustainability of immunisation programmes; coverage and equity; and immunisation systems and integration.

2016-2020 Cash flow basis US\$ millions		Jun 2014 Board	Change in estimates	Dec 2014 Board		% of A
	Existing Programmes & Business Plan	6,242	(8)	6,234	\$6.2 bn	65%
	Expected Future Requests (for existing portfolio)	2,794	16	2,810	\$2.8 bn	29%
	Provision for strategic investments	500		500	\$0.5 bn	5%
A	Total Expenditure	9,536	8	9,544	\$9.5 bn	100%
b1	Assured Resources	1,790	422	2,212	\$2.2 bn	23%
b2	Allowance for Further Direct Contributions*	5,671	(305)	5,366	\$5.4 bn	56%
B	Qualifying Resources	7,461	117	7,578	\$7.6 bn	79%
C (A-B)	Surplus / (Additional required)	(2,075)	108	(1,967)	(\$2.0 bn)	-21%
	Surplus after Existing Programmes			1,331	\$1.3 bn	
	Expected Future Requests (net of AMC funding)			(2,798)	(\$2.8 bn)	
= C	Additional required -- for Expected Future Requests			(1,967)	(\$2.0 bn)	
Fundraising Need for 2016-2020						
= b2	Allowance for Further Direct Contributions*			5,366		
= C	Additional required			1,967		
	Deduct: Anticipated increase in Assured Resources by the start of 2016			(50)		
D	Funds yet to be raised for 2016-2020			7,282	\$7.3 bn	
	Replenishment Ask for 2016-2020			\$7.5 bn		
	Deduct: Raised since launch of Replenishment			(\$0.25 bn)		
	Funds yet to be raised for 2016-2020			\$7.3 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 (per Programme Funding Policy)

Capacity to meet projected demand in 2016-2020

- 11.3 Expenditure to meet country demand is projected at US\$ 9.5 billion for 2016-2020. Of this demand, US\$ 6.2 billion (65%) is expected to come from existing programmes including their extension through 2020, US\$ 2.8 billion (29%) from Expected Future Requests, and US\$ 0.5 billion (5%) is provided for Strategic Investments in priority areas of the Gavi strategy for 2016-2020.
- 11.4 Already assured resources of US\$ 2.2 billion, mainly from IFFIm and AMC, cover 23% of projected expenditure, leaving US\$ 7.3 billion to be raised for 2016-2020. This aligns with the Replenishment Ask of US\$ 7.5 billion in May 2014, towards which US\$ 0.2 billion has already been secured since then.
- 11.5 Because the vast majority of pledges of direct contributions for 2016-2020 have yet to be made (through the replenishment process that will conclude in 2015), the capacity to approve programme funding decisions relies, for now, on the Allowance for Further Direct Contributions of US\$ 5.4 billion (which assumes that direct contributions will be maintained the 2012-2014 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.

Fundraising need for 2016-2020:

11.6 The Replenishment Ask for 2016-2020⁵ remains unchanged at US\$ 7.5 billion as announced in May 2014. Since then, US\$ 0.2 billion has been pledged, leaving a further US\$ 7.3 billion yet to be raised for those years. comprised as follows:

<u>2016-2020</u>	Cash flow basis	US\$ millions	Jun 2014 Board	Change in estimates	Dec 2014 Board	
Expenditure			9,536	8	9,544	
Assured resources			1,790	422	2,212	
Anticipated evolution of 2015 assured resources			200	(150)	50	
Funds yet to be raised for 2016-2020			7,546	(264)	7,282	
Replenishment Ask for 2016-2020					7,536	\$7.5 bn
Deduct: Raised since launch of Replenishment					(254)	(\$0.3 bn)
Funds yet to be raised for 2016-2020					7,282	\$7.3 bn

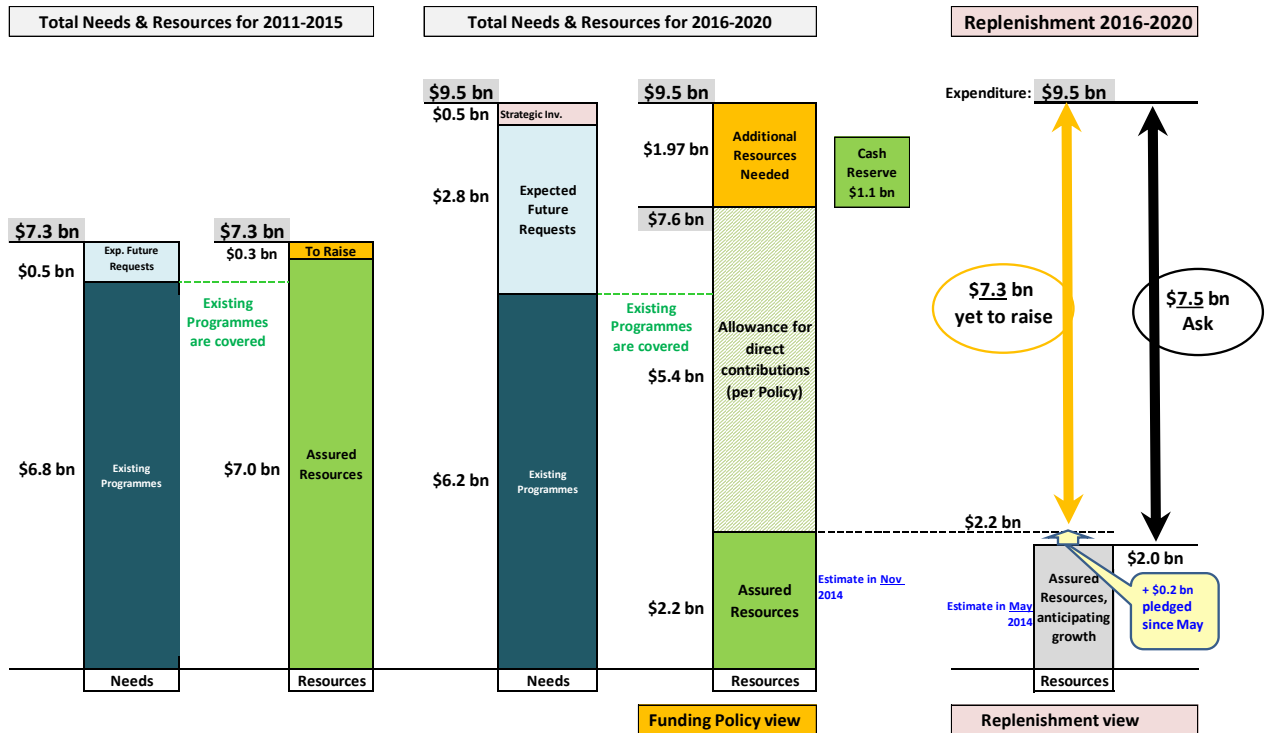
11.7 The remaining fundraising need of US\$ 7.3 billion for 2016-2020 reflects an expectation that Assured Resources will increase by US\$ 50 million⁶ (beyond the US\$ 2.2 billion currently included in the forecast) by the start of 2016.

