



# GAVI, THE VACCINE ALLIANCE 2021 ANNUAL FINANCIAL REPORT

[www.gavi.org](http://www.gavi.org)

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# DISCUSSION AND ANALYSIS



## INTRODUCTION

We are two years into the pandemic, and it is far from being over.

In 2021, Gavi, the Vaccine Alliance transitioned to its 2021–2025 strategic period while progressing with the procurement and delivery of COVID-19 vaccines as administrator of the COVAX Facility.

While Gavi ensured a continuous response to the needs of the countries it supports in its core activities, COVAX shipped nearly 1 billion COVID-19 vaccine doses in 2021 – an unprecedented achievement in global public health given the severe supply constraints that were faced during the year.

Though the Secretariat continued to work remotely during the year, the financial and procurement operations of the organisation and the supporting control environment proceeded with limited disruption. The uncertain environment brought on by the pandemic and implementation of COVID-19 immunisation programmes has resulted in elevated risk exposure and requires close monitoring in terms of impact to routine immunisation programmes. However, Gavi implementing countries continue to demonstrate resilience and strong commitment to core programmes.

This Annual Financial Report provides an overview of Gavi's financial results and a review of operations during 2021. In terms of audited financial results, we are pleased to report an unqualified audit opinion issued by Deloitte SA.



**Assietou Sylla Diouf**  
Managing Director  
Finance and Operations



**José Manuel Barroso**  
Chair  
Gavi Board

# STRUCTURE AND GOVERNANCE

## STRUCTURE

Gavi, the Vaccine Alliance (“Alliance”) is a global health partnership representing stakeholders in immunisation from both private and public sectors: donor and implementing country governments, private sector philanthropists such as the Bill & Melinda Gates Foundation (“Gates Foundation”), the financial community, donor country and developing country vaccine industry, research and technical institutes, civil society organisations and multilateral organisations such as the World Health Organization (the “WHO”), the United Nations Children’s Fund (“UNICEF”) and the International Bank for Reconstruction and Development (“World Bank”). The Alliance was launched in January 2000 with the aim to protect the most vulnerable children in the world from preventable infectious disease.

Working together, Alliance partners achieve objectives that no single agency or group could achieve alone. These objectives include accelerating access to new and underused vaccines, strengthening health and immunisation systems in countries and shaping the global vaccine market to the benefit of lower-income countries. Countries have prevented more than 15 million future deaths with Gavi-supported vaccines. The Alliance conducts its operations as an international organisation, registered in Switzerland as The Gavi Alliance (“Gavi”), with privileges and immunities similar to those accorded to other international intergovernmental organisations in Switzerland.

In June 2006, the Alliance incorporated the International Finance Facility for Immunisation (“IFFIm”), a private company in the United Kingdom and a registered charity in England and Wales. IFFIm is set up to rapidly accelerate the availability, and enhance the predictability, of funds for Gavi’s immunisation programmes. Gavi enters into legally binding grant agreements with sovereign government donors and then irrevocably assigns to IFFIm the right to receive cash payments under those agreements. IFFIm uses these long-term pledges from sovereign government donors as collateral to sell Vaccine Bonds in global capital markets, making large amounts of funds immediately available for Gavi’s programmes, including new and underused vaccine support, health system strengthening support, vaccine research and development activities, and procurement and delivery of COVID-19 vaccines. Gavi is the sole member of IFFIm.

In March 2019, IFFIm Sukuk Company Limited III (“IFFImSC III”), a Cayman Islands company with limited liability, was established for the sole purpose of issuing Sukuk certificates in support of IFFIm’s operations. Gavi’s use of IFFIm as an innovative finance mechanism is discussed further in the *Innovative Finance Mechanisms* section on page 16 of this report.

In April 2020, Gavi, WHO, and the Coalition for Epidemic Preparedness Innovations (“CEPI”), working together with multinational and implementing country vaccine manufacturers, launched the COVAX Facility (the “Facility”) as a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines. In July 2020, the Gavi Board formally approved Gavi as the legal entity to administer the Facility and Gavi established, within the Secretariat, the Office of the COVAX Facility during the year to execute its responsibilities as administrator. In June 2021, the Gavi Board approved the continued administration of the Facility by Gavi in 2022. Gavi maintains separate contracts, bank accounts and money market funds, general ledger accounts, where necessary, and expense coding for the Facility to keep track of the transactions and activities. The Facility is not a separate legal entity and is discussed further in the *Mission and Strategic Goals* section on page 7 of this report.

Gavi prepares consolidated financial statements in accordance with accounting principles generally accepted in the United States (“US GAAP”), which include the financial information of IFFIm. For the purposes of this report, Gavi and IFFIm are jointly referred to as the “Gavi Group”. Gavi includes the financial information of the Facility and IFFIm includes the financial information of IFFImSC III. These Gavi Group financial statements commence on page 29 of this Annual Financial Report. The Statutory Financial Statements of Gavi and the Annual Trustees’ Report of IFFIm may be found at <https://www.gavi.org/news-resources/document-library/financial-reports> and <https://iffim.org/investor-centre/trustee-reports-financial-statements>, respectively. The Facility Statement of Funds is available upon request.

The following table summarises the assets and liabilities of Gavi (with assets and liabilities relating to the Facility disclosed separately) and IFFIm, on standalone and consolidated bases, as of 31 December 2021. As described in the *Mission and Strategic Goals* section on page 7 of this report, Gavi - Core represents the transactions and activities related to Gavi’s core strategic mission and Gavi - Facility represents the transactions and activities related to the Facility.

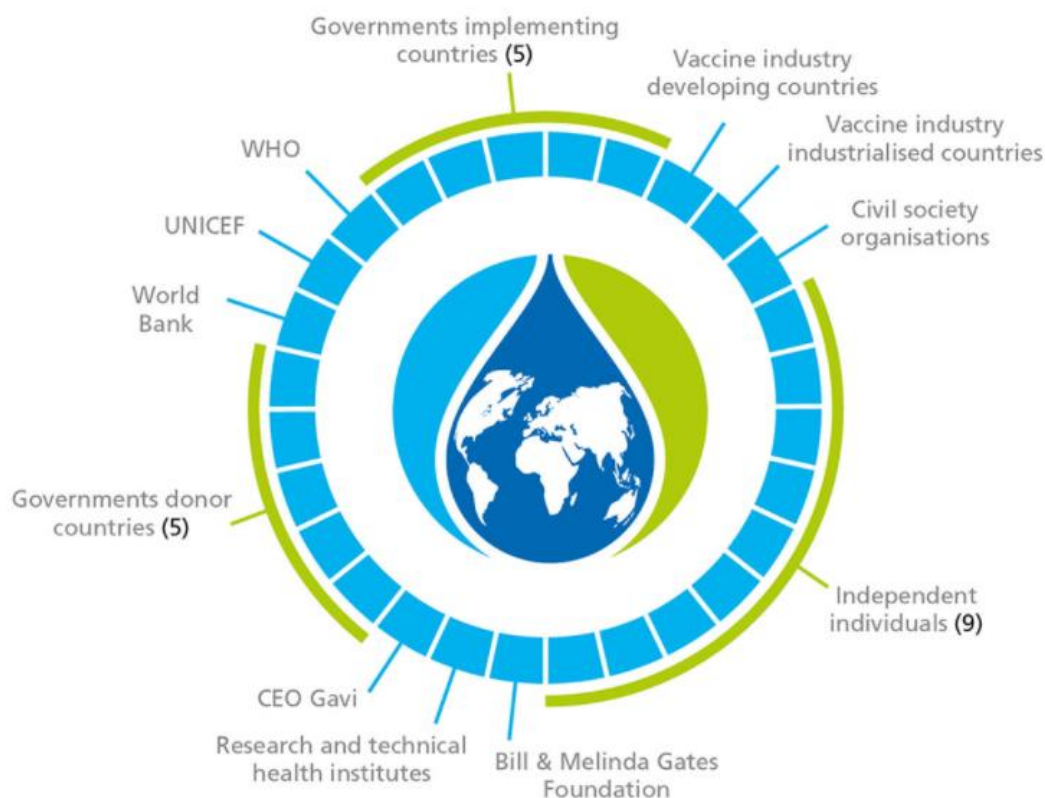
In Millions of US\$	Gavi - Core	Gavi - Facility	IFFIm	Eliminations	Consolidated
<b>Assets</b>					
Cash and investments	1,540	3,561	615	-	5,716
Restricted cash	835	2,356	-	-	3,191
Contributions receivable	3,059	568	3,437	(396)	6,668
Net derivative assets	37	-	-	-	37
Receivable on COVAX Facility arrangements	-	14	-	-	14
Other assets	72	4,216	-	-	4,288
<b>Total assets</b>	<b>5,543</b>	<b>10,715</b>	<b>4,052</b>	<b>(396)</b>	<b>19,914</b>
<b>Liabilities</b>					
Programme grants payable	59	-	396	(396)	59
Procurement accounts payable	834	1,003	-	-	1,837
Net derivative liabilities	48	-	196	-	244
Payable on COVAX Facility arrangements	-	1,659	-	-	1,659
Bonds and other borrowings	-	500	1,845	-	2,345
Other liabilities	80	716	1	-	797
<b>Total liabilities</b>	<b>1,021</b>	<b>3,878</b>	<b>2,438</b>	<b>(396)</b>	<b>6,941</b>
<b>Total net assets</b>	<b>4,522</b>	<b>6,837</b>	<b>1,614</b>	<b>-</b>	<b>12,973</b>
<b>Total liabilities and net assets</b>	<b>5,543</b>	<b>10,715</b>	<b>4,052</b>	<b>(396)</b>	<b>19,914</b>

The following table summarises the income and expenses of Gavi (with income and expenses relating to the Facility disclosed separately) and IFFIm, on standalone and consolidated bases, for the year ended 31 December 2021.

In Millions of US\$	Gavi - Core	Gavi - Facility	IFFIm	Eliminations	Consolidated
<b>Revenue</b>					
Contributions from donors	3,848	8,112	720	(1,449)	11,231
Transfer of prior year contributions from donors	(30)	30	-	-	-
Contributed nonfinancial assets	1	4,411	-	-	4,412
Finance income	-	-	21	-	21
Net investment income	86	1	1	-	88
Other revenue	6	-	1	(1)	6
<b>Total revenue</b>	<b>3,911</b>	<b>12,554</b>	<b>743</b>	<b>(1,450)</b>	<b>15,758</b>
<b>Expenses</b>					
Programme	1,876	6,636	1,449	(1,447)	8,514
Transfer of prior year programme expenses	(29)	29	-	-	-
Fair value losses (gains)	40	3	(34)	-	9
Administrative, fundraising and other	58	-	5	(3)	60
<b>Total expenses</b>	<b>1,945</b>	<b>6,668</b>	<b>1,420</b>	<b>(1,450)</b>	<b>8,583</b>
<b>Increase (decrease) in net assets</b>	<b>1,966</b>	<b>5,886</b>	<b>(677)</b>	<b>-</b>	<b>7,175</b>

## GOVERNANCE

Gavi's Board of Directors ("Board") establishes Gavi's policies, oversees the operations of Gavi and monitors programme implementation. The Board brings together experts from both the public and private sectors. Representative Board members from multilateral development agencies, donors, implementing country governments, civil society, the pharmaceutical industry, and research and technical health communities help to shape Gavi's strategic vision and policies. Independent Board members, including those with experience in the private sector, bring an innovative perspective to Board discussions and decisions, and assist the Board in fulfilling its fiduciary role.



The Board is supported by a secretariat with offices in Geneva, Switzerland, and Washington, DC, United States of America (the "Secretariat"). The Secretariat is responsible and accountable for the day-to-day operations of Gavi, including mobilising resources to fund programmes, coordinating programme approvals and disbursements, developing policy and implementing strategic initiatives, monitoring and evaluation, legal and financial management, and administration for the Board and its Committees.

The IFFIm Board, working with the World Bank, oversees bond issuances and develops funding, liquidity and other strategies to safeguard and maximise the value of IFFIm bond proceeds. The IFFIm Board is comprised of experts in finance and investments, and is independent of the Board.

In November 2009, Gavi established an independent internal audit function (now named "Audit and Investigations") to evaluate and strengthen risk management, internal control and governance processes in the organisation. The work of Audit and Investigations extends not only to the Secretariat, but also to the programmes and activities of Gavi's grant recipients, partners and the Facility. Audit and Investigations is led by a managing director who reports to the Board, through routine reporting to the Audit and Finance Committee ("AFC"), and to the Chief Executive Officer.

In July 2020, as the legal administrator of the Facility, Gavi established the Office of the COVAX Facility within the Secretariat to ensure a dedicated team is available to support the Facility operations, and to mitigate disruption to Gavi's core work. In June 2021, the Board approved the continued administration of the Facility by Gavi in 2022. Gavi has overseen the establishment of the COVAX Facility Advance Market Commitment Engagement Group – a governance body comprising economies that are eligible for COVID-19 vaccines through the Gavi Advance Market Commitment for COVID-19 Vaccines ("Gavi COVAX AMC") – and the COVAX Facility Shareholders Council – composed of Self-Financing Participants ("SFP"). Key groups are established to manage, govern, advise, represent their constituencies and support the operations of the Facility.

## MISSION AND STRATEGIC GOALS

Gavi's mission is to save lives and protect people's health by increasing equitable and sustainable use of vaccines.

### 2021–2025 STRATEGIC PERIOD

In June 2019, the Board approved a new strategy ("Gavi 5.0") to guide Gavi's work over the 2021–2025 strategic period, with the aspiration of leaving no one behind with immunisation and prioritising reaching communities who are currently missed. Reducing the number of zero-dose children is a new mission indicator for Gavi 5.0, with a goal of 25% reduction in the number of zero-dose children by 2025. While Gavi 5.0 was



approved before the COVID-19 pandemic, the strategy, with equity as its organising principle, is more relevant than ever.

Gavi 5.0 is supported by four strategic goals:

- **Strategic Goal 1 – the Vaccine Goal: Introduce and scale up vaccines:** Introduction and scaling up coverage of high-impact vaccines in eligible countries will continue to be at the heart of the Gavi strategy. The Vaccine Goal is achieved through three strategic objectives: (1) strengthening countries' prioritisation of vaccines appropriate to their context; (2) supporting countries to introduce and scale up coverage of vaccines for prevention of endemic and epidemic diseases; and (3) enhancing outbreak response through availability and strategic allocation of vaccine stockpiles.
- **Strategic Goal 2 – the Equity Goal: Strengthen health systems to increase equity in immunisation:** Increasing equity in immunisation delivery is the priority of Gavi's health system strengthening ("HSS") support with a high ambition to reduce the number of under-immunised children and an intensified focus on reaching the unreached, especially zero-dose children. The Equity Goal is achieved through three strategic objectives: (1) helping countries extend immunisation services to regularly reach under-immunised and zero-dose children to build a stronger primary health care platform; (2) supporting countries to ensure immunisation services are well-managed, sustainable, harness innovation and meet the needs of caregivers; and (3) working with countries and communities to build resilient demand, and to identify and address gender-related barriers to immunisation.
- **Strategic Goal 3 – the Sustainability Goal: Improve sustainability of immunisation programmes:** Central to the Gavi model is a unique approach to sustainability, domestic public resource mobilisation for vaccines and transition out of Gavi support. The Sustainability Goal is achieved through three strategic objectives: (1) strengthening national and subnational political and social commitment to immunisation; (2) promoting domestic public resources for immunisation and primary health care to improve allocative efficiency; and (3) preparing and engaging self-financing countries to maintain or increase performance.
- **Strategic Goal 4 – the Healthy Markets Goal: Ensure healthy markets for vaccines and related products:** The market shaping model for vaccines and immunisation-related products is at the heart of the Gavi model and continues to play a key role in the Alliance's strategy. The Healthy Markets Goal is achieved through three strategic objectives: (1) ensuring sustainable, healthy market dynamics for vaccines and immunisation-related products at affordable prices; (2) incentivising innovation for the development of suitable vaccines; and (3) scaling up innovative immunisation-related products.

In light of the impact of the pandemic, in December 2020, the Gavi Board approved the recalibration of Gavi 5.0 priorities, resulting in the rephasing of some activities. Gavi's key focus remains on supporting implementing countries to: (a) maintain, restore and strengthen immunisation services to prevent backsliding and catch up on missed children; (b) reach zero-dose children and missed communities with life-saving vaccines; (c) deliver COVID-19 vaccines to priority populations; (d) safeguard domestic financing for immunisation; and (e) ensure healthy vaccine market dynamics. Some activities have been rephased, including the pacing of new vaccine introductions and the deferral of the Vaccine Investment Strategy to later in the strategic period. The approach of engaging middle-income countries has also been advancing at a slower pace than initially planned.

## THE COVAX FACILITY

In April 2020, the Access to COVID-19 Tools ("ACT") Accelerator – a groundbreaking global collaboration to accelerate development, production and equitable access to COVID-19 tests, treatments and vaccines – was launched.

COVAX, the vaccines pillar of the ACT Accelerator, is co-led by Gavi, WHO, CEPI and UNICEF – working in partnership with developed and developing country vaccine manufacturers, Pan American Health Organization ("PAHO"), the World Bank and others. It is the only global initiative that is working with governments and manufacturers to ensure COVID-19 vaccines are available worldwide to both high-income and lower-income countries.

Within the ACT Accelerator, the COVAX Facility (the "Facility") was launched as a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines. In July 2020, the Gavi Board formally approved Gavi as the legal entity to administer the Facility.

