Comparison of contribution models

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CONTENT

1. Introduction

The purpose of this paper is to provide illustrations of two contribution models in order to understand contributions to GAVI in relative terms. This is a factual and mechanical calculation which the secretariat is making available to donors to focus discussion. This is not an attempt to assign shares to donors.

The Global Fund contribution model

This model illustrates an apportionment of GAVI's resource needs based on donor shares to the Global Fund to fight AIDS, TB and Malaria (GFATM). Shares are based donor contributions to the Global Fund for 2007-2009. Whereas pledges to the IDA reflect donors' commitment to development more generally, pledges to the Global Fund can be seen as indicative of a commitment towards health specifically.

The IDA contribution model

This model illustrates shares based on donors' pledges to the 15th replenishment of the World Bank's International Development Association. The IDA is the largest multilateral channel for providing concessional financing mainly for economic growth and poverty reduction and can be seen as an indicator of donors' relative commitment to development. The first IDA replenishment cycle was launched in 1960 and yielded $1 billion. The latest – 15th – replenishment (2009 – 2011) in 2007 generated $16 billion in donor pledges.

2. The Global Fund contribution model

US$ millions				2010-2015						
Donors	Donor Share in Global Fund	Share, as adjusted to include other sources	Share as applied to GAVI Need 2010-2015	Contributions Already Assured (a) Direct (b)	IFFIm (c)	AMC (d)	Invest. Income	Total	Balance to meet total need	Total
	A	Aa	B					C	D (=B-C)	E (=C+D)
Australia	0.9%	0.9%	59					0	59	59
Belgium	0.6%	0.5%	38					0	38	38
Brazil	0.001%	0.0%	0					0	0	0
Canada	4.2%	3.7%	261			80		80	181	261
China	0.07%	0.1%	4					0	4	4
Denmark	1.0%	0.9%	60	9				9	50	60
European Commission	4.7%	4.2%	295	13				13	282	295
Finland	0.13%	0.1%	8					0	8	8
France	14.0%	12.6%	880		425			425	455	880
Germany	7.6%	6.9%	479					0	479	479
Greece	0.03%	0.0%	2					0	2	2
India	0.07%	*0.1%*	4					0	4	4
Ireland	0.9%	0.8%	54	1				1	53	54
Italy	6.0%	5.4%	378		191	299		490	0 (f)	490
Japan	6.2%	5.5%	386					0	386	386
Korea	0.11%	*0.1%*	7					0	7	7
Luxembourg	0.11%	0.1%	7					0	7	7
Netherlands	3.1%	2.8%	192	26	78			104	87	192
Norway	1.9%	1.7%	116		5	47		52	64	116
Portugal	0.09%	0.1%	6					0	6	6
Russia	2.2%	2.0%	140			45		45	95	140
Saudi Arabia	0.2%	0.2%	12					0	12	12
South Africa	0.04%	0.0%	2		6			6	0 (f)	6
Spain	4.9%	4.5%	310		70			70	240	310
Sweden	2.8%	2.5%	174	7	15			22	152	174
Switzerland	0.2%	0.2%	13					0	13	13
United Kingdom	4.9%	4.4%	309		598	402		1,000	0 (f)	1,000
United States	27.1%	24.4%	1,701					0	1,701	1,701
Sub-Total: Public donors	94.0%	84.6%								
Private foundations and other private sector donors		*14.7%* (e)	1,024	375		47		422	602	1,024
Investment income		*0.7%*	51				51	51		51
Expected IFFIm proceeds via GFA - net frontloading effect					(117)			(117)	117 (g)	0
Assured contributions that exceed the applied share									(807) (h)	(807)
Other Global Fund sources	6.0%									0
Total	**100.0%**	**100.0%**	**6,972**	431	1,271	920	51	**2,673**	**4,299**	**6,972**
			$7.0 bn					**$2.7 bn**	**$4.3 bn**	**$7.0 bn**

See notes on page 6.