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.

⁵ As described in “The 2016-2020 GAVI Alliance Investment Opportunity” (May 2014).

⁶ Potential growth of US\$ 200 million in Assured Resources for 2016-2020 was anticipated when formulating the Replenishment Ask in May 2014. It is now expected that US\$ 150 million of that growth can be realised by the deferral of IFFIm proceeds from 2015 to 2016, and this is already incorporated in the current forecast. Further growth of \$50 million remains anticipated by the start of 2016.

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, for the purpose of approving programme funding decisions).

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. Coverage of funding decisions to be made in 2015

12.1 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), 2014-2016; and
- (b) The Secretariat shall also provide the Board with a projection of commitments arising and Qualifying Resources in the three years

- 12.5 In the three following years (i.e. 2016-2018), for which the longer term implications should be considered:
- (a) The needs of all existing programmes and those future programmes included in the programme funding envelope, 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 future programmes anticipated to be endorsed in the years through 2019, additional resources of US\$ 1,960 million (beyond the resources currently forecast) would be required to meet their cash flow needs during 2017-2019.
 - (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.
- 12.6 In addition to the foregoing, a cash reserve equivalent to eight months' future expenditure is maintained.
- 12.7 Accordingly, Programme Funding decisions (for the 2015 envelope) now recommended can be approved in accordance with the Programme Funding Policy

13. Risk implications and mitigation

Factors that may impact the expenditure forecast include:

- 13.1 Adjustments arising from 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. However no reduction has been made in the forecast for 2016-2020 reflecting a prudent approach.
- 13.2 The forecast allows for expected supply availability and country readiness for pneumococcal, rotavirus and yellow fever vaccines in 2014, as currently anticipated.
- 13.3 Expenditure reductions may also be achieved through future vaccine price reductions that cannot yet be counted in the forecast.
- 13.4 The forecast includes a provision of US\$ 0.5 billion 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. As these investments materialise, expenditures may differ from the forecast.
- 13.5 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:

- 13.6 Direct contributions: The resources forecast for 2011-2015 include Direct Contributions in the amount of US\$ 5.3 billion (comprised of US\$ 5.2 billion already confirmed and an allowance of US\$ 48 million for future contributions yet to be confirmed). As of September 2015, US\$ 3.9 billion had already contributed towards the 2011-2015 period. If actual contributions between October 2014 and December 2015 were less than forecast, then for 10% reduction on the overall amount, resources would be reduced by US\$ 0.14 billion. The forecast already conservatively includes a provision of US\$ 50 million 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.
- 13.7 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.
- 13.8 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

- 13.9 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.

14. Conclusions

- 14.1 Expenditure for all Existing Programmes is fully covered by Qualifying Resources through 2019 as is required by the Programme Funding Policy.
- 14.2 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: Request for Programme Funding Envelopes for 2015

15. 2015 Programme Funding Envelope (non-IPV)

- 15.1 In November 2013, the Board approved a Programme Funding Envelope, from which the Secretariat can allot funding for the continuation and adjustment of funding for existing vaccine and cash programmes, and for new cash programmes, during 2014. This envelope will expire at the end of 2014, and hence a new envelope is now proposed for 2015, in accordance with the Programme Funding Policy.
- 15.2 To establish the Programme Funding Envelope for 2015, the Board is now requested to approve an envelope for 2015, from which the Secretariat, in accordance with the Programme Funding Policy, shall allot funding to programmes until 31 December 2015 to:
- (a) Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 2,452 million for unrestricted countries and US\$ 20 million for restricted countries. (In total US\$ 2,472 million, per Figure 6).
 - (b) Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2015 for an aggregate amount not exceeding US\$ 1,357 million for unrestricted countries and US\$ 10 million for restricted countries. (In total US\$ 1,367 million, per Figure 6).
 - (c) The Board is requested to make the decisions that relate to restricted countries in session without the participation of US citizens and residents