Gavi leads on procurement and delivery at scale for COVAX: designing and managing the Facility and the Gavi COVAX AMC and working with its traditional Alliance partners UNICEF and WHO, along with governments, on country readiness and delivery. As part of this role, Gavi hosts the Office of the COVAX Facility to coordinate the operation and governance of the mechanism as a whole, holds financial and legal relationships with 193 Facility participants, and manages the Facility deals portfolio: negotiating advance purchase agreements ("APA") with manufacturers of vaccines to secure doses on behalf of all Facility participants. Gavi also coordinates design, operationalisation and fundraising for the Gavi COVAX AMC, the

mechanism that provides access to donor-funded doses of vaccine to 92 lower-income economies. As part of this work, Gavi provides funding and oversight for UNICEF procurement and delivery of vaccines to all Gavi COVAX AMC participants – operationalising the APAs between Gavi and manufacturers – as well as support for partners’ and governments’ work on readiness and delivery. This includes tailored support to governments, UNICEF, WHO and other partners for cold chain equipment, technical assistance, syringes, vehicles and other aspects of the vastly complex logistical operation for delivery. Gavi also co-designed, raises funds for and supports the operationalisation of the Gavi COVAX AMC’s No-Fault Compensation Programme, as well as the COVAX Humanitarian Buffer. The Humanitarian Buffer ensures access to COVID-19 vaccines for high-risk populations in humanitarian settings. This Buffer will act as the last resort for some of the most vulnerable populations on earth, who have the least resources to cope if they were to get sick from COVID-19.

By joining the Facility, participating countries and economies get not only access to a diverse portfolio of COVID-19 vaccines, but also an actively managed portfolio. The Facility continually monitors the COVID-19 vaccine landscape to identify the most suitable vaccine candidates, based on scientific merit and scalability, and works with manufacturers to incentivise them to expand their production capacity in advance of vaccines receiving regulatory approval.

The Facility has a global participation of 193 economies (representing over 90% of the world’s population), consisting of 101 SFPs and 92 Gavi COVAX AMC-eligible economies (“AMC92”). SFPs can choose a committed purchase arrangement, committing participants to purchase allocations of approved vaccines from the Facility, or an optional purchase arrangement, giving them the possibility to opt out, either before Gavi enters into an agreement with a manufacturer (“window 1”) or later when Gavi provides purchase options for vaccines which have been allocated to the participant (“window 2”).

With funding through the SFPs and through donations to the Gavi COVAX AMC, the Facility is reserving doses with manufacturers to build an actively managed portfolio of vaccines based upon diverse technologies and geographies to accelerate access. This shapes the vaccine market to expand supply and achieve economies of scale through aggregating demand and increasing availability simultaneously in lower-income and higher-income countries.

Further information on these strategic goals, Gavi’s future plans, performance indicators related to these goals and any impact of the COVID-19 pandemic will be found in Gavi’s 2021 Annual Progress Report, which will be available online at <https://www.gavi.org/programmes-impact/our-impact/progress-reports>.

## KEY FINANCIAL PERFORMANCE INDICATORS

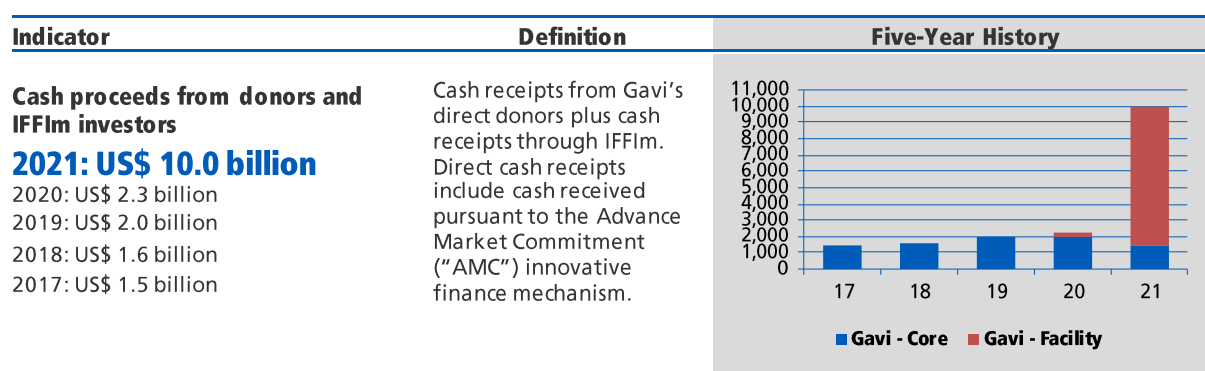
This section lays out the key financial performance indicators that are used by the Secretariat to review, assess and manage the Gavi Group’s overall financial position, activities, results and cash flows. In addition to these Key Financial Performance Indicators, the Secretariat has developed several indicators focused on specifically measuring performance against Gavi’s strategic goals. These additional performance indicators are defined and described in Gavi’s 2021–2025 strategy goal indicator definitions, and progress against these indicators will be described in Gavi’s 2021 Annual Progress Report. Gavi - Core represents the transactions and activities related to Gavi’s core strategic mission and IFFIm, and Gavi - Facility represents the transactions and activities related to the Facility.

The following table summarises the Gavi Group’s Key Financial Performance Indicators for the years ended 31 December 2017 to 2021.

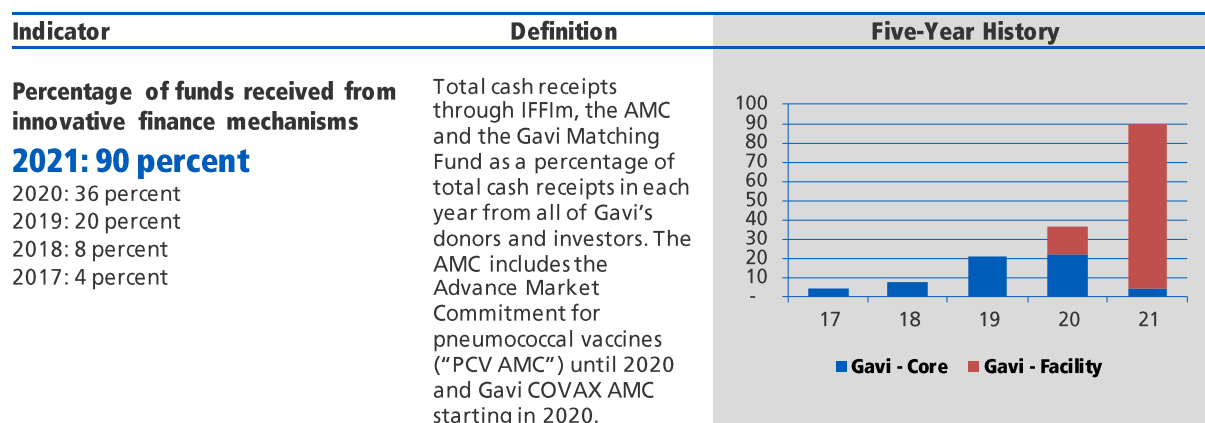
In Billions of US\$, except Percentages	Gavi - Core	Gavi - Facility	Total 2021	Gavi - Core	Gavi - Facility	Total 2020	2019	2018	2017
Cash proceeds from donors and IFFIm investors	1.5	8.5	10.0	2.0	0.3	2.3	2.0	1.6	1.5
Percentage of funds received from innovative finance mechanisms	5%	85%	90%	22%	14%	36%	20%	8%	4%
Total multi-year pledges	6.1	0.6	6.7	3.4	1.4	4.8	3.2	4.3	5.8
New and underused vaccines programme disbursements	1.3	-	1.3	1.1	-	1.1	1.3	1.0	1.0
Health system strengthening programme disbursements	0.2	-	0.2	0.4	-	0.4	0.4	0.3	0.3
COVAX Facility programme disbursements	-	5.3	5.3	-	0.3	0.3	-	-	-
Percentage overhead expenses <sup>1</sup>	2.56%	0.18%	0.70%	2.14%	-	2.14%	4.35%	2.53%	2.71%
Percentage operating expenses <sup>1</sup>	6.35%	0.31%	1.63%	5.17%	-	5.17%	10.68%	6.11%	7.29%
Percentage net financing costs	0.25%	-	0.25%	0.72%	-	0.72%	2.64%	2.42%	1.53%

<sup>1</sup> The 2019 increase was primarily a result of a change in accounting policy as further described below.

These Key Financial Performance Indicators are described in more detail below.



Continued support from donors and IFFIm investors is fundamental to the achievement of all Gavi's strategic goals. Cash receipts from these donors and IFFIm investors indicate that Gavi has received a strong and consistent level of support. Cash receipts increased from US\$ 1.5 billion in 2017 to US\$ 10.0 billion in 2021. Fluctuations in the level of cash receipts from 2017 to 2019 were primarily due to the timing of IFFIm drawdowns based on Gavi's funding needs. The increase in cash receipts in 2020 and 2021 was due to the funding received for Gavi COVAX AMC of US\$ 351 million and US\$ 8.5 billion, respectively. Gavi COVAX AMC is described in the *Innovative Finance Mechanisms* section on page 16 of this report.



As described in the *Innovative Finance Mechanisms* section on page 16 of this report, Gavi's innovative finance mechanisms are an integral part of its strategy for achieving all four of its strategic goals. Over the past five years, innovative finance mechanisms have generated 60% of Gavi's cash receipts, 50% of which relates to Gavi COVAX AMC since its inception in 2020. This reflects Gavi's strong commitment to developing and maintaining mechanisms that tap new sources of capital and bring specific characteristics that advance Gavi and its mission.

The percentage of funds received from innovative finance mechanisms increased from 4% in 2017 to 20% in 2019 primarily due to an increase in IFFIm proceeds comprised of previously deferred IFFIm drawdowns and new funding received for vaccine research and development activities by CEPI. The percentage further increased to 36% in 2020 and 90% in 2021 due to an increase in AMC cash proceeds, which includes the Gavi COVAX AMC, and an increase in IFFIm proceeds. 14% of the 36% in 2020 and 85% of the 90% in 2021 represent funds received from Gavi COVAX AMC donors.

Indicator	Definition	Five-Year History																		
<b>Total multi-year pledges</b> <b>2021: US\$ 6.7 billion</b> 2020: US\$ 4.8 billion 2019: US\$ 3.2 billion 2018: US\$ 4.3 billion 2017: US\$ 5.8 billion	Year-end fair value of multi-year pledges as presented on the Gavi Group's Consolidated Statements of Financial Position. Multi-year pledges include pledges pursuant to the Gavi COVAX AMC.	<table border="1"> <caption>Total multi-year pledges (US\$ billion)</caption> <thead> <tr> <th>Year</th> <th>Gavi - Core</th> <th>Gavi - Facility</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>5,800</td> <td>0</td> </tr> <tr> <td>2018</td> <td>4,300</td> <td>0</td> </tr> <tr> <td>2019</td> <td>3,200</td> <td>0</td> </tr> <tr> <td>2020</td> <td>4,000</td> <td>800</td> </tr> <tr> <td>2021</td> <td>6,000</td> <td>700</td> </tr> </tbody> </table>	Year	Gavi - Core	Gavi - Facility	2017	5,800	0	2018	4,300	0	2019	3,200	0	2020	4,000	800	2021	6,000	700
Year	Gavi - Core	Gavi - Facility																		
2017	5,800	0																		
2018	4,300	0																		
2019	3,200	0																		
2020	4,000	800																		
2021	6,000	700																		

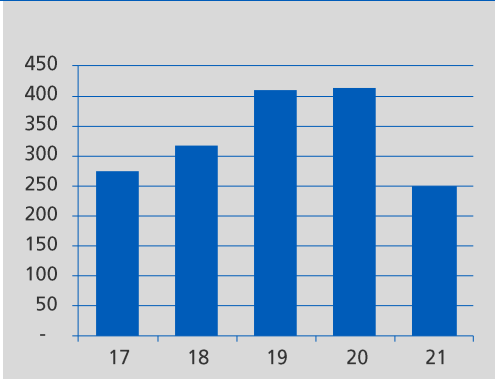
In order to achieve its Sustainability Goal, Gavi requires sufficient long-term multi-year pledges to provide implementing countries with a predictable and stable funding environment.

The total value of multi-year pledges decreased during the period from 2017 to 2019 as direct donors paid down their multi-year pledges until new multi-year commitments were made by direct donors during the Global Vaccine Summit ("GVS") 2020, Gavi's third donor pledging conference, in June 2020. The multi-year pledges increased by US\$ 1.6 billion in 2020 as a result of converting the remaining multi-year commitments from the second pledging conference into grant agreements. Multi-year pledges from Gavi COVAX AMC donors, including grant agreements assigned to IFFIm, amounted to US\$ 1.4 billion in 2020. The multi-year pledges continued to increase in 2021 as a result of converting the multi-year commitments from Gavi's third donor pledging conference into grant agreements to help fund Gavi's programmatic activities until 2025. Multi-year pledges from Gavi COVAX AMC donors, including grant agreements assigned to IFFIm, amounted to US\$ 1.2 billion in 2021.

At the GVS 2020, new multi-year commitments made by direct donors totalled US\$ 8.8 billion for the period 2021 to 2025. As of 31 December 2021, 59% of these multi-year commitments had been converted into grant agreements signed by donors. See the *Gavi Foreign Currency and Hedging Activity* section on page 24 of this report for further information on the valuation of the multi-year commitments made by direct donors at Gavi's third donor pledging conference.

Indicator	Definition	Five-Year History												
<b>New and underused vaccines programme disbursements</b> <b>2021: US\$ 1.3 billion</b> 2020: US\$ 1.1 billion 2019: US\$ 1.3 billion 2018: US\$ 1.0 billion 2017: US\$ 1.0 billion	Cash disbursed, on a calendar year basis, for vaccine procurement and to implementing countries for the purpose of accelerating the introduction and uptake of new and underused vaccines. Includes vaccine introduction grants and operational costs.	<table border="1"> <caption>New and underused vaccines programme disbursements (US\$ billion)</caption> <thead> <tr> <th>Year</th> <th>Disbursements</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1,000</td> </tr> <tr> <td>2018</td> <td>1,000</td> </tr> <tr> <td>2019</td> <td>1,300</td> </tr> <tr> <td>2020</td> <td>1,100</td> </tr> <tr> <td>2021</td> <td>1,300</td> </tr> </tbody> </table>	Year	Disbursements	2017	1,000	2018	1,000	2019	1,300	2020	1,100	2021	1,300
Year	Disbursements													
2017	1,000													
2018	1,000													
2019	1,300													
2020	1,100													
2021	1,300													

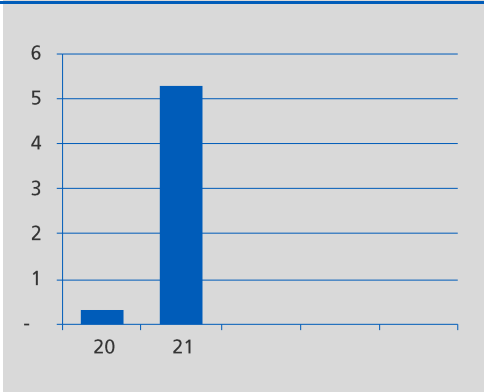
Under its Vaccine Goal, Gavi aims to accelerate the uptake and use of new and underused vaccines ("NVS"). The level of NVS programme disbursements is directly correlated with the rate of uptake of these vaccines and, therefore, provides an indication of Gavi's progress toward achieving its strategic goal. NVS programme disbursements remained stable from 2017 to 2019. The decrease in NVS programme disbursements during 2020 was primarily due to delays in campaigns and vaccine introductions as a result of COVID-19 pandemic disruptions and, consequently, lower operational costs. There were continued efforts in 2021 to restore and achieve normal levels of programmatic activity.

Indicator	Definition	Five-Year History												
<p><b>Health system strengthening programme disbursements</b></p> <p><b>2021: US\$ 248 million</b></p> <p>2020: US\$ 412 million</p> <p>2019: US\$ 409 million</p> <p>2018: US\$ 318 million</p> <p>2017: US\$ 273 million</p>	<p>Cash disbursed, on a calendar year basis, to implementing countries for the purpose of strengthening their health systems. Includes disbursements for immunisation services support and Cold Chain Equipment Optimisation Platform ("CCEOP").</p>	 <table border="1"> <caption>Five-Year History Data</caption> <thead> <tr> <th>Year</th> <th>Disbursement (US\$ million)</th> </tr> </thead> <tbody> <tr> <td>17</td> <td>273</td> </tr> <tr> <td>18</td> <td>318</td> </tr> <tr> <td>19</td> <td>409</td> </tr> <tr> <td>20</td> <td>412</td> </tr> <tr> <td>21</td> <td>248</td> </tr> </tbody> </table>	Year	Disbursement (US\$ million)	17	273	18	318	19	409	20	412	21	248
Year	Disbursement (US\$ million)													
17	273													
18	318													
19	409													
20	412													
21	248													

Under its Equity Goal, Gavi aims to help strengthen the capacity of implementing countries' health systems to increase equity in immunisation. From 2017 to 2021, Gavi disbursed US\$ 1.7 billion to implementing countries to help bolster their health systems. HSS support addresses health system bottlenecks, primarily in five areas: (1) supply chain; (2) data availability, quality and use; (3) demand promotion and community engagement; (4) in-country leadership, management and coordination; and (5) health workforce. Governments are encouraged to engage civil society organisations for the implementation of HSS activities. HSS programme disbursements continued to increase from 2017 to 2020 as Gavi scaled up the HSS programme to deliver on the coverage and equity agenda, and strengthened the disbursement process. In 2021, Gavi focused on establishing strategic and operational alignment towards achieving Gavi 5.0 goals as it was the first year of the strategic period. While routine immunisation coverage was largely maintained, planning and implementation of HSS grants were disrupted in some countries given the diversion of capacity and focus on responding to the pandemic.

In June 2015, the Board approved the establishment of CCEOP to strengthen countries' cold chain systems, with an initial amount of US\$ 50 million to launch its implementation and fund the first applications. CCEOP was launched in 2016. In December 2016, the Board approved additional funding for an aggregate amount not exceeding US\$ 250 million.