3. The IDA contribution model

US$ millions				2010-2015						
				Contributions Already Assured (a)						
Donors	Donor Share in IDA 15	Share, as adjusted to include other sources	Share as applied to GAVI Need 2010-2015	Direct (b)	IFFIm (c)	AMC (d)	Invest. Income	Total	Balance to meet total need	Total
	A	Aa	B					C	D (=B-C)	E (=C+D)
Australia	2.0%	1.7%	115					0	115	115
Belgium	2.0%	1.6%	113					0	113	113
Brazil	0.8%	0.6%	44					0	44	44
Canada	5.1%	4.1%	287			80		80	207	287
China	0.1%	0.1%	7					0	7	7
Denmark	1.4%	1.1%	78	9				9	69	78
European Commission		*3.5%* (e)	242	13				13	229	242
Finland	1.2%	0.9%	65					0	65	65
France	8.2%	6.7%	466		425			425	41	466
Germany	8.9%	7.3%	506					0	506	506
Greece	0.3%	0.2%	17					0	17	17
India		0.0%	0					0	0	0
Ireland	0.6%	0.5%	32	1				1	31	32
Italy	4.8%	3.9%	273		191	299		490	0 (f)	490
Japan	12.7%	10.3%	717					0	717	717
Korea	1.2%	0.9%	66					0	66	66
Luxembourg	0.2%	0.2%	13					0	13	13
Netherlands	3.8%	3.1%	214	26	78			104	110	214
Norway	1.9%	1.5%	106		5	47		52	55	106
Portugal	0.3%	0.2%	14					0	14	14
Russia	0.4%	0.4%	25			45		45	0 (f)	45
Saudi Arabia	0.3%	0.2%	17					0	17	17
South Africa	0.1%	0.1%	8		6			6	2	8
Spain	4.0%	3.2%	225		70			70	155	225
Sweden	3.7%	3.0%	212	7	15			22	190	212
Switzerland	2.7%	2.2%	151					0	151	151
United Kingdom	17.8%	14.5%	1,008		598	402		1,000	8	1,008
United States	15.5%	12.5%	874					0	874	874
Sub-Total: Public donors	100.0%	84.6%								
Private foundations and other private sector donors		*14.7%* (e)	1,024	375		47		422	602	1,024
Investment income		*0.7%*	51				51	51		51
Expected IFFIm proceeds via GFA - net frontloading effect					(117)			(117)	117 (g)	0
Assured contributions that exceed the applied share									(237) (h)	(237)
Total	**100.0%**	**100.0%**	**6,972**	431	1,271	920	51	**2,673**	**4,299**	**6,972**
			$7.0 bn					**$2.7 bn**	**$4.3 bn**	**$7.0 bn**

See notes on page 6.

Notes

1. With respect to the *Global Fund contribution model*, Column A expresses the average annual contribution to the Global Fund from each donor for the years 2007 through 2009 as a percentage of the total of the average contributions of all donors to the Global Fund. With respect to the *IDA contribution model*, Column A expresses the share of each donor in the IDA 15 Replenishment as a percentage of the total amount of that replenishment. In Column Aa, the percentages per Column A are adjusted to take account of other sources of income to the GAVI Alliance from private foundations and other private sector donors and investment income.

2. Column B applies the 'Adjusted Share' percentage per Column Aa to the GAVI Alliance's US$ 7 billion cash inflow need for 2010-2015, to compute illustrative shares per donor. Column C indicates how much of each illustrative share is already assured (see (a) below). Column D shows the balance of need remaining after taking account of contributions already assured.

(a) **Contributions already assured**: Contributions under existing multi-year agreements including direct contributions as well as IFFIm and AMC proceeds and investment income.

(b) **Direct contributions**: Contributions due in 2010-2015 under legally binding agreements expressed at their US$ equivalents (using the exchange rate of 31 January 2010).

(c) **IFFIm proceeds**: The total of US$ 1,271 million is the maximum amount of cash that will be available to the GAVI Alliance from IFFIm through GFA for programmatic use in cash terms for the period 2010-2015 based on existing pledges to IFFIm. It does not include the benefit of the 2009 HSS-specific pledges for programmes yet to be considered, the cost of which is not included in projected cash outflows. The individual amounts attributed to each donor are the amounts pledged by the donor to IFFIm for those years expressed at their US$ equivalents (using the exchange rate at the date of the donor agreement). The sum of the individual pledge amounts for 2010-2015 exceeds the proceeds that will actually be available from IFFIm in those years because of the frontloading effect of IFFIm on proceeds in earlier years by US$ 117 million (g).

(d) **AMC contributions**: The amount of Advance Market Commitment (AMC) funds that could be drawn down by the GAVI Alliance (from funds held by the World Bank) to pay for pneumococcal vaccine programmes, based on current estimates. The draw down is contingent on a corresponding amount being spent on pneumococcal vaccines.

(e) Solely for the purposes of these illustrations, income from private foundations and other private sector donors is assumed to represent the same percentage (14.7%) of total contributions to the GAVI Alliance as it did on average over the years 2007 through 2009. A similar assumption is made with respect to the contribution of the European Commission (which is not an IDA donor) with regard to the *IDA contribution model*.

(f) Where the contributions already assured from a donor (per Column C) exceed the illustrative share attributed to that donor (per Column B), the 'balance to meet total need' is zero (per Column D). The total of these notional excess amounts is shown as a separate amount (h). This amount, minus the 'net frontloading effect' (g), is an amount by which total contributions would exceed total cash inflow needs (US$ 7 million) in 2010-2015 if donors were to contribute according to the notional shares applied (without reducing already assured amounts).

(g) See (c)

(h) See (f)

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