Endorsed programme budget amounts

- 15.3 As explained in paragraph 12.3, the cash flows arising from changes to endorsed programme budgets for the envelope amount are included within the expenditure forecast, for which adequate Qualifying Resources exist in conformity with the Programme Funding Policy.
- 15.4 The funding envelope amount of US\$ 2,472 million (see Figure 6) for endorsed programme budgets covers the duration of multi-year plans of individual country programmes and is comprised of estimates for the following components:
- (a) US\$ (200) million (a net reduction) to cover anticipated adjustments to existing programme budgets to reflect decisions of the High Level Review Panel and updated implementation assumptions.
 - (b) US\$ 1,911 million to cover to the extension of existing programmes as and when recommended by the High Level Review Panel.
 - (c) US\$ 758 million to cover the endorsement of new cash programmes as and when recommended by the Independent Review Committee.

(d) US\$ 3 million to cover the endorsement of new HPV demonstration projects as and when recommended by the Independent Review Committee.

Figure 6: The envelope amounts for 2015 (non-IPV)

PROGRAMME FUNDING ENVELOPE 2015 Programme Year basis US\$ millions		Endorsed Programme Budget Amounts											
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Already Endorsed Budgets as at 1 September 2014		629	895	1,317	1,393	1,459	326	75	41	7	0	6,142	
Estimate for changes through end of 2014:													
Adjustments to existing programmes				-8	-17	25	-185	31	7	20		24	-103
Extensions to existing vaccine programmes							75	71	52				198
New Cash Programmes						17	49	40	40	40	29		215
A Already Endorsed Budgets as at 31 December 2014		629	887	1,300	1,435	1,398	468	175	100	36	24	6,452	
Estimates for changes to endorsed amounts during 2015													
(a) Adjustments to existing programmes						-50	-70	-70	-10				-200
(b) Extensions of existing vaccine programmes							5	703	695	325	182		1,911
Total for changes to Existing Programmes						-50	-65	633	685	325	182		1,711
(c) New Cash Programmes							78	264	132	123	102	59	758
(d) New HPV demonstration programmes							1	1	1				3
Total for Future Programmes							79	265	133	123	102	59	761
B 2015 ENVELOPE for changes to endorsed amounts						-50	14	899	817	449	284	59	2,472
Estimated split: Unrestricted countries						-50	9	894	812	444	284	59	2,452
Restricted countries							5	5	5	5			20
A+B Forecast Endorsed budgets at end 2014		629	887	1,300	1,385	1,413	1,367	992	549	320	83	8,924	
2015 ENVELOPE for changes to near-term liabilities (for 2016)													
Unrestricted countries													
Restricted countries													
Timing of cashflows (as shown in Figure 5):													
Changes to Endorsed Budgets, as cash flows						0.2	116.5	776	778	423	250	129	2,472
Existing Programmes							84.2	622	566	295	135	9	1,711
New Programmes (Cash & HPV demo)						0.2	32.2	154	212	128	115	120	761
						2011-2015:	117					2016-2020:	2,355
													2,472

15.5 The main component of the envelope of US\$ 2,472 million for endorsed amounts is US\$ 1,911 million for programme extensions. Gavi's financial forecast estimates that US\$ 4.2 billion (see Annex 1, Figure 1) of vaccine programme extensions will occur during the 2016-2020 period. A significant proportion of these extensions will start in 2016 because their currently endorsed vaccine programme budgets conclude in 2015⁷. These will need to be extended in 2015 based on the subsequent Country Multi-Year Plan, unless the country graduates. The amount of the envelope for programme extensions in 2015 is estimated at US\$ 1,911 million, covering country plans anticipated for 2016-2020. (The corresponding component of the envelope for 2014 is US\$ 442 million, reflecting significantly fewer plans ending in 2014 than in 2015.) The estimate of US\$ 1,911 million assumes that countries will seek extensions for 2 to 5 years starting in 2016, in alignment with country planning cycles. If more countries were to

⁷ The Gavi-endorsed budgets for many of the existing country programmes (including more than 80% of pentavalent, pneumococcal and rotavirus vaccine programmes) will end in 2015, necessitating extensions for years commencing in 2016. The decision to fund these extensions will need to be taken in 2015, based on country multi-year plans to be submitted for consideration by the High Level Review Panel.

seek longer extensions than assumed, the envelope would need to be increased during 2015.

Near-term liability amounts

- 15.6 Gavi establishes a near-term liability on its balance sheet for endorsed programme budgets through the next calendar year. These liabilities are discharged when disbursements are made (for vaccines or in cash).
- 15.7 In 2015, Gavi will recognise as liabilities endorsed programme budgets for 2016. Accordingly, in 2015 it will add to its near-term liabilities amounts endorsed through 2016, for which a liability has not already been established, amounting to US\$ 1,367 million (see Figure 6).