In July 2020, the Board agreed that an amount of at least US\$ 1.2 billion is available for HSS disbursements, including performance payments and excluding disbursements to CCEOP, for grant programme years in the 2021–2025 strategic period, with additional funding being subject to future Board decisions. Subsequently, in December 2020, the Board approved an additional US\$ 500 million for the 2021–2025 strategic period as dedicated funding to reach zero-dose children and missed communities.

Indicator	Definition	Two-Year History						
<p><b>COVAX Facility programme disbursements</b></p> <p><b>2021: US\$ 5.3 billion</b></p> <p>2020: US\$ 300 million</p>	<p>Cash disbursed, on a calendar year basis, for the purpose of the Gavi COVAX AMC. Includes disbursements for prepayments to vaccine manufacturers and procurement agents and cash-based programmes such as COVID-19 Vaccine Delivery Support ("CDS").</p>	 <table border="1"> <caption>Two-Year History Data</caption> <thead> <tr> <th>Year</th> <th>Disbursement (US\$ billion)</th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.3</td> </tr> <tr> <td>21</td> <td>5.3</td> </tr> </tbody> </table>	Year	Disbursement (US\$ billion)	20	0.3	21	5.3
Year	Disbursement (US\$ billion)							
20	0.3							
21	5.3							

On 23 February 2021, the Facility became operational as COVAX shipped the first batch of COVID-19 vaccine doses to Ghana. This marked the beginning of the global roll-out of COVID-19 vaccines, and Gavi has incurred US\$ 5.3 billion in 2021 and US\$ 300 million in 2020 for the procurement and delivery of vaccines to all Gavi COVAX AMC participants. As of 31 December 2021 and 2020, Gavi's outstanding commitments on APAs with vaccine manufacturers amounted to approximately US\$ 4.3 billion and US\$ 980 million, respectively. Gavi COVAX AMC is described in the *Innovative Finance Mechanisms* section on page 16 of this report.

In June 2021, the Board approved the creation of a CDS envelope and cross-cutting delivery elements, with associated funding of at least US\$ 775 million, with the objective of ensuring successful rapid roll-out and scale-up of COVID-19 vaccines over the subsequent 6 to 12 months. Gavi launched the CDS Funding Window

in July 2021 to address urgent gaps impacting roll-out and scale-up of COVID-19 vaccines received through the Facility.

Indicator	Definition	Five-Year History												
<p><b>Percentage overhead expenses</b>  <b>2021: 2.56 percent</b>                      2020: 2.14 percent                      2019: 4.35 percent*                      2018: 2.53 percent                      2017: 2.71 percent</p>	<p>Gavi's overhead expenses as a percentage of total expenses, excluding the Facility.</p> <p><b>*The 2019 increase was primarily a result of a change in accounting policy, as further described below.</b></p>	<table border="1"> <caption>Percentage overhead expenses (Five-Year History)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>2.71</td> </tr> <tr> <td>2018</td> <td>2.53</td> </tr> <tr> <td>2019*</td> <td>4.35</td> </tr> <tr> <td>2020</td> <td>2.14</td> </tr> <tr> <td>2021</td> <td>2.56</td> </tr> </tbody> </table>	Year	Percentage	2017	2.71	2018	2.53	2019*	4.35	2020	2.14	2021	2.56
Year	Percentage													
2017	2.71													
2018	2.53													
2019*	4.35													
2020	2.14													
2021	2.56													

Indicator	Definition	Two-Year History						
<p><b>COVAX Facility percentage overhead expenses</b>  <b>2021: 0.18 percent</b>                      2020: 0.00 percent</p>	<p>The Facility's overhead expenses as a percentage of total expenses.</p>	<table border="1"> <caption>COVAX Facility percentage overhead expenses (Two-Year History)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>0.00</td> </tr> <tr> <td>2021</td> <td>0.18</td> </tr> </tbody> </table>	Year	Percentage	2020	0.00	2021	0.18
Year	Percentage							
2020	0.00							
2021	0.18							

Indicator	Definition	Five-Year History												
<p><b>Percentage operating expenses</b>  <b>2021: 6.35 percent</b>                      2020: 5.17 percent                      2019: 10.68 percent*                      2018: 6.11 percent                      2017: 7.29 percent</p>	<p>Gavi's operating expenses as a percentage of total expenses, excluding the Facility.</p> <p><b>*The 2019 increase was primarily a result of a change in accounting policy, as further described below.</b></p>	<table border="1"> <caption>Percentage operating expenses (Five-Year History)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>7.29</td> </tr> <tr> <td>2018</td> <td>6.11</td> </tr> <tr> <td>2019*</td> <td>10.68</td> </tr> <tr> <td>2020</td> <td>5.17</td> </tr> <tr> <td>2021</td> <td>6.35</td> </tr> </tbody> </table>	Year	Percentage	2017	7.29	2018	6.11	2019*	10.68	2020	5.17	2021	6.35
Year	Percentage													
2017	7.29													
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2019*	10.68													
2020	5.17													
2021	6.35													

Indicator	Definition	Five-Year History						
<p><b>COVAX Facility percentage operating expenses</b>  <b>2021: 0.31 percent</b>                      2020: 0.00 percent</p>	<p>The Facility's operating expenses as a percentage of total expenses.</p>	<table border="1"> <caption>COVAX Facility percentage operating expenses (Five-Year History)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>0.00</td> </tr> <tr> <td>2021</td> <td>0.31</td> </tr> </tbody> </table>	Year	Percentage	2020	0.00	2021	0.31
Year	Percentage							
2020	0.00							
2021	0.31							

In order to maximise the amount of funds available for programmatic activities, the Gavi Group's administrative overhead must be kept as low as possible. The Gavi Group's percentage overhead expenses have been below 5% since 2017 and increased slightly from 2.14% in 2020 to 2.56% in 2021. The Gavi Group's percentage operating expenses increased slightly from 5.17% in 2020 to 6.35% in 2021. Management and general expenses in 2020 were significantly lower compared to 2021 due to pandemic-related disruptions. This is discussed further in the *Overview of Income and Expenses* section on page 20 of this report.

In 2020, the Facility was being implemented, and no COVID-19 vaccines were procured during the year. In 2021, the Facility procured and began the global roll-out of COVID-19 vaccines. As of 31 December 2021 and 2020, the Facility's operating costs totalled US\$ 29.2 million and US\$ 8.7 million, respectively. US\$ 9.0 million and US\$ 6.0 million, respectively, of operating costs were covered under the SFP arrangements and presented net of the interest income, in-kind contributions and pro-rata reimbursements under such arrangements in the consolidated financial statements. The Facility's percentage overhead expenses and percentage operating expenses were 0.18% and 0.31%, respectively.

For the purposes of calculating the Gavi Group's percentage overhead and operating expenses amounts above, overhead expenses are the aggregate of the Gavi Group's fundraising, management and general expenses; and operating expenses are the aggregate of the Gavi Group's overhead expenses, Secretariat programme implementation expenses and partners' programme implementation expenses in relation to evaluations and assessments. Overhead expenses exclude indirect programme expenses, such as those expenses related to programme implementation and performance monitoring.

The components of the Gavi Group's percentage overhead and operating expenses were:

Indicator	Gavi-Core	Gavi-Facility	2021	2020
Management and general expenses percentage	1.49%	0.10%	0.41%	1.24%
Fundraising expenses percentage	1.07%	0.08%	0.29%	0.90%
Total overhead expenses percentage	2.56%	0.18%	0.70%	2.14%

Indicator	Gavi-Core	Gavi-Facility	2021	2020
Total overhead expenses percentage	2.56%	0.18%	0.70%	2.14%
Secretariat programme implementation expenses percentage	3.31%	0.13%	0.83%	2.61%
Partners' programme implementation expenses percentage <sup>1</sup>	0.48%	0.00%	0.10%	0.42%
Total operating expenses percentage	6.35%	0.31%	1.63%	5.17%

The Gavi Group's fundraising, management and general expenses were as follows:

In Millions of US\$	Gavi-Core	Gavi-Facility	2021	2020
Management and general expenses	28	7	35	26
Fundraising expenses	20	5	25	19
Total overhead expenses	48	12	60	45

The Gavi Group's operating expenses were as follows:

In Millions of US\$	Gavi-Core	Gavi-Facility	2021	2020
Total overhead expenses	48	12	60	45
Secretariat programme implementation expenses	62	9	71	55
Partners' programme implementation expenses <sup>1</sup>	9	-	9	9
Total operating expenses	119	21	140	109

<sup>1</sup> This total only includes the portion of partners' programme implementation expenses that are related to evaluations and assessments.

Certain departments within the Secretariat conduct activities that have programmatic and fundraising, as well as management and general components. The cost of conducting these activities ("Joint Costs") were allocated as follows:

In Millions of US\$	Gavi-Core	Gavi-Facility	2021	2020
Joint costs allocated to programmes	19	1	20	15
Joint costs allocated to fundraising	5	-	5	4
Joint costs allocated to management and general	5	-	5	5
Total joint costs	29	1	30	24

For the purposes of calculating the Gavi Group's percentage overhead and operating expenses amounts above, total expenses are the aggregate of the Gavi Group's direct and indirect programme expenses, and overhead costs. Total expenses exclude financing costs and all fair value gains and losses. Total expenses were determined as follows:

In Millions of US\$	Gavi - Core	Gavi - Facility	2021	2020
Direct country programme expenses	1,587	6,680	8,267	1,790
Secretariat programme implementation expenses	62	9	71	55
Partners' programme implementation expenses	176	-	176	217
Total programme expenses	1,825	6,689	8,514	2,062
Total overhead expenses	48	12	60	45
Total non-programme expenses	48	12	60	45
Total expenses, excluding financing costs and fair value gains and losses	1,873	6,701	8,574	2,107

Indicator	Definition	Five-Year History												
<p><b>Percentage net financing costs</b>  <b>2021: 0.25 percent</b>            2020: 0.72 percent            2019: 2.64 percent            2018: 2.42 percent            2017: 1.53 percent</p>	<p>IFFIm's net interest expense as a percentage of its average bonds and other borrowings balance for the year. Net interest expense is after the effect of hedging transactions. Average bonds and other borrowings for the year is the average of the nominal monthly balances.</p>	<table border="1"> <caption>Percentage net financing costs (Five-Year History)</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1.53%</td> </tr> <tr> <td>2018</td> <td>2.42%</td> </tr> <tr> <td>2019</td> <td>2.64%</td> </tr> <tr> <td>2020</td> <td>0.72%</td> </tr> <tr> <td>2021</td> <td>0.25%</td> </tr> </tbody> </table>	Year	Percentage	2017	1.53%	2018	2.42%	2019	2.64%	2020	0.72%	2021	0.25%
Year	Percentage													
2017	1.53%													
2018	2.42%													
2019	2.64%													
2020	0.72%													
2021	0.25%													

The Gavi Group's net interest expense and average bonds and other borrowings balances were as follows:

In Millions of US\$, except Percentages	2021	2020	2019	2018	2017
Net interest expense on bonds and other borrowings after impact of swaps	4	5	24	27	22
Average nominal value of bonds and other borrowings for the year	1,582	699	908	1,114	1,436
Percentage net financing costs	0.25%	0.72%	2.64%	2.42%	1.53%

The Gavi Group incurs financing costs on Vaccine Bonds issued by IFFIm. In order to minimise these financing costs, although influenced by market conditions and other factors outside IFFIm's control, IFFIm has done the following:

- put in place a liquidity policy that allows it to maintain a high credit rating. As a result of this high credit rating, IFFIm's bonds and other borrowings rates to date have historically been better than if IFFIm's donors had raised their share of IFFIm's funding individually in their own markets. See the *Cash Reserve and Liquidity Policies* section on page 24 for further details; and
- entered into currency and interest rate swaps to hedge against IFFIm's exposure to currency and interest rate fluctuations impacting its Vaccine Bonds.

Percentage net financing costs were lower in 2021 compared to 2020 primarily due to higher interest rates in 2021 that resulted in net interest income on bond swaps. The Gavi Group's low percentage net financing costs over the last five years indicate that IFFIm's liquidity and hedging policies have been appropriately designed and effectively executed. Since its inception in 2006, IFFIm has accessed the capital markets at a weighted average cost of borrowing that is in total lower than that of its donors as stated above. IFFIm's weighted average cost of all its bonds issued since its inception is six basis points over USD London Interbank Offered Rate ("LIBOR"). This is 1 basis point lower than the weighted average cost of borrowing of its donors, which is seven basis points over USD LIBOR calculated over the same period. At its inception, IFFIm's funding cost, on average, was anticipated to be higher than that of its donors. The cost of funding is subject to macroeconomic factors.



# INNOVATIVE FINANCE MECHANISMS

## BENEFITS OF INNOVATIVE FINANCE MECHANISMS

Innovative finance mechanisms help Gavi to:

- Diversify its funding portfolio: Innovative finance mechanisms attract capital from a variety of public and private sources. They aim to attract funds that are committed for longer periods of time.
- Adapt to the needs of implementing countries, donors and investors: Innovative finance mechanisms help match the capacity and preferences of donors and investors with the needs of implementing countries to rapidly scale up vaccine coverage, lower disease prevalence and accelerate introduction of new and underused vaccines.
- Provide predictable and flexible resources: Funding predictability has enabled countries to implement multi-year programmes that fundamentally improve the quality of and access to health care services. Flexible resources, including the ability to frontload or accelerate funding based on need, generate additional impact and allow Gavi to access alternate funding resources as funding constraints emerge, avoiding programme disruption.
- Respond to the United Nations Sustainable Development Goals: Gavi and immunisation are critical to achieving child health goals set by the United Nations (“UN”). Gavi aided the UN in achieving the Millennium Development Goals (“MDG”) for child health, which aimed to reduce by two thirds the deaths of children under five by 2015. As the MDG period came to an end, Gavi is in full support of the UN post-2015 Sustainable Development Goals including child health: accelerate the progress made to date in reducing newborn and child mortality by ending all such preventable deaths before 2030. Additional resources provided from innovative finance mechanisms help Gavi accelerate funding for the introduction of vaccines and strengthen health systems.
- Shape markets: Gavi’s use of innovative finance helps meet country demand, grow markets, attract manufacturers and reduce prices. This makes donor resources go further and increases the ability of countries to fund vaccines in the long term.
- Respond to emergencies: Gavi’s use of innovative finance mechanisms provide Gavi with resources and ability to respond to emergencies during outbreaks or pandemics.

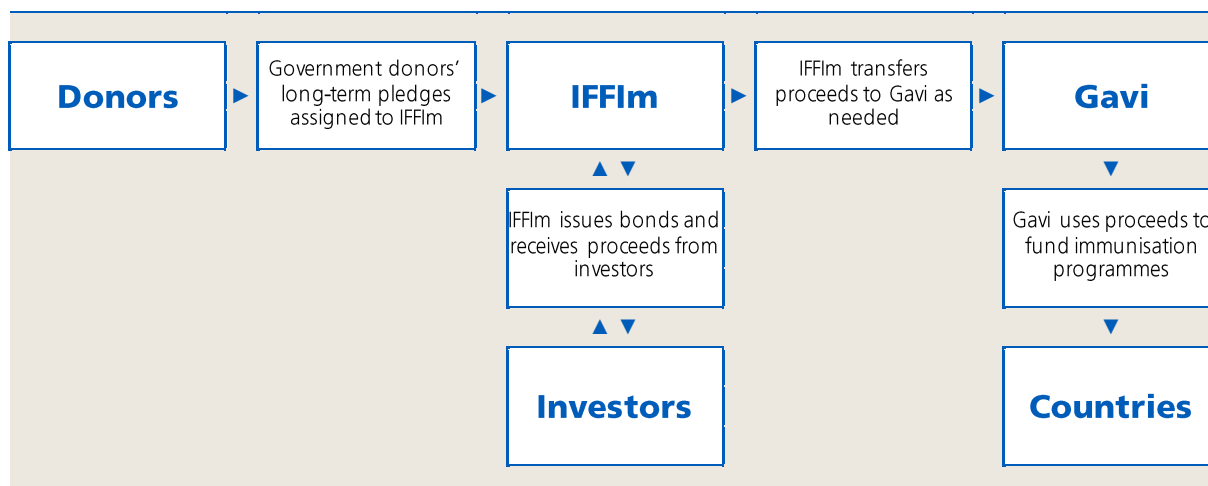
## THE INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION

IFFIm is an innovative finance mechanism created in 2006 that provides long-term, predictable and flexible funding to Gavi. IFFIm historically has converted long-term government commitments into immediately available cash resources by issuing bonds in capital markets. IFFIm contributes to accelerating the availability and predictability of funds for Gavi’s immunisation programmes, including NVS support, HSS support, vaccine research and development activities, and procurement and delivery of COVID-19 vaccines. Between 2006 and 2021, IFFIm accounted for over 18% of Gavi’s funding. IFFIm is a core component of Gavi’s long-term funding strategy.

IFFIm is backed by legally binding funding commitments from the Governments of the Commonwealth of Australia, the Federative Republic of Brazil, the Republic of France, the Republic of Italy, the State of the Netherlands, the Kingdom of Norway, the Republic of South Africa, the Kingdom of Spain, the Kingdom of Sweden, and the United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”), which together have pledged to contribute approximately US\$ 9 billion to IFFIm over 25 years.<sup>1</sup> These long-term government pledges are used as collateral to raise funds on the global capital markets by issuing Vaccine Bonds. Cash receipts from the donor governments are then used to repay IFFIm bonds.

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<sup>1</sup> Further information on donor pledges to IFFIm is on page 66 of this report.