16. 2015 Funding Envelope for IPV

- 16.1 GAVI's funding needs for IPV programmes through 2018 were estimated in 2013 to be US\$ 389 million for vaccines and vaccine introduction grants. That amount was based on cost estimates that form part of the Endgame financial projections against which pledges were received at the April 2013 Global Vaccine Summit. Donors have provided resources to Gavi in that amount, specifically for funding IPV, and Gavi's capacity to fund IPV is limited to that amount. (Donors have also provided US\$ 41 million for Business Plan costs associated with IPV.)
- 16.2 In November 2013, the Board approved an IPV Funding Envelope, from which the Secretariat can allot funding for new IPV programmes during 2014. That envelope will expire at the end of 2014.
- 16.3 The original cost estimate of US\$ 389 million through 2018 assumed that India would not require IPV support from Gavi. Since that needs estimate was established, cost estimates have been revised upwards to address various scenarios and in October 2014 a request for support was received from India that, if acceded to, would further increase the resourcing need. Pending decisions being made on these factors, agreement on updated cost estimates, and any revision to the amount of funding to be made available to Gavi, the original estimates, for which resources have been made available to Gavi, are being maintained.
- 16.4 On that basis, the Secretariat proposes that the 2014 Funding Envelope for IPV be extended to run through the end of 2015, and that the amount of the envelope be increased from the amount of US\$ 231 million at which the envelope was established to US\$ 389 million, being the amount of funding that has to date been made available to Gavi for IPV.

Section D: Programme Expenditure Report for 2014

17. This section informs the Board of:

- (a) Programme disbursements through 30 September 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 September 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 September 2014.

18. Programme disbursements by year

- 18.1 Figure 7 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.
- 18.2 For 2014, a comparison is made with the estimates provided to the Board in November 2013 and June 2014.
- 18.3 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.

2014, January through September

- 18.4 The current financial forecast estimates programme disbursements in 2014 at US\$ 1.4 billion which is US\$ 178 million less than the estimate presented to the Board in November 2013.
- 18.5 In the first nine months of 2014, Gavi has disbursed US\$ 848 million of programme expenditure, representing 61% of the currently estimated amount for all of 2014. This compares with US\$ 929 million disbursed in the corresponding period of 2013. While disbursements for vaccines and HSS were greater (by 14%) in the first nine months of 2014 than in the same period of 2013, disbursements for campaign operational costs and ISS were significantly lower (by 59%) mainly because of fewer campaigns.

Figure 7: Programme Disbursements, by year

2010	US\$ millions	2011	2012	2013	Full Year 2014				Jan-Sep 2014		2015	2011-15
		Actual	Actual	Actual	Estimate to Board in Nov 2013	Estimate to Board in Dec 2014	Change since Nov 13	% of Nov 2013 Estimate	Actual YTD	% of Dec 2014 Estimate	Latest Estimate	Latest Estimate
Actual	Cash flow basis	a	b	c	ADF 8	ADF 10	f (=e-d)	g (=e/d)	h	i (=h/e)	ADF 10	a+b+c+e+j
Vaccine Programmes												
429	Pentavalent	295	356	290	389	315	(74)	81%	158	50%	378	1,634
146	Pneumococcal	354	396	471	610	524	(86)	86%	353	67%	588	2,333
9	Rotavirus	11	136	96	6	36	30	603%	16	43%	56	336
0	Measles-Rubella	0	4	57	56	70	14	125%	55	78%	44	175
0	Measles SIA (vaccine only)	0	3	29	3	6	3	186%	0	7%	10	48
1	Measles - 2nd dose	1	5	8	5	3	(2)	60%	0	7%	7	23
35	Meningitis A	21	39	28	49	63	14	130%	47	75%	41	192
33	Yellow Fever	17	12	27	38	40	2	104%	21	52%	39	134
0	Human Papillomavirus	0	0	3	7	9	2	124%	4	43%	21	33
0	Japanese Encephalitis	0	0	0	0	0	0		0		1	2
0	Cholera	0	0	0	9	9	(0)		0		17	26
(4)	All other	1	(0)	(0)	1	(0)	(1)	-3%	0		0	1
649	Vaccine Programmes*	700	951	1,008	1,172	1,073	(99)	92%	654	61%	1,204	4,936
96	Cash-based Programmes	68	118	377	394	315	(79)	80%	194	62%	507	1,384
745	Total Programmes	768	1,069	1,385	1,566	1,388	(178)	89%	848	61%	1,711	6,320

% of original forecast for year 66% 73% 76%

% of original forecast for 2014 (as forecast in Nov 2013) 89%

54%

94	less: Impact of prepayments	(78)	(99)	19
651	Excluding net prepayments**	690	970	1,404
584	- Country Programmes	680	952	1,370
66	- Investment Cases	10	17	33

53
901
901
0

* Total amounts disbursed (or forecast to be) by Gavi to UNICEF in the year. It includes the impact of prepayments under supplier agreements.

** This is the "Total Programmes" amount after adjustment to exclude the impact of supplier prepayments, when paid and when subsequently credited against vaccine purchases. The amounts for each year are reported as "Disbursements by Year Paid" for Country Programmes and Investment Cases (separately) on www.gavi.org/results/disbursements

19. Utilisation of 2014 Programme Funding Envelopes

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

(a) 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

(b) In November 2013 the Board approved an envelope for 2014 of US\$ 231 million for multi-year budget amounts to be endorsed for IPV programmes (new and the extension and adjustment of existing programmes).

19.2 The utilisation to date of these funding envelopes is shown in Figure 8 below.

Figure 8: Utilisation of 2014 Programme Funding Envelopes

Envelope for 2014 (approved Nov 2013)						
Programme year basis	Envelope amount	Allotted to date	% Allotted	Est. Q4 Allotments	Estimate for year	% Allotted
Endorsed budget amounts, US\$ million						
<u>New Programmes & extensions to existing programmes</u>						
a) New cash programmes	460	248	54%	215	463	101%
b) HPV demonstration projects	7	5	75%	2	7	96%
c) Extensions of existing vaccine programmes	442	104	24%	195	299	68%
	909	357	39%	412	769	85%
<u>Adjustments to existing programmes</u>						
d) Adjustments to existing programmes	-200	-17	8%	-83	-100	50%
Core Programmes Envelope for 2014 (non-IPV)	709	340	48%	329	669	94%
IPV Envelope for 2014	231	160	69%	TBC		

20. Programme Funding Envelope for 2014 (non-IPV)

20.1 As illustrated in Figure 8, from the total envelope amount of \$709 million for 2014 (as estimated in November 2013), US\$ 340 million had been allotted to programmes through 30 September 2014. A further US\$ 329 million is expected to be allotted in Quarter 4, which would bring the total allotted to US\$ 669 million (94% of the envelope amount). With regard to each component of the envelope:

- (a) New cash programmes: An estimate US\$ 460 million was provided in the envelope for the endorsement of new cash programmes as and when recommended through the Grant Application Monitoring and Renewal (GAMR) process. To date, US\$ 248 million (54% of annual amount) has been allotted. It is anticipated that further allotments of US\$ 215 million will occur in the last quarter of 2014, through the endorsement of new cash programmes recommended by the IRC in 2014 (including HSS programmes for DRC, Niger, Madagascar etc.).
- (b) HPV demonstration programmes: Through 30 September 2014, the Secretariat had allotted US\$ 5 million (75% of envelope amount of US\$ 7 million) 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. The remaining US\$ 2 million is likely to be allotted in Quarter 4.
- (c) Extension of vaccine programmes: US\$ 442 million was estimated for the extension of existing programmes as and when recommended through the GAMR process. To date, US\$ 104 million (24% of annual amount) has been allotted. Further allotments of US\$ 195 million are anticipated in Quarter 4, the majority originating from the October 2014 High Level Review Panel meeting.

(d) Adjustments to existing programme: 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. Through 30 September 2014, these total a net decrease of US\$ (17) million reflecting updated assumptions for implementation and operational adjustments. Further net reductions mainly from the recommendations of the October 2014 High Level Review Panel will be made in Quarter 4, to total potentially US\$ (100) million for the year.

21. IPV Programme Funding Envelope for 2014

21.1 As illustrated in Figure 8, through 30 September 2014, US\$ 160 million had been allotted to new IPV programmes including the related Vaccine Introduction Grants (US\$ 31 million), representing 69% of the envelope amount for 2014.

21.2 It is anticipated the majority of the envelope will be allotted by the 31 December 2014.

Section E: Implications

22. Impact on countries

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

23. Impact on Gavi Stakeholders

23.1 Visibility on Gavi resource needs in future years enables stakeholders to plan for their contribution to meeting those needs.

24. Impact on Secretariat

24.1 None

25. Legal and governance implications

25.1 There are no legal or governance implications.

26. Consultation

26.1 The Strategic Demand Forecast (SDF) 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.

26.2 This paper was shared with the Audit and Finance Committee on 3 November 2014.

27. Gender implications

27.1 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	1,559	75	-	1,634	26%	295	356	290	315	378
Pneumo	2,223	108	1	2,333	37%	354	396	471	524	588
Rota	323	0	14	336	5%	11	136	96	36	56
Measles-Rubella	122	-	52	175	3%	-	4	57	70	44
Measles SIA	35	-	12	48	1%	-	3	29	6	10
HPV - routine & demo	26	1	7	33	1%	-	-	3	9	21
Typhoid	-	-	-	-		-	-	-	-	-
Other vaccines	329	4	45	378	6%	40	56	62	114	106
Total Vaccine Programmes	4,618	187	131	4,936	78%	700	951	1,008	1,073	1,204
Health systems strengthening	501	-	261	762		44	52	119	190	357
Campaign operational costs	252	-	43	295		8	29	107	79	72
Vaccine introduction grants	78	-	16	93		6	15	28	20	24
Measles SIA operational costs	63	-	21	84		-	-	58	1	25
All other cash (ISS, CSO, HPV etc)	149	-	1	150		11	22	64	24	29
Total Cash-based Programmes	1,042	-	342	1,384	22%	68	118	377	315	507
Total Programmes	5,660	187	473	6,320	100%	768	1,069	1,385	1,388	1,711
Provision for Strategic Investments										
Business Plan	681	250	-	930		125	139	194	222	250
Total Expenditure	6,341	437	473	7,251		893	1,208	1,579	1,610	1,960
2011-2015	\$6.8 bn		\$0.5 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	42	1,187	-	1,228	16%	280	259	245	229	216
Pneumo	161	2,376	283	2,820	36%	534	665	654	531	438
Rota	49	500	357	907	12%	135	154	191	210	217
Measles-Rubella	0	-	291	291	4%	66	99	112	10	4
Measles SIA	0	-	1	1	0%	1	0	-	-	-
HPV - routine	14	58	295	367	5%	40	59	82	91	96
Typhoid	-	-	136	136	2%	-	-	-	34	103
Other vaccines	177	54	260	491	6.3%	117	112	110	79	72
Total Vaccine Programmes	443	4,175	1,624	6,243	81%	1,173	1,348	1,393	1,183	1,146
Health systems strengthening	261	-	699	960		235	235	200	145	145
Campaign operational costs	41	-	360	401		93	103	148	22	34
Vaccine introduction grants	2	-	122	124		32	23	43	6	20
Measles SIA operational costs	-	-	2	2		2	-	-	-	-
All other cash (ISS, CSO, HPV etc)	20	-	3	23		11	11	1	0	0
Total Cash-based Programmes	324	-	1,186	1,509	19%	373	372	392	174	199
Total Programmes	766	4,175	2,810	7,752	100%	1,546	1,720	1,785	1,357	1,345
Provision for Strategic Investments										
Business Plan		1,292	-	1,292		100	100	100	100	100
Total Expenditure	766	5,468	3,310	9,544		1,895	2,075	2,144	1,721	1,709
2016-2020	\$6.2 bn		\$3.3 bn	\$9.5 bn						