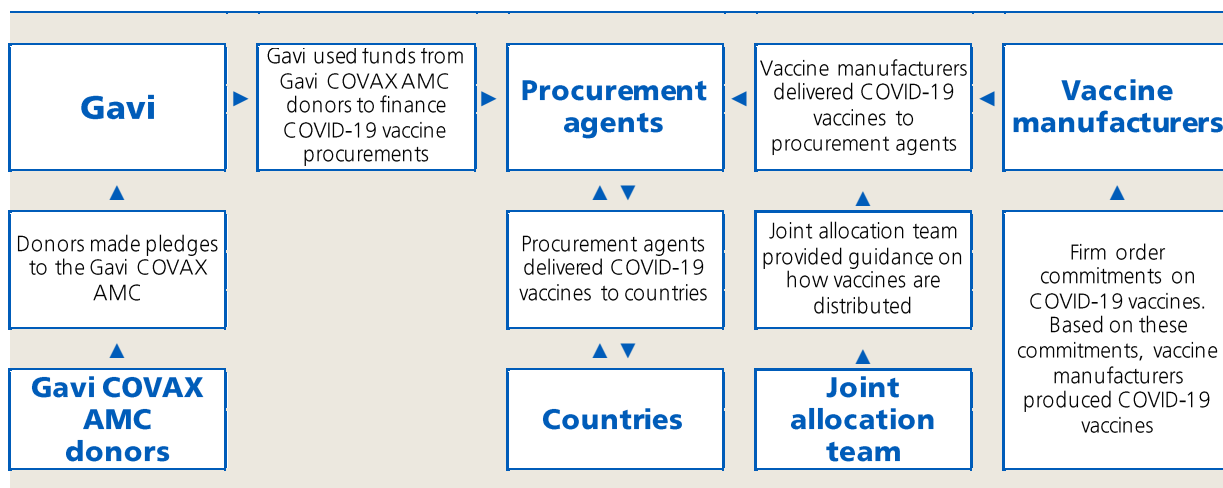
The ability of IFFIm to convert long-term commitments into immediate cash provides Gavi with the flexibility to use funds when they are needed most. This means that Gavi can choose either to frontload IFFIm resources over a short period of time or to have smaller and more consistent drawdowns over a longer term, depending on Gavi's funding needs and without incurring significant costs on either situation. Having these immediately available resources ensures a near-term positive impact on public health that strengthens and protects future generations.

IFFIm bonds also provide investors with a socially responsible investment opportunity, and raise awareness about Gavi and its mission. IFFIm bonds have proven popular with both institutional and individual investors, raising over US\$ 7.9 billion since IFFIm's inception in 2006 to 31 December 2021.

### THE GAVI ADVANCE MARKET COMMITMENT FOR COVID-19 VACCINES

At the GVS 2020 on 4 June 2020, Gavi launched the Gavi COVAX AMC as the first building block of the Facility. It was established as an innovative finance mechanism to provide access to donor-funded doses of COVID-19 vaccines to 92 eligible lower-income economies, comprising all economies with gross national income (GNI) per capita under US\$ 4,000, plus other World Bank International Development Association (IDA)-eligible economies.

Gavi is coordinating the design, operationalisation and fundraising for the Gavi COVAX AMC. Gavi and partners continue to mobilise resources from donor governments, philanthropy and the private sectors. This goes towards vaccine manufacturers to secure supply agreements for Gavi COVAX AMC doses. The Gavi COVAX AMC is critical to ensuring equitable access to COVID-19 vaccines, regardless of income level, by having an allocation mechanism to guide how the vaccines are distributed within countries and territories.



The first phase of the Gavi COVAX AMC began with seed funding of US\$ 505 million enabled by the support at the GVS. A target was set to mobilise US\$ 2 billion by the end of 2020 to fund down payments to manufacturers and secure the first doses. This target was reached by the end of December 2020.

A second phase began with support from the G7 Summit in February 2021, and the launch of an Investment Opportunity hosted by the Government of the United States of America in April 2021. Further momentum

was generated through the Global Health Summit on 21 May 2021, co-hosted by the European Commission ("EC") and Italy as chair of the G20, culminating in the Gavi COVAX AMC Summit on 2 June 2021, hosted by the Government of Japan.

From inception to 31 December 2021, total cash receipts amounted to US\$ 9.1 billion; and total donated doses received, which are non-cash transactions, amounted to US\$ 4.4 million. US\$ 8.8 billion of the total cash receipts and US\$ 4.3 billion of the total donated doses were received for the year ended 31 December 2021.

## THE GAVI MATCHING FUND

The Gavi Matching Fund is a public-private funding mechanism designed to incentivise private sector investments in immunisation.

At Gavi's pledging conference in June 2011, the United Kingdom Department for International Development ("DFID") and the Gates Foundation pledged £50 million and US\$ 50 million, respectively, to match contributions from corporations, foundations and other organisations, as well as from their customers, members, employees and business partners until 2015.

At Gavi's second pledging conference in January 2015, the Gates Foundation and the State of the Netherlands pledged US\$ 75 million and €10 million, respectively, to match contributions from corporations, foundations and other organisations, as well as from their customers, members, employees and business partners until 2020. In December 2020, the Gates Foundation and Gavi agreed that US\$ 5 million of the US\$ 75 million matching fund be reallocated towards Gavi - Core activities.

At the GVS 2020 in June 2020, the Gates Foundations, the State of the Netherlands and the United Kingdom pledged US\$ 75 million, US\$ 30 million of which for the Facility, €25 million and £25 million, respectively, to match contributions from corporations, foundations and other organisations, as well as from their customers, members, employees and business partners until 2025.

The Gavi Matching Fund will allow Gavi to deliver more life-saving vaccines to the lowest-income countries. Healthy children lead to healthy communities and healthy societies. The Gavi Matching Fund also attracts advocates for the cause of immunisation and those who provide core business skills to help address technological and logistical challenges to immunisation.

The Gavi Matching Fund process comprises three key steps:

- (1) Gavi works with the partner to find ways to engage customers, employees, business partners or others to contribute through the Gavi Matching Fund.
- (2) A private sector partner makes a cash or in-kind contribution to Gavi.
- (3) Until 2015, every contribution to Gavi through the Gavi Matching Fund by the private sector partner, its customers, employees and business partners was matched either by DFID or by the Gates Foundation. From 2016 to 2020, private sector contributions to Gavi through the Gavi Matching Fund are matched by the Gates Foundation and the State of the Netherlands. For the 2021–2025 strategic period, private sector contributions to Gavi through the Gavi Matching Fund will be matched by the Gates Foundation, the State of the Netherlands and the United Kingdom.

The Gavi Matching Fund raised US\$ 69 million in 2021. Since its inception in 2011 to 31 December 2021, the Gavi Matching Fund has raised a total of US\$ 453 million. This amount is the total of pledges from the private sector partners and matching pledges from the Gates Foundation, the State of the Netherlands and the United Kingdom.

## FUNDING FROM GATES FOUNDATION

Gavi received US\$ 300 million in funding from the Gates Foundation to fund the COVID-19 vaccine (principally being the Covovax vaccine) procurement prepayment to Serum Institute of India Private Limited ("SII"), across two US\$ 150 million tranches on 31 July 2020 and 28 September 2020, respectively. The Gates Foundation funding is subject to repayment by Gavi on a quarterly basis starting with the quarter in which the first SII procurement credit is applied, reduced or offset by SII. Procurement credit is equal to the amount of the procurement prepayment from Gavi. For each quarter, Gavi will repay to the Gates Foundation (within 60 days after quarter-end) an amount equal to one third of such SII procurement credit during such quarter. As SII delivers vaccine doses to Gavi (through UNICEF or any other agent designated by Gavi), Gavi will repay its one-third equivalent obligation to the Gates Foundation.

The aggregate amount repayable by Gavi to the Gates Foundation will be subject to proportional reduction relative to the amount of any procurement credit reduction, which relates to reductions to the amount repayable by Gavi in the event of product failures that may be incurred by SII.

Gavi received US\$ 300 million in 2020. No repayment has been made as of 31 December 2021, as there were no Covovax vaccine doses supplied by SII during the year.

## EUROPEAN COMMISSION LOAN FACILITY

The loan facility is a funding acceleration mechanism designed to provide immediate access to cash upon the signature of grants in order to rapidly address the pandemic.

In December 2020, the EC committed support to the Facility with a €400 million EC-guaranteed loan, in two tranches, provided through the European Investment Bank ("EIB"), as part of its Global Coronavirus Response. The loan was received on 31 March 2021. It consists of an SFP upfront payment of US\$ 150 million (€130 million), a risk-sharing guarantee of US\$ 35 million (€30 million), and proceeds from loan of US\$ 283 million (€240 million). As of 31 December 2021, US\$ 86 million (€72 million) of the SFP upfront payment was donated to Gavi COVAX AMC.

In November 2021, as a mark of the EC's staunch support to the Facility, EIB provided an additional €200 million loan for the Gavi COVAX AMC. The loan was received on 26 November 2021.

## FINANCIAL OVERVIEW

### OVERVIEW OF ASSETS AND LIABILITIES

The following table summarises Gavi Group's consolidated assets and liabilities as of 31 December 2021, 2020 and 2019:

In Millions of US\$, except Percentages	2021	2020	2019	Change, 2020 to 2021	Change, 2019 to 2020
<b>Assets</b>					
Cash and investments	8,907	5,106	3,063	74 %	67 %
Contributions receivable	6,668	4,762	3,192	40 %	49 %
Net derivative assets	37	4	45	825 %	(91)%
Receivable on COVAX Facility arrangements	14	220	-	(94)%	-%
Other assets	4,288	422	86	916 %	391 %
<b>Total assets</b>	<b>19,914</b>	<b>10,514</b>	<b>6,386</b>	<b>89 %</b>	<b>65 %</b>
<b>Liabilities</b>					
Programme grants and procurement accounts payable	1,896	933	873	103 %	7 %
Net derivative liabilities	244	543	520	(55)%	4 %
Payable on COVAX Facility arrangements	1,659	1,851	-	(10)%	-%
Bonds and other borrowings	2,345	916	510	156 %	80 %
Other liabilities	797	471	199	69 %	137 %
<b>Total liabilities</b>	<b>6,941</b>	<b>4,714</b>	<b>2,102</b>	<b>47 %</b>	<b>124 %</b>
<b>Total net assets</b>	<b>12,973</b>	<b>5,800</b>	<b>4,284</b>	<b>124 %</b>	<b>35 %</b>
<b>Total liabilities and net assets</b>	<b>19,914</b>	<b>10,514</b>	<b>6,386</b>	<b>89 %</b>	<b>65 %</b>

The Gavi Group's total assets increased by 89% during 2021; 72% of the increase relates to the Facility. The increase in total assets was primarily due to increases in cash and investments, contributions receivable, and net derivative and other assets. Each of these is discussed below:

- **Increase in cash and investments:** The increase in cash and investments of US\$ 3.8 billion was primarily due to cash receipts related to the Facility. Gavi received US\$ 8.8 billion from Gavi COVAX AMC donors, US\$ 30.4 million in down payments/upfront payments and US\$ 272.7 million in guarantees from SFPs that joined the Facility. The cash receipts were offset by advance payments to vaccine manufacturers and procurement agents of US\$ 5.3 billion.
- **Increase in contributions receivable:** The increase in contributions receivable of US\$ 1.9 billion resulted primarily from new multi-year pledges of US\$ 11.0 billion offset by cash receipts of US\$ 8.8 billion and fair value losses of US\$ 245.2 million.
- **Increase in net derivative and other assets:** The net increase in net derivative and other assets was due to advances to vaccine manufacturer balances, which were US\$ 3.7 billion higher in 2021 compared to 2020 and net derivative assets, which were US\$ 33 million higher in 2021 compared to 2020.

Gavi entered into legally binding APAs with vaccine manufacturers to secure COVID-19 vaccine doses for the Facility. In 2021, Gavi advanced US\$ 4.2 billion in relation to these arrangements.

In 2021, Gavi entered into foreign currency forward contracts to manage the foreign exchange risk on its future net cash inflows in the 2021–2025 strategic period.

The Gavi Group's total liabilities increased by 47% during 2021; 37% of the increase relates to the Facility. The increase in total liabilities was primarily due to increases in programme grants and procurement accounts payable, bonds and other borrowings, and net derivative and other liabilities. Each of these is discussed below:

- **Increase in programme grants and procurement accounts payable:** The increase in procurement accounts payable of US\$ 963 million was primarily due to amounts committed to UNICEF for the procurement of COVID-19 vaccines of US\$ 1.0 billion under the Facility.
- **Increase in bonds and other borrowings:** The increase in bonds and other borrowings of US\$ 1.4 billion resulted from the proceeds of two new bond issuances totalling US\$ 993 million and loan facilities with EIB of US\$ 500 million. The increase was partially offset by redemption of bonds totalling US\$ 38 million and fair value gains of US\$ 28 million.
- **Net increase in net derivative and other liabilities:** The net increase in net derivative and other liabilities was due to deferred revenue and accrued expenses balances, which were US\$ 329 million higher in 2021 compared to 2020 offset by net derivative liabilities, which were US\$ 299 million lower in 2021 compared to 2020.

The Gavi Group's decrease in net derivative liabilities balance comprised of a decrease in Gavi's liability position on its foreign currency forward contracts by US\$ 88 million and a decrease in IFFIm's net liability position on its interest rate and currency swap contracts by US\$ 211 million. IFFIm's liability on swap contracts decreased from US\$ 407 million, as of 31 December 2020, to US\$ 196 million, as of 31 December 2021, primarily due to net fair value gains of US\$ 161 million and net swap settlement payments of US\$ 50 million. All else being equal, IFFIm's derivative liability will reverse over time as the swap positions related to those payments are unwound in the normal course of business. These swap positions will be unwound as payments are received from IFFIm donors and bonds are redeemed. See the *IFFIm Hedging Activity* section on page 25 of this report for further information on IFFIm's currency and interest swap arrangements.

## OVERVIEW OF INCOME AND EXPENSES

The following table summarises Gavi Group's consolidated income and expenses for the years ended 31 December 2021, 2020 and 2019:

In Millions of US\$, except Percentages	2021	2020	2019	Change, 2020 to 2021	Change, 2019 to 2020
<b>Revenue</b>					
Contributions from government and private donors	11,231	3,567	618	215 %	477 %
Contributed nonfinancial assets	4,412	1	2	441,100 %	(50)%
Net investment income	88	129	161	(32)%	(20)%
Other revenue	6	1	1	500 %	- %
<b>Total revenue<sup>1</sup></b>	<b>15,737</b>	<b>3,698</b>	<b>782</b>	<b>326 %</b>	<b>373 %</b>
<b>Expenses</b>					
Programme	8,514	2,062	1,011	313 %	104 %
Net interest expense on bonds and other borrowings after impact of swaps	4	5	24	(20)%	(79)%
Other fair value (gains) losses	(16)	71	(125)	(121)%	(157)%
Administrative, fundraising and other	60	45	46	33 %	(2)%
<b>Total expenses</b>	<b>8,562</b>	<b>2,183</b>	<b>956</b>	<b>292 %</b>	<b>128 %</b>
<b>Increase (decrease) in net assets</b>	<b>7,175</b>	<b>1,515</b>	<b>(174)</b>	<b>373 %</b>	<b>(971)%</b>

<sup>1</sup> This total includes donor-restricted contributions from government and private donors and contributed nonfinancial assets. It does not include the release of net assets from restrictions, net fair value gains on derivatives and net financing income, which are included in the total revenue reported in the Consolidated Statements of Activities on page 31 of the consolidated financial statements.

The Gavi Group's recorded contribution revenue is the aggregate of new multi-year pledges and annual contributions. The Gavi Group's revenue for 2021, 2020 and 2019 was driven primarily by the following:

- **2021 contribution revenue:** Contribution revenue of US\$ 15.6 billion was recorded in 2021. This high contribution revenue amount was primarily due to continued increase in grant agreements signed by several public and private donors, pursuant to the commitments these donors made at Gavi's third donor pledging conference, in June 2020, in support of Gavi's immunisation mission, including its efforts to respond to the COVID-19 pandemic through the Facility.

Some grant agreements were multi-year pledges whose initial fair values were recorded as 2021 revenue in accordance with the Gavi Group's accounting policies. Gavi's multi-year pledges for the year included US\$ 1.5 billion, US\$ 703 million, US\$ 299 million, US\$ 290 million, US\$ 232 million and US\$ 3 million from the Gates Foundation, the Kingdom of Norway, the United Kingdom, United States Agency for International Development ("USAID"), the Commonwealth of Australia and various other donors, respectively, for the 2021–2025 strategic period and US\$ 4 billion, US\$ 1 billion, US\$ 374 million, US\$ 236 million, US\$ 236 million and US\$ 2 billion from USAID, the Federal Republic of Germany, the Republic of Italy, Canada, the Republic of France, and various other donors, respectively, for the Gavi COVAX AMC. In 2021, Gavi assigned to IFFIm the benefit of new sovereign grant agreements from the Kingdom of Norway, the Kingdom of Sweden and the Commonwealth of Australia in amounts totalling kr (NOK) 4 billion, kr (SEK) 2.5 billion and A\$ 86 million, respectively, with initial recorded fair values totalling US\$ 720 million. The new grant agreements were assigned to IFFIm to support programme funding to Gavi encompassing its core programmes, CEPI's new vaccine research and development activities, and the Gavi COVAX AMC.

Other grants took the form of annual contributions, which were recorded as revenue as the funds were received. See Schedule 1.5: *Annual Contributions from Donors* on page 67 for a complete list of annual contributions received by the Gavi Group during 2021. The increase in contribution revenue, compared to 2020, is an expected trend given that Gavi is in the first year of the 2021–2025 strategic period and continues to receive funding for the Gavi COVAX AMC.

In 2021, the Gavi Group received in-kind contributions from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under dose sharing arrangements, which were recorded as revenue in accordance with the Gavi Group's accounting policies. See Schedule 1.7: *Gavi COVAX AMC Donated Doses* on page 70 for a complete list of donated doses received by the Gavi Group during 2021.

- **2020 contribution revenue:** Contribution revenue of US\$ 3.6 billion was recorded in 2020. This high contribution revenue amount was primarily due to grant agreements signed by several public and private donors, pursuant to the commitments these donors made at Gavi's third donor pledging conference, in June 2020, in support of Gavi's immunisation mission, including its efforts to respond to the COVID-19 pandemic through the Facility.