Total 2011-2020

\$16.8 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

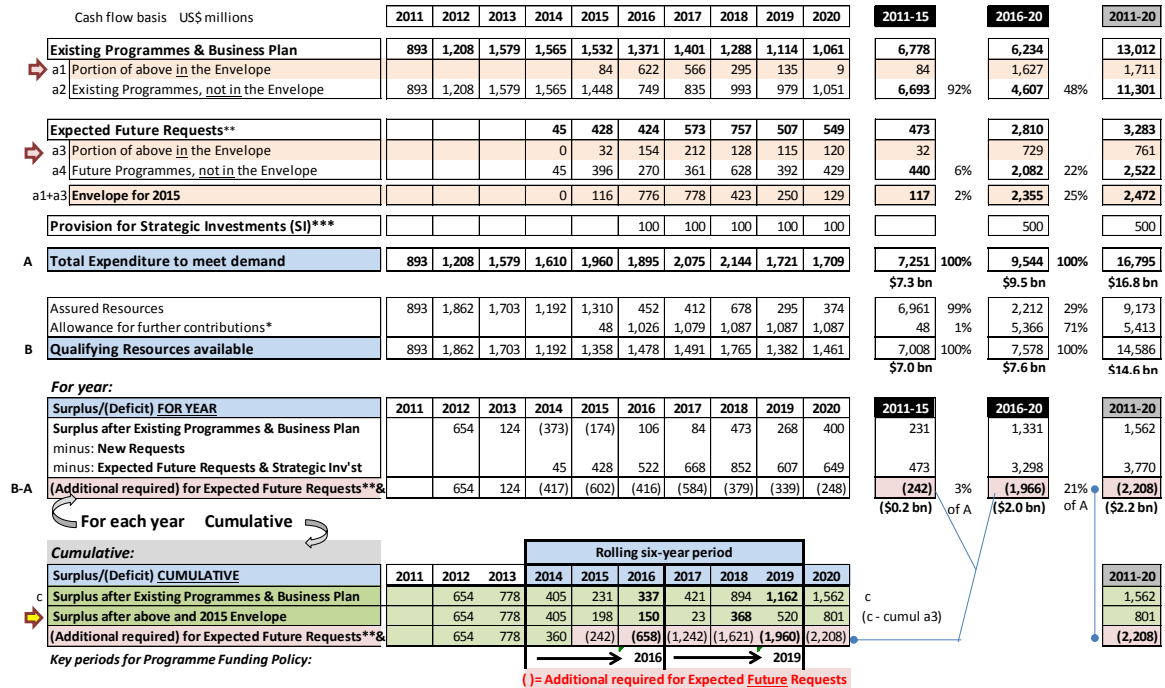
Cash flow basis US\$ millions		2011-2015			2016-2020				
		Jun 2014 Board	Change in estimates	Dec 2014 Board		Jun 2014 Board	Change in estimates	Dec 2014 Board	
A	Expenditure to meet demand								
	Existing Programmes	6,112	(265)	5,847		5,186	(244)	4,942	
	Business Plan	871	59	930		1,056	236	1,292	
	Existing Programmes & Business Plan	6,983	(205)	6,778	\$6.8 bn	6,242	(8)	6,234	\$6.2 bn
	Expected Future Requests (for existing portfolio)	299	174	473	\$0.5 bn	2,794	16	2,810	\$2.8 bn
	Provision for Strategic Investments	0	0	0	\$0.0 bn	500	0	500	\$0.5 bn
Total Expenditure Outflows	7,282	(31)	7,251	\$7.3 bn	9,536	8	9,544	\$9.5 bn	
		\$7.3 bn	(\$0.0 bn)	\$7.3 bn		\$9.5 bn	\$0.0 bn	\$9.5 bn	
B	Resources Available								
	Direct contributions - confirmed	5,137	65	5,202		73	193	266	
	IFFIm proceeds	750	(150)	600		1,030	150	1,180	
	AMC proceeds	1,007	(7)	1,000		416	0	416	
	Investment income	174	7	181		160	0	160	
	Total inflows	7,068	922	6,983		1,679	759	2,022	
	Drawdown of cash & investments	59	(82)	(23)		111	79	190	
	Assured Resources	7,127	(166)	6,961	\$7.0 bn	1,790	422	2,212	\$2.2 bn
Allowance for further direct contributions*	153	(105)	48	\$0.0 bn	5,671	(305)	5,366	\$5.4 bn	
Qualifying Resource Inflows	7,280	(272)	7,008	\$7.0 bn	7,461	117	7,578	\$7.6 bn	
		\$7.3 bn	(\$0.3 bn)	\$7.0 bn		\$7.5 bn	\$0.1 bn	\$7.6 bn	
B-A	Surplus / (Additional required)	(2)	(240)	(242)	(\$0.2 bn)	(2,075)	108	(1,967)	(\$2.0 bn)
		(\$0.0 bn)	(\$0.2 bn)	(\$0.2 bn)		(\$2.1 bn)	\$0.1 bn	(\$2.0 bn)	
	Surplus after existing progs. & new requests	293	231	\$0.2 bn		1,205	1,331	\$1.3 bn	
	Expected Future Requests (net of AMC funding)	(295)	(473)	(\$0.5 bn)		(2,780)	(2,798)	(\$2.8 bn)	
	Provision for Strategic Investments	0	0			(500)	(500)	(\$0.5 bn)	
	Additional required -- for Exp. Future Req & Strat Inv	(2)	(242)	(\$0.2 bn)		(1,575)	(1,967)	(\$2.0 bn)	
	Cash Reserve maintained - at end of 2015 / 2020		1,263				1,073		
	Fundraising Need		2011-15			2016-20			
	Allowance for further direct contributions (as counted above)*		48			5,366			
	Additional required -- for Expected Future Requests (per above)		242			1,967			
	Funds yet to be raised		290			7,332			
			\$0.3 bn			\$7.3 bn			
	Deduct: Allowance for increase in Assured Resources by start of 2016					(\$0.05 bn)			
	Replenishment Ask for 2016-2020					\$7.3 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 (per Programme Funding Policy)

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

US\$ million		Endorsed to Date		Disbursed To Date (Sep 2014)	Yet to be disbursed			
		Total 2000-20	For years thru 2014		Total	For years thru 2014		
Vaccines								
Penta		3,189	2,707	2,652	537	17%	55	2%
Pneumo		2,262	1,531	1,590	672	30%	-59	-4%
Rotavirus		348	215	215	133	38%	0	0%
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	4	2	38%	0	4%
IPV		106	3	23	83	78%	-20	-650%
Measles		27	17	17	11	38%	0	-3%
Measles SIA		35	33	32	3	9%	1	2%
Measles-Rubella		122	120	116	7	5%	4	3%
Meningitis A - campaign		148	135	134	14	10%	2	1%
Tetra DTP-HepB		159	159	159	0	0%	0	0%
Tetra DTP-Hib		20	20	20	0	0%	0	0%
Yellow Fever		115	107	110	6	5%	-3	-3%
Yellow Fever - campaign		86	31	21	65	75%	9	30%
Subtotal		6,826	5,251	5,262	1,564	23%	-12	0%
Cash Support								
HSS		1,041	772	639	402	39%	133	17%
INS		114	114	113	1	1%	1	1%
ISS		362	362	341	21	6%	21	6%
CSO Type A		0	0	1	-1		-1	
CSO Type B		29	29	29	0	0%	0	0%
HPV Demo - cash support		4	3	3	1	33%	1	16%
Measles SIA - Operational costs		59	59	59	0	0%	0	-1%
Meningitis A - operational costs		121	110	96	25	21%	14	13%
MR - Operational costs		106	104	88	18	17%	16	15%
YF - Operational costs		37	13	9	28	75%	3	27%
Vaccine Introduction Grant		120	96	92	28	23%	4	4%
Product Switch Grant		0	0	0	0	0%	0	0%
Subtotal		1,993	1,661	1,469	524	26%	192	12%
Total Country Programmes		8,819	6,911	6,732	2,088	24%	180	3%
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	14%	4	14%
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	121	121	106	15	13%	15	13%
	Operational costs	36	36	33	4	10%	4	10%
Cholera	Vaccines	115	9	0	115	100%	9	100%
Total Investment Cases		790	684	641	149	19%	43	6%
Total Programmes		9,609	7,595	7,372	2,237	23%	223	3%

Annex 1, Figure 4: Cash flows by year



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash Reserve maintained (minimum)	805	1,053	1,073	1,307	1,263	1,383	1,430	1,148	1,140	1,073

* Conservative allowance for further direct contributions to maintain an overall annual level equivalent to that confirmed for 2012-2014 in subsequent years (per Funding Policy).
 ** Projected demand from expected future requests for funding for currently approved vaccine and cash-based programmes, minus related AMC funding.
 *** Provision for Strategic Investments (SI) in priority areas, such as for improving: sustainability of immunisation programmes; coverage and equity; and immunisation systems and integration.

Detail of Expenditure and Resources:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2016-20	2011-20
A Expenditure to meet demand													
Existing Programmes - Already endorsed	768	1,069	1,385	1,341	1,098	385	197	102	53	29	5,660	766	6,426
Existing Prog. - Provision for extensions				2	101	115	383	631	662	757	103	2,549	2,652
Existing Prog. - Envelope for 2015 extensions & adjusts					84	622	566	295	135	9	84	1,627	1,711
Existing Programmes	768	1,069	1,385	1,343	1,283	1,122	1,147	1,028	849	796	5,847	4,942	10,789
Business Plan	125	139	194	222	250	248	255	260	265	265	930	1,292	2,223
Existing Programmes & Business Plan	893	1,208	1,579	1,565	1,532	1,371	1,401	1,288	1,114	1,061	6,778	6,234	13,012
Envelope for Future Requests** in 2015				0	32	154	212	128	115	120	32	729	761
New Requests for decision now													
Expected Future Requests** (not in envelope)				45	396	270	361	628	392	429	440	2,082	2,522
Provision for Strategic Investments						100	100	100	100	100		500	500
Total Expenditure Outflows	893	1,208	1,579	1,610	1,960	1,895	2,075	2,144	1,721	1,709	7,251	9,544	16,795
											\$7.3 bn	\$9.5 bn	\$16.8 bn
B Resources Available													
Direct contributions - confirmed	795	912	1,308	1,159	1,029	100	48	39	39	39	5,202	266	5,469
IFFIm proceeds	300	100	200			346	211	206	201	216	600	1,180	1,780
AMC contributions for Existing Programmes & New Requests	159	217	190	228	206	92	162	115	14	20	1,000	404	1,403
AMC contributions for Exp. Future Requests					0	2	5	5	0	0	0	12	13
Investment income	30	55	26	39	32	32	32	32	32	32	181	160	341
Total inflows	1,283	1,284	1,723	1,426	1,267	572	459	397	287	308	6,983	2,022	9,006
Drawdown / (increase) of Cash Reserve	(390)	578	(21)	(234)	44	(120)	(46)	282	8	67	(23)	190	168
Assured Resources	893	1,862	1,703	1,192	1,310	452	412	678	295	374	6,961	2,212	9,173
Allowance for Further Contributions*					48	1,026	1,079	1,087	1,087	1,087	48	5,366	5,413
Qualifying Resource Inflows	893	1,862	1,703	1,192	1,358	1,478	1,491	1,765	1,382	1,461	7,008	7,578	14,586
											\$7.0 bn	\$7.6 bn	\$14.6 bn