Some grant agreements were multi-year pledges whose initial fair values were recorded as 2020 revenue in accordance with the Gavi Group's accounting policies. Gavi's multi-year pledges for the year included US\$ 732 million and US\$ 31 million from the Federal Republic of Germany, and various other donors, respectively, for the 2021–2025 strategic period and US\$ 171 million, US\$ 150 million and US\$ 150 million from Canada, the Gates Foundation and the Kingdom of Saudi Arabia, respectively, for the Gavi COVAX AMC. In 2020, IFFIm received new sovereign pledges from the Republic of Italy, the State of the Netherlands, the Kingdom of Norway, and the United Kingdom in amounts totalling €155 million, €250 million, kr 3 billion and £500 million, respectively, with initial recorded fair values totalling US\$ 1.3 billion. The new pledges were made to IFFIm to support programme funding to Gavi encompassing its core programmes, CEPI's new vaccine research and development activities, and the Gavi COVAX AMC.

Other grants took the form of annual contributions, which were recorded as revenue as the funds were received. See Schedule 1.5: *Annual Contributions from Donors* on page 67 for a complete list of annual contributions received by the Gavi Group during 2020.

- **2019 contribution revenue:** Contribution revenue of US\$ 620 million was recorded in 2019. Recorded revenue included new multi-year pledges received during the year of US\$ 59 million, US\$ 20 million, and US\$ 13 million from the Kingdom of Norway, the United States of America, and various other donors, respectively. Recorded revenue also included annual contributions of US\$ 290 million from USAID, US\$ 147 million from the Federal Republic of Germany and US\$ 91 million from various other donors.

The Gavi Group's net investment income was US\$ 88 million in 2021, a decrease from an income of US\$ 129 million in 2020. IFFIm's investment income was lower by US\$ 3 million in 2021 compared to 2020, as IFFIm's investment portfolio had a relatively lower weighted average balance in 2021. The lower balance, together with lower market returns, resulted in a portfolio rate of return of 0.24% during 2021 compared to 0.99% during 2020. Gavi's investment income was lower by US\$ 38 million in 2021 compared to 2020, as Gavi's long-term portfolio delivered an estimated return of 8.0% during 2021 compared to 10.4% during 2020.

The Gavi Group's programme expenses increased by 313% in 2021. In 2021, programme expenses comprised primarily of US\$ 4.3 billion for donated COVID-19 vaccine doses, US\$ 3.7 billion for cash and vaccine programmes, US\$ 173.9 million for the Partners' Engagement Framework ("PEF"), US\$ 146.4 million for CDS, US\$ 68.2 million for CCEOP, and US\$ 40.3 million for procurement fees. Programme expenses were higher in 2021 as a result of the continued progress to restore and achieve normal level of Gavi - Core programmatic activity and the operationalisation of the Facility.

Net interest expense was lower in 2021 compared to 2020, primarily due to higher interest rates in 2021 that resulted in net interest income on bond swaps. In 2021, net interest expense on bonds and other borrowings after impact of swaps of US\$ 4 million was comprised of interest expense of US\$ 8 million and net interest income on bond swaps of US\$ 4 million. In 2020, net interest expense on bonds and other borrowings after impact of swaps of US\$ 5 million was comprised of interest expense of US\$ 4 million and interest expense on bond swaps of US\$ 1 million.

The Gavi Group incurred other fair value gains of US\$ 16 million in 2021, other fair value losses of US\$ 71 million in 2020 and other fair value gains of US\$ 125 million in 2019. The composition and drivers of each of these gains are described below:

- **2021 other fair value gains:** Other fair value gains of US\$ 16 million were comprised of fair value gains on derivatives of US\$ 224 million and net fair value gains on bonds and other borrowings of US\$ 24 million. These gains were partially offset by foreign currency transaction losses on contributions receivable of US\$ 191 million, fair value losses on contributions receivable of US\$ 35 million and other foreign exchange losses of US\$ 6 million.

The US\$ 224 million fair value gains on derivatives were primarily the result of hedging Gavi's future net cash inflows and a stronger United States dollar in 2021, which resulted in lower fair values of pledge swaps. The US\$ 24 million fair value gains on bonds and other borrowings were primarily the result of higher interest rates in 2021. Due to higher interest rates in 2021, higher discount rates were applied to IFFlm bonds. The US\$ 191 million foreign currency transaction losses on contributions receivable were primarily the result of a stronger United States dollar in 2021, which significantly decreased the fair values of foreign currency denominated contributions receivable. The US\$ 35 million net fair value losses on contributions receivable were primarily the result of higher interest rates in 2021. Due to higher interest rates in 2021, higher discount factors were applied to the pledges.

- **2020 other fair value losses:** Other fair value losses of US\$ 71 million were comprised of fair value losses on derivatives of US\$ 236 million and net fair value losses on bonds and other borrowings of US\$ 33 million. These losses were partially offset by foreign currency transaction gains on contributions receivable of US\$ 151 million, net fair value gains on contributions receivable of US\$ 36 million and other foreign exchange gains of US\$ 11 million. The US\$ 236 million fair value losses on derivatives were primarily the result of hedging Gavi's future net cash inflows and a weaker United States dollar in 2020, which resulted in higher fair values of pledge swaps, the majority of which were related to pledges denominated in British pounds. The US\$ 33 million fair value losses on bonds and other borrowings were primarily the result of lower interest rates in 2020. Due to lower interest rates in 2020, lower discount rates were applied to IFFlm bonds. The US\$ 151 million foreign currency transaction gains on contributions receivable were primarily the result of a weaker United States dollar in 2020, which significantly increased the fair values of foreign currency denominated contributions receivable. The US\$ 36 million net fair value gains on contributions receivable were primarily the result of lower interest rates in 2020. Due to lower interest rates in 2020, lower discount factors were applied to the pledges.
- **2019 other fair value gains:** Other fair value gains of US\$ 125 million were comprised of net fair value gains on contributions receivable of US\$ 86 million, foreign currency transaction gains on contributions receivable of US\$ 50 million, and fair value gains on derivatives of US\$ 9 million. These gains were partially offset by net fair value losses on bonds and other borrowings of US\$ 11 million and other foreign exchange losses of US\$ 10 million. The US\$ 86 million net fair value gains on contributions receivable were primarily the result of lower interest rates in 2019. Due to lower interest rates in 2019, lower discount factors were applied to the pledges. The US\$ 50 million foreign currency transaction gains on contributions receivable were primarily the result of the strengthening of the British pound against the United States dollar in 2019, which was of greater magnitude than the impact due to the strengthening of the United States dollar against the euro and the other currencies. This significantly increased the fair values of foreign currency denominated contributions receivable. The US\$ 9 million fair value gains on derivatives were primarily the result of lower interest rates in 2019. Due to lower interest rates in 2019, lower discount factors were applied to bond swaps in 2019. The US\$ 11 million fair value losses on bonds and other borrowings were primarily the result of lower interest rates in 2019.

Net fair value gains or losses on derivatives are reported as total revenue and total expenses, respectively, in the Consolidated Statements of Activities on page 31 of the consolidated financial statements. Net fair value gains or losses on contributions receivable and foreign currency transaction gains or losses on contributions

receivable are reported as total expenses and/or changes in net assets with donor restrictions in the Consolidated Statements of Activities on page 31 of the consolidated financial statements. Net fair value gains or losses on bonds and other borrowings are reported as net financing income or expenses in the Consolidated Statements of Activities on page 31 of the consolidated financial statements and as finance income or expenses in the Consolidated Statements of Functional Expenses on page 33 of the consolidated financial statements. See the *Gavi Foreign Currency and Hedging Activity* and *IFFIm Hedging Activity* sections on pages 24 and 25, respectively, of this report for further information on Gavi Group's use of derivatives to hedge against market risks.

## OVERVIEW OF CASH FLOWS

The following table summarises Gavi Group's consolidated cash flows for the years ended 31 December 2021, 2020 and 2019:

<b>In Millions of US\$, except Percentages</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Change, 2020 to 2021</b>	<b>Change, 2019 to 2020</b>
Net cash from (used in) operating activities <sup>1</sup>	2,244	1,480	(158)	52 %	(1,037)%
Net cash (used in) from investing activities	(207)	(1,976)	638	(90)%	(410)%
Net cash from (used in) financing activities	1,480	651	(378)	127 %	(272)%
Net change in cash	3,517	155	102	2,169 %	52 %
Cash and restricted cash as of the beginning of the year	1,028	873	771	18 %	13 %
Cash and restricted cash as of the end of the year	4,545	1,028	873	342 %	18 %

<sup>1</sup> This total includes the effect of exchange rate changes on cash, which is excluded from net cash provided by operating activities reported in the Consolidated Statements of Cash Flows on page 32 of the consolidated financial statements.

Net cash from (used in) operating activities is driven mainly by cash receipts from donors and SFPs, as described in the *Overview of Assets and Liabilities* section on page 19 of this report, and cash payments to implementing countries, procurement agents, partners and vendors for programmatic and administrative purposes.

Net cash (used in) from investing activities mainly relates to the investment of proceeds from donors and SFPs, as described in the *Overview of Assets and Liabilities* section on page 19 of this report, and bond issuances before those proceeds are used to fund Gavi programmes or redeem bonds.

Net cash from (used in) financing activities reflects the cash inflows from Vaccine Bond issuances and cash outflows from Vaccine Bond redemptions.

As of 31 December 2021 and 2020, cash and restricted cash as of the end of the year in the table above included US\$ 3.6 billion and US\$ 11.6 million, respectively, of cash related to Gavi's role as administrator of the Facility.

The Gavi Group's cash receipts from donors and IFFIm investors were as follows:

<b>In Millions of US\$, except Percentages</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Change, 2020 to 2021</b>	<b>Change, 2019 to 2020</b>
Sovereign governments and the European Commission	864	1,151	1,280	(25)%	(10)%
Gates Foundation and other private donors	216	313	331	(31)%	(5)%
IFFIm	1,214	406	316	199 %	29 %
Other innovative finance mechanisms	7,720	427	69	1,708 %	516 %
Total cash receipts from donors and IFFIm investors	10,014	2,297	1,996	336 %	15 %

The Gavi Group's programme disbursements were as follows:

<b>In Millions of US\$, except Percentages</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Change, 2020 to 2021</b>	<b>Change, 2019 to 2020</b>
NVS	1,328	1,120	1,328	19 %	(16)%
HSS	248	412	409	(40)%	1 %
Facility	5,330	-	-	- %	- %
Total programme disbursements	6,906	1,532	1,737	351 %	(12)%



## CASH RESERVE AND LIQUIDITY POLICIES

Gavi and IFFIm have put in place certain policies in order to ensure that they maintain sufficient liquidity to meet their obligations to implementing countries, IFFIm investors and all other creditors. These policies are summarised below:

- Gavi cash reserve policy: At all times, Gavi maintains a minimum unrestricted cash and investment reserve equivalent to eight months of Gavi's expected annual expenditures.
- Gavi programme funding policy: As a prerequisite to Board approval or endorsement of any new programmes, Gavi designates an amount of Qualifying Resources sufficient to fully cover all its commitments for the period from the start of the current year through the next two calendar years. Qualified Resources are defined as the aggregate of Gavi cash and investments on hand, in excess of the cash and investment reserve policy, and expected future cash inflows for the next two years. Expected future cash flows are comprised of: (1) expected cash receipts from Gavi COVAX AMC donors and other direct Gavi donors; (2) expected funding from IFFIm; and (3) projected investment income.
- IFFIm liquidity policy: IFFIm maintains an adequate level of liquidity to meet its operational requirements, provide predictability of programme funding and support its credit rating. Taking these factors into account, IFFIm maintains a minimum balance of pooled investments equivalent to its cumulative contracted debt service payments for the next twelve months. This minimum balance is recalculated and reset on a quarterly basis.

## GAVI FOREIGN CURRENCY AND HEDGING ACTIVITY

Gavi expenditures are primarily incurred in United States dollars. Therefore, Gavi is exposed to foreign currency exchange rate fluctuations on contributions receivable in currencies other than the United States dollar. In November 2011, the Board approved a currency hedging policy that specified parameters for currency hedging through which Gavi can manage this exposure. Under its hedging policy, Gavi actively hedges its foreign currency exchange risk on a portion of contributions receivable and future net cash inflows by entering into currency forward contracts. In addition, a small portion of Gavi's currency exchange risk is naturally hedged by expenses that Gavi incurs in currencies other than the United States dollar.

At the GVS 2020 on 4 June 2020, Gavi valued pledges for direct contributions from donors using Bloomberg spot foreign currency exchange rates. Using these rates, the valuation of direct contributions pledged for the period 2021 to 2025 totalled US\$ 8.1 billion.<sup>2</sup> The United States dollar has weakened since then, thereby increasing the United States dollar valuation<sup>3</sup> of the direct contributions pledged in other currencies. The Secretariat estimated that, as of March 2022, the United States dollar value of the pledges for direct contributions had increased by US\$ 0.1 billion to a value of US\$ 8.2 billion, for the period 2022 to 2025. The amount of US\$ 8.2 billion is comprised of:

- US\$ 3.4 billion (41%) for amounts received or to be received in United States dollars;
- US\$ 2.9 billion (35%) for amounts in other currencies already received and exchanged for United States dollars, and amounts to be received that are hedged into United States dollars; and
- US\$ 1.9 billion (24%) for amounts in other currencies to be received that are not yet hedged and are valued using Bloomberg forecast rates. Gavi is exposed to exchange rate fluctuations on this amount.

The COVID-19 pandemic has resulted in greater volatility and uncertainty on financial markets. As a result, Gavi applied currency hedging to provide certainty of funding and reduce the volatility in the United States dollar value of future net cash inflows due to exchange rate fluctuations. As of March 2022, Gavi has hedged 80% of the total direct non-US dollar contributions expected to be received over the period 2021 to 2022. Gavi has also hedged a total of 70% of the total direct non-US dollar contributions expected to be received over the period 2021 to 2025.

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<sup>2</sup> Includes pledges for direct contributions that were made at Gavi's third donor pledging conference.

<sup>3</sup> The updated valuation of non-US\$ contributions uses Bloomberg forecast foreign currency rates as of March 2022.

Gavi remains exposed to foreign currency fluctuations on a portion of its contributions receivable. The sensitivity analysis in the following table shows the impact that a 5% change in value of the United States dollar would have on the fair value of Gavi's contributions receivable as of 31 December 2021 and 2020:

In Millions of US\$	Illustrative Increase or Decrease in US\$ Value of Contributions Receivable for each 5% movement of exchange rate against US\$	
	2021	2020
Australian dollar	10	-
Euro	33	38
Norwegian krone	27	-
Swiss franc	-	-

The impact in 2020 was minimal, as new multi-year commitments made by direct donors at Gavi's third donor pledging conference, in June 2020, had yet to be converted into grant agreements signed by donors.

### IFFIm HEDGING ACTIVITY

The majority of IFFIm's contributions receivable and some of its bonds and other borrowings are denominated in currencies other than the United States dollar. Therefore, IFFIm is exposed to the risk of financial loss or unpredictable cash flows resulting from fluctuations in foreign exchange rates. Since almost all Gavi's programme expenses are incurred in United States dollars and predictability of funding is essential to Gavi's mission, IFFIm has entered into currency swap contracts with the World Bank and other counterparties to mitigate the aforementioned risks. Under these contracts, IFFIm has effectively swapped foreign currency receipts from donors and payments to investors with United States dollar receipts from, and payments to, the World Bank and other counterparties.

In addition to the abovementioned foreign exchange risks, IFFIm is also exposed to potential adverse changes in the value of contributions receivable and bonds and other borrowings resulting from fluctuations in interest rates. In order to mitigate this risk, IFFIm has entered into interest rate swap contracts with the World Bank. Under these contracts, IFFIm has effectively swapped contributions receivable into dollar floating rate receivables from the World Bank and bonds and other borrowings into floating rate payables to the World Bank.

The following table shows IFFIm's fair value adjustments and interest expense, for the year ended 31 December 2021, before and after the impact of IFFIm's currency and interest rate swaps:

In Millions of US\$	Pledges	Bonds
<u>Interest and fair value adjustments before impact of swaps</u>		
Interest expense	-	(8)
Interest rate fair value (losses) gains	(94)	23
Foreign currency fair value (losses) gains	(103)	14
Other fair value gains	71	-
Total interest and fair value adjustments before impact of swaps	(126)	29
<u>Impact of currency and interest rate swaps</u>		
Interest expense	-	4
Interest rate fair value gains (losses)	68	(17)
Foreign currency fair value gains (losses)	112	(6)
Total impact of currency and interest rate swaps	180	(19)
Net interest and fair value adjustments after impact of swaps	54	10

## RECENT EVENTS

### COVAX FACILITY MILESTONES

On 23 February 2021, the Facility became operational as COVAX, the vaccines pillar of the ACT Accelerator, shipped the first batch of COVID-19 vaccine doses to Ghana. This marked the beginning of the global roll-out of COVID-19 vaccines.

By 15 January 2022, COVAX had shipped over 1 billion doses to 144 countries and territories.

As of 4 February 2022, over half a billion COVID-19 vaccines doses donated by high-income countries had been shipped to 105 lower-income countries. The milestone, which was reached nine months after the first dose donations in April 2021, has seen the participation of 31 donors.

### ADVANCE PURCHASE AGREEMENTS WITH VACCINE MANUFACTURERS

Gavi, as legal administrator of the COVAX Facility, negotiated APAs with vaccine manufacturers to secure doses of COVID-19 vaccines on behalf of all Facility participants. In 2020 and 2021, the Facility adopted pandemic response best practice by ensuring sufficient supplies were available to meet the needs of participants guided by the WHO pandemic scenarios (and consequent public health crisis). COVAX pursued a diversified approach in building a vaccine portfolio to address uncertainties surrounding the pandemic such as: regulatory approval and delays of certain vaccine candidates; export controls; and manufacturer scale-up issues. In securing the doses, Gavi incurred prepayments and contractual commitments for the dose quantities in accordance with the agreements. Prepayments are reported as advances to vaccine manufacturers in Note 7 to the consolidated financial statements.

During 2022, the environment for COVID-19 vaccines has significantly changed: the number of vaccines and availability of supply has increased and become more stable; many high-income countries are donating surplus doses; and the latest variants appeared to be milder in nature – resulting in many countries re-evaluating their vaccine targets and a softening of demand. Consequently, there is a risk of global COVID-19 vaccine oversupply. The Facility is undergoing negotiations with vaccine manufacturers to rephase and reduce volume commitments to match more closely supply with demand and may incur exit payments and/or forfeiture of prepayments. There is also a risk of product expiry. At this point in time, negotiations are still taking place; and donors, vaccine manufacturers and the Facility are looking to minimise any impact and free up resources to accommodate any future uncertainties of the pandemic response.

Management has agreed with the Gavi Board committee responsible for approving APAs with vaccine manufacturers (known as the Market-Sensitive Decisions Committee) a proposed reduction/rephasing of doses, expected to be a mix of donated (non-cash) and APA (cash) doses. Given that negotiations with vaccine manufacturers are still ongoing, the estimated exit costs are still to be established. As of 31 December 2021, Gavi has a total contractual commitment of US\$ 8.5 billion, of which US\$ 4.2 billion has been prepaid to vaccine manufacturers and US\$ 4.3 billion remains due on firm order commitments under APAs. The resizing component will be partly APA doses and donated doses. All APA doses are fully funded in the financial forecast. Gavi therefore has the financial capacity to manage all potential outcome of the negotiations. See further information on the APA contractual commitments in Note 23 to the consolidated financial statements.

### BREAK COVID NOW SUMMIT

On 8 April 2022, the 2022 Break COVID Now Summit, co-hosted by Gavi, the Vaccine Alliance alongside the governments of Germany, Ghana, Indonesia and Senegal, saw world leaders come together to reaffirm support for equitable access to COVID-19 vaccines and acting urgently to break COVID now. With Germany, Indonesia and Senegal holding Presidencies in the G7, G20 and AU respectively, the Summit represented an affirmation of the international community's support for COVAX's multilateral approach to vaccine equity. The event successfully secured commitments to help lower-income countries boost vaccinations now, secure equitable access for new vaccine procurements plus additional help for countries looking to procure their own vaccines in the future.

These commitments mean a total of US\$ 1.7 billion in new sovereign donor pledges towards the 2022 AMC fundraising request, alongside US\$ 2.1 billion worth of commitments to facilitate the acceleration of the availability of cash from pledges via new innovative finance mechanisms provided by the EIB and the United States Development Finance Corporation, and least US\$ 1 billion made available by three multilateral development banks ("MDB"): World Bank, Asian Development Bank and EIB.

## IMPACT OF UKRAINE AND RUSSIA CONFLICT

Management have considered the conflict between Ukraine and Russia and its global impact on economic activity and financial markets; and have assessed the potential impact of the conflict on the Gavi Group's financial position, performance and ability to continue meeting its obligations. Management does not expect that the Gavi Group's overall financial position and performance will be significantly impacted by the adverse effects of the conflict. The Gavi Group has measures in place to ensure it maintains sufficient liquidity and capacity to meet its obligations as they fall due; and to continue undertaking its business activities on an ongoing basis. Management does acknowledge the risk of increased market volatility due to the conflict and the potential challenges it may involve.

## FUTURE PLANS

### MEETING FUTURE VACCINE DEMAND

Taking into account the available resources, the Secretariat forecasts that Gavi will have sufficient resources to fund all its programmatic commitments, as revised for the impact of COVID-19 pandemic on Gavi's core mission and the response to the pandemic through the Facility.

Gavi - Core: The Secretariat regularly forecasts, reviews and manages Gavi's cash flows to ensure that Gavi has sufficient Qualifying Resources and liquidity to meet all its future vaccine demand. See *Cash Reserve and Liquidity Policies* section on page 24 of this report for further information on Gavi's Qualifying Resources and liquidity policies.

As of December 2021, the date of the last forecast approved by the Board, Gavi's estimated Qualifying Resources for its 2021–2025 strategic period totalled US\$ 10.8 billion, while its total forecasted cash outflows for the same period were US\$ 10.5 billion. Therefore, Gavi had approximately US\$ 0.3 billion available for additional future mission-related investments. This surplus also provides increased assurance that Gavi will be able to meet future vaccine demand while still responding to significant unexpected future events and has allowed Gavi to provide additional support to countries in response to the COVID-19 pandemic.

COVAX Facility: Due to the rapidly changing nature of the COVID-19 pandemic, the Facility forecast for resources and expenditures required to meet future COVID-19 vaccine demand are revised and presented to the AFC more frequently than the Gavi - Core forecast. The Secretariat anticipates that the Facility forecast will continue to rapidly evolve, including the revisions necessary to reflect any future Board decisions on the strategy of the Facility. Any financial commitments made by Gavi in its capacity as administrator of the Facility are governed by the Board-approved framework and the subsequent risk management mechanism agreed with the AFC.

As of December 2021, the date of the last forecast approved by the Board, Gavi COVAX AMC's estimated Qualifying Resources for the period 2020 to 2022 totalled US\$ 10.8 billion, while its total Forecast Expenditure for the same period was US\$ 10.7 billion. In addition, there is US\$ 79 million to backstop current cost-sharing commitments for AMC-eligible economies.

# PREPARATION OF THE ANNUAL FINANCIAL REPORT

## RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Board and the Secretariat are responsible for the preparation of Gavi's consolidated financial statements and related information that is presented in this report. The consolidated financial statements have been prepared in accordance with US GAAP and also comply with Swiss Law and the Gavi Alliance Statutes. Gavi's consolidated financial statements include amounts based on estimates and judgments made by the Secretariat. The Company engaged Deloitte to audit and opine on Gavi's consolidated financial statements.

Gavi designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorised use or disposition, and that the financial records are reliable for preparing consolidated financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organisational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

The Board, through its AFC, meets periodically with the Secretariat, internal auditor, and Deloitte to ensure that each is meeting its responsibilities, and to discuss matters concerning internal controls and financial reporting. Deloitte and the internal auditor each have full and free access to the AFC.

## FORWARD-LOOKING INFORMATION

Certain information contained in this *Discussion and Analysis* constitutes forward-looking information. This forward-looking information relates to the future financial conditions and results of activities of Gavi. The information represents the Secretariat's current expectations and estimates about the business environments in which Gavi operates and the Secretariat's beliefs and assumptions regarding these environments. This forward-looking information is subject to important risks and uncertainties which are difficult to predict and assumptions which may prove to be inaccurate. The results or events predicted in the forward-looking information contained in this *Discussion and Analysis* may differ materially from actual results or events.

# CONSOLIDATED FINANCIAL STATEMENTS



## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<b>In Thousands of US\$</b>	<b>Note</b>	<b>As of 31 December 2021</b>	<b>As of 31 December 2020</b>
<b>Assets</b>			
Cash		1,355,077	209,364
Restricted cash	3	3,190,770	819,505
Investments	4	3,758,168	3,598,388
Pooled investments	4	603,383	478,455
Contributions receivable	5	6,667,584	4,761,605
Foreign currency forward contracts receivable	6	37,188	3,886
Receivables, prepaid expenses and other assets	7	4,269,392	401,093
Receivable on COVAX Facility arrangements	8	13,621	220,375
Operating lease right-of-use asset	16	18,867	21,364
<b>Total assets</b>		<b>19,914,050</b>	<b>10,514,035</b>
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
Accounts payable and other liabilities	9	775,180	446,104
Programme grants payable	10	59,079	117,860
Procurement accounts payable	3	1,836,994	815,498
Net payable for currency and interest rate swaps	6	196,026	407,225
Foreign currency forward contracts payable	6	47,888	135,526
Payable on COVAX Facility arrangements	8	1,659,157	1,851,030
Operating lease obligations	16	21,654	24,821
Bonds and other borrowings	11	2,344,992	916,328
<b>Total liabilities</b>		<b>6,940,970</b>	<b>4,714,392</b>
<b>Net assets</b>			
Without donor restrictions		3,683,085	939,361
With donor restrictions	12	9,289,995	4,860,282
<b>Total net assets</b>		<b>12,973,080</b>	<b>5,799,643</b>
<b>Total liabilities and net assets</b>		<b>19,914,050</b>	<b>10,514,035</b>

**The accompanying notes are an integral part of these consolidated financial statements.**

## CONSOLIDATED STATEMENTS OF ACTIVITIES

<b>In Thousands of US\$</b>	<b>Note</b>	<b>Year Ended 31 December 2021</b>	<b>Year Ended 31 December 2020</b>
<u>Changes in net assets without donor restrictions</u>			
<u>Revenue</u>			
Contributions from government and private donors		410,350	398,940
Net investment income	13	87,629	129,384
Net fair value gains on derivatives	14	223,852	-
Net financing income	18	20,521	-
Other revenue		6,436	1,040
Release of net assets from restrictions		10,576,129	1,628,982
<b>Total revenue</b>		<b>11,324,917</b>	<b>2,158,346</b>
<u>Expenses</u>			
Programme		8,514,764	2,062,044
Management and general		34,587	25,775
Net financing expenses	18	-	38,151
Fundraising		24,738	19,592
Net fair value losses on contributions receivable		1,000	-
Net fair value losses on derivatives	14	-	235,868
Foreign currency transaction adjustment		6,104	(10,933)
<b>Total expenses</b>		<b>8,581,193</b>	<b>2,370,497</b>
<b>Change in net assets without donor restrictions</b>		<b>2,743,724</b>	<b>(212,151)</b>
<u>Changes in net assets with donor restrictions</u>			
Contributions from government and private donors		10,820,804	3,168,111
Contributed nonfinancial assets	15	4,411,952	1,338
Net fair value (losses) gains on contributions receivable		(35,122)	36,667
Foreign currency transaction adjustment on contributions receivable		(191,792)	150,804
Release of net assets from restrictions		(10,576,129)	(1,628,982)
<b>Change in net assets with donor restrictions</b>		<b>4,429,713</b>	<b>1,727,938</b>
<u>Net assets as of the beginning of the year</u>			
Without donor restrictions		939,361	1,151,512
With donor restrictions		4,860,282	3,132,344
<b>Total net assets as of the beginning of the year</b>		<b>5,799,643</b>	<b>4,283,856</b>
<u>Net assets as of the end of the year</u>			
Without donor restrictions		3,683,085	939,361
With donor restrictions	12	9,289,995	4,860,282
<b>Net assets as of the end of the year</b>		<b>12,973,080</b>	<b>5,799,643</b>

**The accompanying notes are an integral part of these consolidated financial statements.**



## CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands of US\$	Note	Year Ended 31 December 2021	Year Ended 31 December 2020
<u>Net cash flows from operating activities</u>			
<u>Change in net assets</u>		7,173,437	1,515,787
<u>Adjustments to reconcile change in net assets to net cash from operating activities:</u>			
Realised and unrealised foreign currency transaction adjustment		129,210	(158,647)
(Decrease) increase in fair value of bonds and other borrowings		(27,149)	32,769
Decrease (increase) in fair value of contributions receivable		35,122	(32,411)
Net (losses) gains from swaps related to bonds and other borrowings		18,896	(1,172)
Amortisation of operating lease right-of-use asset		2,756	2,613
Depreciation expense		713	698
Investment fees		(780)	2,104
Realised and unrealised gains on investments and pooled investments		(77,883)	(113,664)
<u>Changes in assets and liabilities:</u>			
Increase in receivables, prepaid expenses and other assets		(3,867,896)	(339,648)
(Increase) decrease in foreign currency forward contracts		(33,302)	41,085
Increase in contributions receivable		(2,075,906)	(1,386,150)
Decrease (increase) in receivable on COVAX facility arrangements		206,754	(220,375)
Increase in operating lease right-of-use asset		(259)	-
Increase (decrease) in accounts payable and other liabilities		329,076	(26,371)
Decrease in programme grants payable		(58,780)	(128,949)
Increase in procurement accounts payable		1,021,496	189,016
(Decrease) increase in payable on COVAX facility arrangements		(191,873)	1,851,030
Decrease in operating lease obligation		(3,167)	(1,353)
(Decrease) increase in currency and interest rate swaps payable related to contributions receivable		(246,387)	111,733
(Decrease) increase in foreign currency forward contracts payable		(87,638)	134,426
<u>Net cash provided by operating activities</u>		2,246,440	1,472,521
<u>Cash flows from investing activities</u>			
Purchase of fixed assets		(1,116)	(298)
Payment for re-coupons of derivative financial instruments		-	(200,000)
Purchase of investments and pooled investments		(10,333,268)	(7,052,274)
Sales of investments and pooled investments		10,127,222	5,276,861
<u>Net cash used in investing activities</u>		(207,162)	(1,975,711)
<u>Cash flows from financing activities</u>			
Net proceeds (payments) upon settlement of swaps related to bonds and other borrowings		16,292	(22,607)
Proceeds from issuance of bonds and other borrowings		1,501,041	698,768
Redemption of bonds and other borrowings		(37,608)	(325,010)
Proceeds from procurement prepayment funding received		-	300,000
<u>Net cash provided by financing activities</u>		1,479,725	651,151
<u>Effect of exchange rate changes on cash</u>		(2,025)	7,707
<u>Net change in cash</u>		3,516,978	155,668
<u>Cash and restricted cash as of the beginning of the year</u>		1,028,869	873,201
<u>Cash and restricted cash as of the end of the year</u>	22	4,545,847	1,028,869
<u>Supplemental disclosures</u>			
Cash paid for interest		5,953	4,822

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

<b>Year Ended 31 December 2021, in Thousands of US\$</b>	<b>Programme Expenses</b>	<b>Management and General Expenses</b>	<b>Financing Expenses</b>	<b>Fundraising Expenses</b>	<b>Total Expenses</b>
Direct programme expenses	8,267,255	-	-	-	8,267,255
Programme implementation	176,412	-	-	-	176,412
<b>Total programme expenses</b>	<b>8,443,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,443,667</b>
Payroll and benefits	38,942	12,873	-	10,749	62,564
Training and recruitment	-	1,562	-	-	1,562
Professional fees	23,585	15,878	-	11,053	50,516
Media production and distribution	249	22	-	336	607
Events and meetings	214	200	-	637	1,051
Travel and representation	483	264	-	62	809
Facility and office costs	5,398	3,195	-	1,353	9,946
Supplies and minor equipment	2,226	593	-	548	3,367
Finance income	-	-	(28,406)	-	(28,406)
Interest expense	-	-	7,885	-	7,885
<b>Other operating expenses</b>	<b>71,097</b>	<b>34,587</b>	<b>(20,521)</b>	<b>24,738</b>	<b>109,901</b>
<b>Total functional expenses</b>	<b>8,514,764</b>	<b>34,587</b>	<b>(20,521)</b>	<b>24,738</b>	<b>8,553,568</b>

<b>Year Ended 31 December 2020, in Thousands of US\$</b>	<b>Programme Expenses</b>	<b>Management and General Expenses</b>	<b>Financing Expenses</b>	<b>Fundraising Expenses</b>	<b>Total Expenses</b>
Direct programme expenses	1,789,942	-	-	-	1,789,942
Programme implementation	217,013	-	-	-	217,013
<b>Total programme expenses</b>	<b>2,006,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,006,955</b>
Payroll and benefits	33,692	14,654	-	9,515	57,861
Training and recruitment	-	772	-	-	772
Professional fees	13,825	7,356	-	7,161	28,342
Media production and distribution	71	15	-	375	461
Events and meetings	321	259	-	581	1,161
Travel and representation	520	140	-	190	850
Facility and office costs	4,706	1,927	-	1,259	7,892
Supplies and minor equipment	1,954	652	-	511	3,117
Finance expense	-	-	34,010	-	34,010
Interest expense	-	-	4,141	-	4,141
<b>Other operating expenses</b>	<b>55,089</b>	<b>25,775</b>	<b>38,151</b>	<b>19,592</b>	<b>138,607</b>
<b>Total functional expenses</b>	<b>2,062,044</b>	<b>25,775</b>	<b>38,151</b>	<b>19,592</b>	<b>2,145,562</b>

The accompanying notes are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. NATURE OF OPERATIONS AND AFFILIATIONS

These consolidated financial statements include the accounts of the following entities: (1) the Gavi Alliance (“Gavi”) and (2) the International Finance Facility for Immunisation Company (“IFFIm”). For the purposes of these consolidated financial statements, Gavi and IFFIm are collectively referred to as the Gavi Group. IFFIm’s accounts include the accounts of IFFIm Sukuk Company III Limited, a Cayman Islands company with limited liability, which were established for the sole purpose of issuing Sukuk certificates in support of IFFIm’s operations. Each of the entities included in these consolidated financial statements is described below:

The Gavi Alliance: Gavi was formerly known as the Global Alliance for Vaccines and Immunisation. It was created in 2000 to respond to and combat declining immunisation rates in implementing countries. Gavi was initially created as a non-juridical association of public and private sector organisations, institutions and governments, including the Bill & Melinda Gates Foundation (the “Gates Foundation”), the United Nations Children’s Fund (“UNICEF”), the International Bank for Reconstruction and Development (the “World Bank”), the World Health Organization (“WHO”), implementing country governments, grantor country governments, vaccine manufacturers, civil society organisations and research and technical health institutes. Gavi is registered as an international organisation in Switzerland, with privileges and immunities similar to those accorded to other international intergovernmental organisations.

In April 2020, Gavi, WHO, and the Coalition for Epidemic Preparedness Innovations (“CEPI”), working together with multinational and developing country vaccine manufacturers, launched the COVAX Facility (the “Facility”) as a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines. In July 2020, the Gavi Board formally approved Gavi as the legal entity to administer the Facility and Gavi established, within the Secretariat, The Office of the COVAX Facility during the year to execute its responsibilities as administrator. Gavi maintains separate contracts, bank accounts and money market funds, general ledger accounts, where necessary, and expense coding for the Facility to keep track of the transactions and activities. The Facility is not a separate legal entity.