Annex 1, Figure 5: Allotments from Programme Funding Envelopes - detail

The table below provides detail of the amounts allotted from each envelope through 30 September 2014.

(a) Allotments from 2014 Core Envelope (non-IPV)

Allotments from the Programme Funding Envelope by Programme as at 30 September 2014
US\$ millions

Programme Year	2009	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Adjustments to Existing Programmes											
Vaccines											
Measles					0.1	-0.9	0.0				-0.9
Measles SIA					0.4	-0.3					0.1
Measles-Rubella				-3.8	4.1						0.3
Meningitis A - campaign					0.3						0.3
Penta				-22.7	4.2	36.0	2.5				20.0
Pneumo					50.5	-79.6	2.6				-26.5
Rotavirus				-0.2	0.4	-8.7	0.0				-8.5
Yellow Fever					3.4	-0.5					2.9
Yellow Fever - campaign					-10.6	7.0	0.0	19.9		4.2	20.6
Cash											
HSS	0.0	0.2	-5.5	-9.5	-45.0	18.3	38.3	0.1	0.7		-2.3
ISS					-0.1						-0.1
Meningitis A - operational costs					-3.6						-3.6
Yellow Fever - operational costs				-4.6	-15.1	-5.9	-3.0	7.5		1.9	-19.2
*Sub-Total	0.0	0.2	-5.5	-40.7	-11.1	-34.6	40.4	27.5	0.7	6.1	-16.9
New Cash Programmes											
CSO Type B					2.5						2.5
HSS				0.3	45.3	33.9	34.0	33.9	33.4		180.7
Measles SIA - operational costs					0.8	0.4					1.1
Meningitis A - operational costs					11.2	1.6					12.8
Measles-Rubella - operational costs					36.9	2.1					39.0
Vaccine Introduction Grant					5.7	6.0					11.8
*Sub-Total	0.0	0.0	0.0	0.3	102.3	44.0	34.0	33.9	33.4	0.0	247.9
New HPV Demo Programmes											
Cash support					1.2	0.6	0.1				2.0
Vaccine support					1.3	1.7	0.3				3.3
*Sub-Total	0.0	0.0	0.0	0.0	2.6	2.3	0.4	0.0	0.0	0.0	5.3
Extensions											
Penta						7.9	10.1	0.5			18.5
Pneumo						53.8	19.4	0.8			74.0
Rotavirus					-0.4	4.5	7.1	0.3			11.6
Yellow Fever						0.1	0.1	0.1			0.2
*Sub-Total	0.0	0.0	0.0	0.0	-0.4	66.2	36.7	1.7	0.0	0.0	104.2
Total - 2014 Envelope Allotments	0.0	0.2	-5.5	-40.4	93.4	77.9	111.4	63.1	34.1	6.1	340.5

(b) Allotments from 2014 Envelope for IPV

Allotments from the IPV Programme Funding Envelope by Country as at 30 September 2014

US\$ millions

Programme Year	2014	2015	2016	Total
Country				
Afghanistan		2.8	1.8	4.5
Bangladesh	4.7	8.2	6.8	19.7
Benin		0.8	0.8	1.7
Bhutan		0.1	0.0	0.2
Cameroun		2.2	1.7	3.9
Comoros		0.2	0.1	0.2
Congo DRC		7.2	5.0	12.1
Ethiopia		4.0	5.6	9.6
Gambia		0.3	0.2	0.5
Guinea		1.1	0.6	1.7
Indonesia		3.7		3.7
Kiribati		0.1	0.0	0.1
Korea DPR		1.0	0.8	1.8
Lao PDR		0.2	0.4	0.6
Liberia		0.5	0.3	0.8
Madagascar		2.2	1.8	4.0
Malawi		2.3	1.4	3.7
Nepal	1.0	1.4	1.2	3.5
Nigeria	6.8	11.7	9.9	28.4
Pakistan		14.1	8.4	22.5
Senegal		1.8	1.1	2.9
Sri Lanka		1.4	0.9	2.2
Sudan, Republic of		4.3	2.6	6.9
Tajikistan		0.9	0.6	1.5
Tanzania		6.9	4.3	11.1
Uganda		3.8	3.4	7.2
Yemen	1.1	1.8	1.5	4.4
Total - 2014 IPV Envelope Allotments	13.5	84.9	61.2	159.6