The principal role of the Facility is to help end the acute phase of the pandemic by enabling equitable access to life-saving COVID-19 vaccine. By joining the Facility, participating countries and economies obtained not only access to a diverse portfolio of COVID-19 vaccines, but also an actively managed portfolio. The Facility continually monitors the COVID-19 vaccine landscape to identify the most suitable vaccine candidates, based on scientific merit and scalability, and works with manufacturers to incentivise them to expand their production capacity in advance of vaccines receiving regulatory approval.

The Facility has global participation of 193 economies (representing over 90% of the world’s population), consisting of 101 Self-Financing Participants (“SFP”) and 92 AMC-eligible economies (“AMC92”). SFPs can choose a committed purchase arrangement, committing participants to purchase allocations of approved vaccines from the Facility, or an optional purchase arrangement, giving them the possibility to opt out, either before Gavi enters into an agreement with a manufacturer (“window 1”) or later when Gavi provides purchase options for vaccines which have been allocated to the participant (“window 2”).

With funding through the SFPs and through donations to the Gavi Advance Market Commitment for COVID-19 vaccines (“Gavi COVAX AMC”), the Facility is reserving doses with manufacturers to build an actively managed portfolio of vaccines based upon diverse technologies and geographies to accelerate access. This shapes the vaccine market to expand supply and achieve economies of scale through aggregating demand and increasing availability simultaneously in lower-income and higher-income countries.

The International Finance Facility for Immunisation Company: IFFIm was incorporated in June 2006 as a private company limited by guarantee under the United Kingdom Companies Act 1985, with company registration number 5857343. It is also registered as a charity with the Charity Commission for England and Wales, with charity registration number 1115413. IFFIm is a multilateral development institution that raises funds by issuing bonds in the international capital markets. It then disburses the funds to Gavi, which uses the funds for its vaccine procurement, immunisation, health system strengthening (“HSS”), vaccine research and development programmes, and procurement and delivery of COVID-19 vaccines. Gavi is the sole member of IFFIm. Gavi also has ongoing economic interests in the net assets of IFFIm through contracts and affiliation agreements.

IFFIm Sukuk Company III Limited (“IFFImSC III”): IFFImSC III is a Cayman Islands company with limited liability, which was incorporated on 5 March 2019 under the Companies Law (2013 Revision) of the Cayman Islands with company registration number 348825. IFFIm has control over IFFImSC III, which was established for the sole purpose of issuing Sukuk certificates in support of IFFIm’s operations.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:** The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“US GAAP”).

**Basis of Consolidation:** The accompanying consolidated financial statements include the accounts of Gavi, IFFIm, and IFFIm SC III. All intercompany balances and transactions have been eliminated on consolidation.

**Adoption of New Accounting Pronouncement:** In August 2018, the FASB issued ASU No. 2018-15 *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This update aligns the requirements for capitalising implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalising implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). Gavi opted to adopt ASU 2018-15 prospectively and the adoption did not result in a significant change in the consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities. It also requires disclosure on contributed nonfinancial assets by category and for each category, to provide: (a) qualitative information about whether the contributed nonfinancial assets were either monetised or utilised during the reporting period. If utilised, disclose a description of the programmes or other activities in which those assets were used; (b) the policy, if any, about monetising rather than utilising contributed nonfinancial assets; (c) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; and (d) a description of the valuation techniques and inputs used to arrive at a fair value measure. Gavi opted to early adopt ASU 2020-07 as Gavi received a significant amount of contributed nonfinancial assets in 2021 for Gavi COVAX AMC. The adoption resulted in the presentation of contributed nonfinancial assets as a separate item in the consolidated statement of activities and the disclosure in Note 15 to the consolidated financial statements.

**Cash and Cash Equivalents:** The Gavi Group reports all demand deposits as cash. At times, the balances in bank accounts held in Switzerland, the United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”), and the United States may exceed the respective deposit insurance limits. The Gavi Group has, however, not experienced any losses in these accounts and manages the risk in accordance with its cash investment policy. Gavi does not believe it is exposed to any significant credit risk related to the accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less. The Gavi Group reports all cash equivalents, which includes time deposits, fiduciary deposits, and money market funds, as investments.

**Net Contributions Receivable:** The Gavi Group’s net contributions receivable comprise unconditional promises to give from donors. The Gavi Group records each unconditional promise to give at fair value on the date the recognition criteria are met. A conditional promise to give is considered unconditional if the barriers or conditions are met. The techniques applied in determining the fair values of promises to give are described in the *Fair Values of Financial Instruments* section below. In addition, management evaluates the collectability based on historical experience and likelihood of payment.

Due to the nature of promises to give, changes in market and credit risk, vaccine demand and the economic environment may significantly impact the inputs used in the model and, consequently, the fair values of the contributions receivable. Although a secondary market may not exist for these transactions, it is reasonably possible that if Gavi were to sell these receivables in a secondary market a buyer may require a discount to the reported fair value, and the discount could be significant.

Changes in the fair values of contributions receivable, excluding fair value changes related to changes in currency exchange rates, are recognised in the Consolidated Statements of Activities in the period of change and included in net fair value gains and losses on contributions receivable in the Consolidated Statements of Activities.

Contributions receivable pledged in currencies other than the United States dollar are converted to United States dollars using the spot currency exchange rates as of year-end. Fair value changes related to changes in currency exchange rates are reported in the Consolidated Statements of Activities as foreign currency transaction adjustment.

**Receivable on COVAX Facility arrangements:** These are the contractual amounts of down payments/upfront payments due from SFPs, which are due and irrevocable when the participants join the Facility.

**Investments:** Gavi and IFFIm manage and record their investments in different ways as follows:

- **Investments held by Gavi:** These investments are governed by Gavi's investment policies and managed by external investment managers. The investments are recorded at fair value. Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades on individually held securities. Money market accounts managed by external advisors, with original maturities of three months or less, are reported in the Consolidated Statements of Financial Position as investments.
- **Investments held by IFFIm:** These investments are managed on a pooled basis by the World Bank, which maintains a single, commingled investment portfolio (the "Pool") for all of the trust funds it administers. The World Bank commingles IFFIm's assets with other trust fund assets it administers. The amounts recorded in the Gavi Group's Consolidated Statements of Financial Position represent the Gavi Group's allocated share of the Pool's fair value at year-end. The fair value is based on market quotations, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The carrying amount of cash included in the Pool approximates its fair value.

The Gavi Group records investments at fair value. The techniques applied in determining the fair values of investments are described in the *Fair Values of Financial Instruments* section below.

Gains and losses on investments as well as interest and dividend income are reported as net investment income in the Consolidated Statements of Activities.

**Fixed Assets:** Furniture, equipment, computer software, and leasehold improvements that were purchased by the Gavi Group are stated at cost. Depreciation for furniture and equipment is calculated using the straight-line method over their estimated useful lives of three to five years. Depreciation for leasehold improvements is calculated using the straight-line method over the shorter of the asset's useful life or the term of the lease. Fixed assets (net of accumulated depreciation of US\$ 6.3 million and US\$ 8.1 million in 2021 and 2020, respectively) of US\$ 2.3 million and US\$ 1.9 million are included in receivables, prepaid expenses and other assets in the Consolidated Statements of Financial Position as of 31 December 2021 and 2020, respectively.

**Bonds and Other Borrowings:** Bonds and other borrowings are recognised at fair value. The techniques applied in determining the fair values of bonds and other borrowings are described in the *Fair Values of Financial Instruments* section below.

Changes in the fair values of bonds and other borrowings are recognised in net assets without donor restrictions in the period of change and are included in net financing expenses in the Consolidated Statements of Activities. Bonds and other borrowings issuance costs, mark-to-market costs, and discounts are recognised in the period incurred and are also included in net financing expenses in the Consolidated Statements of Activities.

**Derivative Financial Instruments:** IFFIm uses currency and interest rate swaps and Gavi uses foreign currency forward contracts to manage the foreign exchange risk on its foreign currency assets and liabilities and future net cash inflows (usually for up to five years forward). These derivatives are recognised at fair value in the Consolidated Statements of Financial Position. The currency and interest rate swaps are shown net, as they are the subject of a master netting agreement, while the foreign currency forward contracts are shown gross. The techniques applied in determining the fair values of derivative financial instruments are described in the *Fair Values of Financial Instruments* section below.

Changes in the fair values of derivatives including fair value changes related to changes in currency exchange rates are recognised in the Consolidated Statements of Activities in the period of change and included in net fair value gains and losses on derivatives in the Consolidated Statements of Activities.

IFFIm and Gavi have elected not to apply hedge accounting. Therefore, fair value changes on derivative financial instruments are not offset against related fair value changes on the contributions receivable, and bonds and other borrowings that are economically hedged by those derivative financial instruments.

IFFIm has both: (1) a master netting agreement with the World Bank that legally provides for net settlement of receivables and payables on IFFIm's currency and interest rate swaps, and (2) the intention to settle such receivables and payables on a net basis. As such, IFFIm offsets derivative assets against derivative liabilities and presents the net amounts in the Consolidated Statements of Financial Position.

**Net Programme Grants Payable:** Net programme grants payable are recognised at fair value. The techniques applied in determining the fair values of programme grants payable are described in the *Fair Values of Financial Instruments* below.

Payments to programme implementing partners or procurement agents in advance of any service delivery are accounted for as prepayments for procurement and are included in receivables, prepaid expenses and other assets in the Consolidated Statements of Financial Position.

Procurement Accounts Payable: Procurement accounts payable are recognised at fair value. The techniques applied in determining the fair values of procurement accounts payable are described in the *Fair Values of Financial Instruments* below.

Payable on COVAX Facility arrangements: These are the advances from SFPs held by Gavi for future procurement of vaccines.

Leases: Gavi is a lessee in several non-cancellable operating leases, for office space, computers and other office equipment. Gavi determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Gavi recognises a lease liability and a right-of-use asset at the commencement date of the lease. The lease liability is initially and subsequently recognised based on the present value of its future lease payments using risk-free discounted rate at commencement date for all leases. The right-of-use asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability, plus unamortised initial direct costs, plus any prepaid lease payments, less the unamortised balance of lease incentives received, and any impairment recognised. Lease cost for lease payments is recognised on a straight-line basis over the lease term.

Gavi has elected, for all underlying classes of assets, to not recognise the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less at lease commencement, and do not include an option to purchase the underlying asset that Gavi is reasonably certain to exercise. Gavi recognises lease cost associated with short-term leases on a straight-line basis over the lease term.

Gavi made an accounting policy election by class of underlying asset, for computers and other office equipment, to account for each separate lease component of a contract and its associated non-lease components as a single lease component.

Fair Values of Financial Instruments: US GAAP establishes a framework for measuring fair value and prescribes disclosures about fair value measurements. It emphasises that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participants' assumptions in fair value measurements, US GAAP establishes a fair value hierarchy based upon the observability of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

The Gavi Group has elected to report its contributions receivable, programme grants payable, procurement accounts payable and bonds and other borrowings at fair value, with changes in fair value reported in the Consolidated Statements of Activities. With respect to IFFIm's contributions receivable and bonds and other borrowings, this election was made to better align the carrying values of these contributions receivable and bonds and other borrowings with the carrying values of currency and interest rate swap contracts that economically hedge them. With respect to programme grants payable, procurement accounts payable and non-IFFlm contributions receivable, this election was made to ensure consistent accounting treatment across Gavi and IFFIm. The Gavi Group recognises all new contributions receivable, programme grants payable, procurement accounts payable and bonds and other borrowings at fair value as these assets and liabilities are acquired or incurred.

US GAAP establishes a three-level fair value hierarchy under which financial assets and financial liabilities are categorised based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities, the next-highest priority to observable market-based inputs or inputs that are corroborated by market data and the lowest priority to unobservable inputs that are not corroborated by market data. US GAAP requires that the valuation techniques used to measure fair value maximise the use of observable inputs and minimise the use of unobservable inputs.

The Gavi Group's financial assets and financial liabilities recorded at fair value are categorised based on the inputs to the valuation techniques as follows:

- Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Financial assets and liabilities whose values are based on either: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in non-active markets, or (3) pricing models for which all significant inputs are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorised is based on the lowest-level input that is significant to the fair value measurement of the asset or liability in its entirety.

Investments for which fair value is measured at net asset value per share (or its equivalent) using the practical expedient are not categorised in the fair value hierarchy and are disclosed separately, as shown in Note 21 to the consolidated financial statements for the years ended 31 December 2021 and 2020.

The techniques applied in determining the fair values of assets and liabilities are summarised below:

- **Cash:** The carrying amount of the Gavi Group's cash approximates its fair value.
- **Investments Managed by Gavi:** The fair values of investments are calculated based on either quoted market prices per share, observable data such as ongoing redemption and subscription activity, or net asset values per share provided by Gavi's investment managers.
- **Pooled Investments Managed by the World Bank:** Pooled Investments managed by the World Bank are included in the Consolidated Statements of Financial Position. The World Bank maintains the Pool for IFFIm, certain trust funds and other entities administered by the World Bank, as well as assets held in trust for other World Bank Group institutions. The Pool's assets are maintained separate from the funds of the World Bank Group. The Pool is divided into sub-portfolios to which allocations were made based on funding specific investment horizons, risk tolerances and other eligibility requirements set by the World Bank.

IFFIm's share of the Pool is not traded in any market. However, the Pool is a trading portfolio that is reported at fair value. IFFIm's shares in the Pool represent its allocated share of the Pool's fair value at the end of the reporting period. If an active market exists, the market or quoted price is applied. If an active market does not exist, generally accepted valuation techniques, based on observable market data as of the reporting date, are used instead. The carrying amount of cash included in the Pool approximates its fair value.

Under an investment strategy approved by the IFFIm Board, IFFIm is invested in high-grade fixed-income instruments with interest rate sensitivity matching that of the liabilities funding its investment portfolio. For instruments for which market quotations are not available, fair values are determined using model-based valuation techniques, whether internally generated or vendor-supplied, including the standard discounted cash flow method using market observable inputs, such as yield curves, credit spreads and prepayment speeds. Unless quoted prices are available, money market instruments are reported at face value, which approximates fair value.

- **Contributions Receivable from IFFIm Donors:** The Gavi Group's contributions receivable include pledges to IFFIm from the following ten sovereign government donors: (1) the Commonwealth of Australia, (2) the Republic of France, (3) the Republic of Italy, (4) the Kingdom of Norway, (5) the State of the Netherlands, (6) the Republic of South Africa, (7) the Kingdom of Spain, (8) the Kingdom of Sweden, (9) the United Kingdom, and (10) Federative Republic of Brazil (together the "IFFIm Donors"). The IFFIm Donors have entered into legally binding obligations to make scheduled payments to Gavi over periods of up to 20 years. Gavi has assigned the right to receive these grant payments to IFFIm in consideration of IFFIm's agreement to assess for approval programmes presented to IFFIm by Gavi, and to use its reasonable endeavours to raise funds for such programmes if approved. The pledges are irrevocable and are payable by the IFFIm Donors in several instalments in accordance with predetermined fixed payment schedules over time.

The total amount paid by the IFFIm Donors is impacted by a grant payment condition ("GPC") that allows the donors to reduce their payment amounts. The GPC allows the IFFIm Donors to reduce their payments in the event that one or more eligible recipient countries, as defined by the transactional documents, enter into protracted arrears on their obligations to the International Monetary Fund ("IMF"). Each recipient country has been ascribed a weight within a reference portfolio, which represents the IMF's estimate of how likely the country will be to enter into protracted arrears. These weights remain static for the life of IFFIm, and are 0.5%, 1%, 3%, or 5%. The amounts are aggregated, and the IFFIm Donors reduce the amounts they pay by the aggregate percentage weights of countries that are in protracted arrears to the IMF. When countries clear their arrears to the IMF, future amounts payable by the IFFIm Donors are increased by the respective weights of those clearing countries. The final determination of each IFFIm Donor payment amount, as measured by the World Bank, is made 25 business days prior to the due date of the payment.

The reference portfolio as of 31 December 2021 and 2020 was as follows:

Country	Country Weighting	Total Share
South Sudan, Sudan	0.5%	1%
Afghanistan, Angola, Armenia, Azerbaijan, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Djibouti, Eritrea, Gambia, Georgia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Kenya, Kiribati, Kyrgyzstan, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Moldova, Mongolia, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Papua New Guinea, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Tajikistan, Tanzania, Timor-Leste, Togo, Uganda, Ukraine, Uzbekistan, Yemen, Zambia, Zimbabwe	1%	61%
Viet Nam	3%	3%
Bangladesh, Democratic Republic of the Congo, Ethiopia, India, Indonesia, Nigeria, Pakistan	5%	35%

The fair values of contributions receivable from the IFFIm Donors are estimated using a discounted cash flow method. Each expected future cash flow is reduced by an estimated reduction amount due to the GPC, except when an IFFIm Donor irrevocably commits to make grant payments in full without applying any reduction due to the GPC. The GPC reduction amounts are calculated using a probabilistic model that estimates the likelihood and duration that any recipient member country might fall into arrears with the IMF. The probabilistic model uses inputs that are both unobservable and significant to the overall fair value of the contributions receivable. This model yielded reductions in expected future cash flows of 7.4% and 8.7% as of 31 December 2021 and 2020, respectively.

The reduced expected future cash flows are then discounted to present value using observable donor-specific risk-adjusted interest rates. Each IFFIm Donor's promise to give is discounted using the donor's sovereign government borrowing rate, which considers both market risk and the donor's credit risk.

The fair values of future cash flows from IFFIm Donors were US\$ 3.4 billion and US\$ 3.3 billion as of 31 December 2021 and 2020, respectively. These fair values were estimated using observable donor-specific risk adjusted annual discount rates ranging from 0.0% to 5.5% for 2021, and from 0.0% to 6.4% for 2020.

- **Other Contributions Receivable:** Contributions receivable other than those from IFFIm Donors are estimated using a discounted cash flow method. The fair values of future cash flows as of 31 December 2021 and 2020 were US\$ 3.2 billion and US\$ 1.3 billion, respectively. This fair value was estimated using observable donor-specific risk adjusted annual discount rates ranging from 0.0% to 13.4% for 2021, and from 0.3% to 3.0% for 2020.
- **Programme Grants Payable:** The fair value of each country programme grants payable is the estimated cost of the vaccine and supplies to be procured plus shipping, or the actual cash value to be paid to the country.  
The fair values of grants payable to programme implementing partners are estimated using a discounted cash flow method. Future cash flows are discounted using inputs from the United States treasury bonds and notes Bloomberg Fair Values ("BFV") yield curve.
- **Procurement Accounts Payable:** The fair value of each procurement accounts payable is the estimated cost of the vaccine and supplies to be procured plus shipping, or the actual cash value to be paid to the country.
- **Bonds and Other Borrowings:** The fair value of IFFIm's bonds and other borrowings is determined using a discounted cash flow method, which relies on market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.
- **Derivatives:** The fair values of derivatives are estimated using a discounted cash flow method. All model inputs are based on readily observable market parameters such as yield curves, foreign exchange rates, and credit spreads. A credit valuation adjustment and a debit valuation adjustment are included in the valuation of derivatives to account for counterparty credit risk and IFFIm's own credit risk, respectively.

**Interest Rate Benchmark Reform:** Specific interest rate benchmarks, including London Interbank Offered Rate ("LIBOR"), are due to be discontinued and replaced with alternative benchmark rates which meet new regulatory and market requirements.

- **Exposure to LIBOR:** As of 31 December 2021, one of IFFIm's outstanding bonds, maturing on 9 April 2022, and its legacy swap contracts reference the United States dollar 3-month LIBOR. The last LIBOR fixing of



the bond took place in January 2022. Therefore, as of the date of this report, IFFIm's outstanding bonds have no exposure to LIBOR. Details of IFFIm's outstanding bonds are included in Note 11 to the consolidated financial statements.

In line with IFFIm's investment management policy and monthly liquidity management needs, IFFIm's investments are allocated between operational cash and stable cash (Libor) strategies in the Pool, the single investment portfolio the World Bank maintains for IFFIm and other trust funds it administers. Considering the market transition to the Secured Overnight Financing Rate ("SOFR"), a SOFR-benchmarked investment strategy was established within the Pool at the end of 2021. As new IFFIm funding becomes linked to SOFR, it is expected that IFFIm's investment allocations to stable cash will be directed into the SOFR strategy going forward.

Besides the United States dollar 3-month LIBOR, which is due to be discontinued after 30 June 2023, no other interest rate benchmarks are currently referenced in IFFIm's financial instruments.

- **LIBOR transition strategy:** Only those IFFIm financial positions that have LIBOR fixings after 30 June 2023 need to be transitioned away from LIBOR.

With respect to IFFIm's legacy swap contracts, the IFFIm Board resolved, at its meeting on 3 March 2021, for IFFIm to adhere to the ISDA 2020 IBOR Fallbacks Protocol ("the Protocol") as published by the International Swaps and Derivatives Association, Inc. ("ISDA") on 23 October 2020. The Protocol, which came into effect on 25 January 2021, was created to enable parties to Protocol Covered Documents to amend the terms of each such Protocol Covered Document to incorporate new terms and fallbacks as provided by the Protocol and the IBOR Fallbacks Supplement. The master agreements and credit support annexes governing IFFIm's legacy swaps with all IFFIm's swap counterparts are the relevant Protocol Covered Documents for IFFIm. On 24 March 2021 an Adherence Letter submitted by IFFIm to the ISDA, confirming IFFIm's adherence to the Protocol, was accepted by the ISDA. All IFFIm's swap counterparties adhered to the Protocol too. Adherence to the Protocol will allow IFFIm's legacy swaps to be transitioned automatically to the SOFR upon the discontinuation of the United States 3-month LIBOR on 30 June 2023. This is consistent with market practice around the management of LIBOR transition risk. Starting in 2022, IFFIm plans to hedge any new donor pledges and bond issuances against SOFR whenever possible to avoid adding to its exposure to LIBOR.

With respect to IFFIm's investments in the Pool, as the market moved away from LIBOR for new swap transactions since the beginning of 2022, no new swaps could be executed with counterparties using LIBOR reference rates unless a transaction was executed to hedge LIBOR liabilities. Therefore, IFFIm's Libor strategy within the Pool is being gradually rolled off, with no new swap transactions in 2022 and with maturity proceeds reinvested only into eligible money market and fixed income instruments, with the goal of ultimately transferring all maturity proceeds into the SOFR strategy by 30 June 2023.

Given the pace of the LIBOR transition, the execution of new transactions using SOFR is already a common market practice and is not expected to be a challenge for IFFIm. IFFIm has considered risks to which it may be exposed arising from the transition from LIBOR to SOFR.

**Income Taxes:** The Gavi Group is exempt from income taxes in each of the jurisdictions in which it has operations. US GAAP requires that financial statements reflect the expected future tax consequences of uncertain tax positions that an entity has taken or expects to take on a tax return, presuming the tax authorities' full knowledge of the position and all relevant facts. US GAAP also requires that an entity recognise the benefit of tax positions when it is more likely than not that the provision will be sustainable based on the merits of the position. The Gavi Group performed an evaluation of uncertain tax positions for the years ended 31 December 2021 and 2020 and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of 31 December 2021, the statutes of limitations for tax years 2018 through 2020 remain open with the United States Federal jurisdiction or the various states and local jurisdictions in which the Gavi Group files tax returns. It is the Gavi Group's policy to recognise interest or penalties related to uncertain tax positions, if any, in income tax expense. As of 31 December 2021 and 2020, the Gavi Group had no accrued interest or penalties.

**Contingencies:** The Gavi Group's programmes include investment cases. An investment case is a proposal that is prepared jointly by Gavi and one or more partners to fund a special vaccine related programme, such as rapid response to outbreaks through stockpiling vaccines or prevention campaigns. Due to uncertainty around when or where outbreaks will occur and how much Gavi will be required to fund, it is difficult to estimate the costs involved with such programmes. Therefore, such costs are recorded at the time they are incurred, and there will be future costs associated with investment case programmes.

Foreign Currency Transactions: These consolidated financial statements are presented in United States dollars, which is the reporting currency of the Gavi Group. The assets and liabilities held in foreign currency are converted to United States dollars at the prevailing average interbank exchange rate as of 31 December 2021 and 2020. Foreign currency transactions are translated at the prevailing average interbank exchange rates on the date of the transaction. The resulting foreign exchange gains and losses are recognised in the Consolidated Statements of Activities.

Classification of Net Assets: Net assets are reported as follows:

- Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions: Net assets subject to donor-imposed stipulations that are expected to be met by actions of the Gavi Group, the passage of time, or both.

Revenue Recognition: Contributions are reported as revenue in the year in which payments are received, unconditional promises are made or barriers on conditional promises are met. Gavi reports gifts of cash and other assets as donor-restricted support if they are received with donor stipulations that limit the use of the contributed assets for specific purposes or use in future years. When a donor restriction expires, that is when the time or purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Revenue from cost-reimbursable contracts and grants is recognised as the related costs are incurred, or as the related activities occur and any conditions stipulated in the grant agreements are met, on the basis of direct costs, plus allowable indirect costs.

Contributed goods and services are reported as contributed nonfinancial assets in the Consolidated Statements of Activities at their estimated fair value at the date of their receipt.

Expenses: The Gavi Group records expenses in the periods to which the transactions, events and circumstances relate.

The Gavi Group's major classes of programmes are New and Underused Vaccine Support ("NVS") programmes, HSS programmes, COVID-19 vaccine programmes and Investment Cases. NVS programmes provide funding to Gavi supported implementing countries for the introduction of vaccines and associated vaccine technology. HSS programme funding is used to achieve and sustain increased immunisation coverage, through strengthening the capacity of countries' systems to provide immunisation and other health services. COVID-19 vaccine programmes funding is used for pooled procurement and equitable distribution of COVID-19 vaccines under the Facility. The Gavi Group records these programme expenses in the periods to which the grants are approved and barriers or conditions are met. Investment Cases, which includes research and development of new vaccines, are one-time tactical investments in disease prevention and control. These investments are made through Gavi Group partners such as UNICEF, WHO and CEPI.

Allocation of Functional Expenses: The Gavi Group's expenses are summarised by their functional classification in the Consolidated Statements of Activities. Certain costs have been allocated among the respective functional classes of expenses, on the basis of time and effort of full-time employees, as shown in the Consolidated Statements of Functional Expenses.

Use of Estimates and Judgements: The preparation of the consolidated financial statements, in accordance with US GAAP, requires management to make estimates, judgements, and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements include: the determination of the fair values of contributions receivable and bonds and other borrowings as described in Note 2 to the consolidated financial statements, valuation of contributed nonfinancial assets as described in Note 15 to the consolidated financial statements, and recognition of commitment agreements between SFPs or cost-sharing participants and Gavi under the Facility. Under the commitment agreements or cost-sharing approach, Gavi acts as an agent based on the following factors: (1) Gavi does not have control over the vaccines or have inventory risk before the vaccines are transferred to the participants; (2) Gavi does not have control over the pricing of the actual procurement price of the vaccines; (3) the vaccines purchased are directly between the manufacturer and the SFPs, cost-sharing participants or their procurement agent; and (4) the agreements are constructed to eliminate any risks to Gavi.

### 3. RESTRICTED CASH AND PROCUREMENT ACCOUNTS PAYABLE

The Gavi Group established separate bank accounts into which it transfers cash as needed for the benefit of UNICEF to procure vaccines and other supplies on the Gavi Group's behalf (the "Procurement Accounts"). All cash deposited into the Procurement Accounts is irrevocable and may only be withdrawn by UNICEF, with the exception of investment income, which may be remitted to the Gavi Group. As collateral security for the prompt payment and performance when due of Gavi Group's obligations, the Gavi Group has granted to UNICEF a security interest in all of Gavi Group's rights, titles, interests in, and proceeds from, the Procurement Accounts and all financial assets credited thereto. As of 31 December 2021 and 2020, US\$ 3.2 billion and US\$ 819 million, respectively, were available to UNICEF in the Procurement Accounts.

Amounts committed to UNICEF for the procurement of vaccines were US\$ 1.8 billion and US\$ 815 million as of 31 December 2021 and 2020, respectively. These amounts are presented as procurement accounts payable in the Consolidated Statements of Financial Position.

### 4. INVESTMENTS

The fair values of the Gavi Group's investments were:

In Thousands of US\$	2021	2020
Money market funds	2,516,601	2,271,725
Registered investment companies	367,673	409,161
Limited liability companies and limited partnerships <sup>1</sup>	873,894	917,502
Pooled investments	603,383	478,455
<b>Total investments</b>	<b>4,361,551</b>	<b>4,076,843</b>

<sup>1</sup> The Gavi Group invests a portion of its assets in limited liability companies and limited partnerships. The fair value of these investments is estimated using their calculated net asset value per share ("NAVPS") as a practical expedient, and they are redeemable at their current net asset value upon written notice by the Gavi Group.

Money market funds disclosed in the table above included funds related to Gavi's role as administrator of the Facility of US\$ 2.4 billion and US\$ 1.9 billion as of 31 December 2021 and 2020, respectively.

The following table summarises the redemption frequencies, redemption notice periods and fair values of the Gavi Group's investments in funds, which are valued based on NAVPS as a practical expedient:

As of 31 December 2021, In Thousands of US\$	Redemption Frequency	Redemption Notice Period	Fair Value
Limited liability companies and limited partnerships <sup>1</sup>	Daily	2-day notice	78,571
Limited liability companies and limited partnerships <sup>2</sup>	Daily	5-day notice	62,911
Limited liability companies and limited partnerships <sup>3</sup>	Daily	10-day notice	81,520
Limited liability companies and limited partnerships <sup>4</sup>	Monthly	3-day notice	65,820
Limited liability companies and limited partnerships <sup>5</sup>	Monthly	30-day notice	267,914
Limited liability companies and limited partnerships <sup>6</sup>	Monthly	60-day notice	38,802
Limited liability companies and limited partnerships <sup>7</sup>	Monthly	90-day notice	39,699
Limited liability companies and limited partnerships <sup>8</sup>	Quarterly	45-day notice	34,276
Limited liability companies and limited partnerships <sup>9</sup>	Quarterly	60-day notice	65,201
Limited liability companies and limited partnerships <sup>10</sup>	Quarterly	90-day notice	61,777
Limited liability companies and limited partnerships <sup>11</sup>	Semi-Annually	90-day notice	48,281
Limited liability companies and limited partnerships <sup>12</sup>	None	None	29,122
<b>Total</b>			<b>873,894</b>

As of 31 December 2020, In Thousands of US\$	Redemption Frequency	Redemption Notice Period	Fair Value
Limited liability companies and limited partnerships <sup>1</sup>	Daily	2-day notice	69,054
Limited liability companies and limited partnerships <sup>2</sup>	Daily	5-day notice	152,465
Limited liability companies and limited partnerships <sup>4</sup>	Monthly	3-day notice	69,866
Limited liability companies and limited partnerships <sup>5</sup>	Monthly	30-day notice	284,822
Limited liability companies and limited partnerships <sup>6</sup>	Monthly	60-day notice	36,960
Limited liability companies and limited partnerships <sup>7</sup>	Monthly	90-day notice	34,902
Limited liability companies and limited partnerships <sup>8</sup>	Quarterly	45-day notice	47,999
Limited liability companies and limited partnerships <sup>9</sup>	Quarterly	60-day notice	56,227
Limited liability companies and limited partnerships <sup>10</sup>	Quarterly	90-day notice	93,439
Limited liability companies and limited partnerships <sup>11</sup>	Semi-Annually	90-day notice	44,504
Limited liability companies and limited partnerships <sup>12</sup>	None	None	27,264
<b>Total</b>			<b>917,502</b>

<sup>1</sup> This category is comprised of one underlying fund. This fund seeks to outperform the Barclays Capital 1-3 Year U.S. Treasury index by investing in fixed rate, floating rate or variable interest fixed income securities.

<sup>2</sup> This category is comprised of one underlying fund. This fund seeks to provide investors with above average absolute returns primarily through investing and trading in equities and equity related instruments. Short-term volatility will be managed through the use of various hedging and risk management techniques. In 2020, this category is comprised of two underlying funds. The other fund's investment objective is to maximise long-term total return by investing up to 50% of its total net assets in securities rated at or above Baa1 or BBB- at the time of purchase by a rating agency recognised nationally in the United States.

<sup>3</sup> This category is comprised of one new underlying fund. This fund seeks to maximise long-term total return, consistent with prudent investment management and identify relative value opportunities that offer attractive risk-adjusted returns through sector, country, currency and security selection, while addressing a set of environmental social and governance objectives.

<sup>4</sup> This category is comprised of two underlying funds. One fund's investment objective is to realise long-term appreciation in the value of its assets. This fund seeks exposure to risks that are systematic in nature, i.e., the risks that are intrinsic to the operation of the global markets and economies. The other fund seeks to invest in transferable securities and/or in other liquid financial assets in accordance with the Regulations with the aim of spreading investment risk.

<sup>5</sup> This category is comprised of six underlying funds. One fund seeks long-term capital appreciation by investing primarily in common stocks of emerging markets small capitalisation issuers. The other fund seeks to generate absolute return on a period-by-period basis by investing in liquid derivative markets for commodities. Another fund seeks to invest all of its assets in ordinary shares to achieve long-term appreciation in the value of its assets. Another fund seeks to outperform the MSCI World ex USA Micro Cap Index over full market cycles. This fund will principally invest in equity securities issued by micro capitalisation non-U.S. corporations. Another fund seeks to achieve long-term capital appreciation that is uncorrelated or negatively correlated with global equity markets. Another fund seeks to generate superior risk adjusted returns relative to the B of A Merrill Lynch 0-5 year US High Yield Constrained Index through a portfolio of short duration investments consisting primarily of high yield and convertible bonds, corporate loans, preferred equities, stressed and distressed securities, and "special situation" investments.

<sup>6</sup> This category is comprised of one underlying funds. The fund's investment objective is to monetise or benefit from the equity index correlation risk premium through buying single-name equity volatility and selling equity index volatility. This fund seeks to achieve its investment objective through an active correlation risk premium monetisation program that utilises both single name and index, listed and OTC options, among other strategies.

<sup>7</sup> This category is comprised of one new underlying fund. The fund aims to achieve an array of investment objectives while spreading investment risks through investment in transferable securities, liquid financial assets, collective investment schemes or other permitted investments in accordance with the Undertakings for Collective Investment in Transferable Securities ("UCITS") Regulations.

<sup>8</sup> This category is comprised of one underlying fund. The fund's investment objective is to provide consistently superior, risk adjusted returns. This fund seeks to achieve this objective primarily by investing both long and short in equity securities and related instruments of publicly traded issuers, with a focus on issuers in the global technology, media and telecommunication (TMT) sectors.

<sup>9</sup> This category is comprised of one underlying fund. This fund seeks to invest opportunistically mainly in stressed, distressed and special situations debt obligations with varying terms as to collateralisation, relative seniority or subordination, interest requirements and maturity and occasionally in post-reorganisation equity products of corporate issuers incorporated or significantly carrying out business in Europe.

<sup>10</sup> This category is comprised of two underlying funds. One underlying fund invests primarily in other offshore hedge fund vehicles. The other fund seeks to consistently generate attractive risk-adjusted returns over a market cycle by investing primarily in emerging markets across a range of asset classes, including but not limited to foreign exchange, credit, interest rates, commodities and equities.

<sup>11</sup> This category is comprised of one underlying fund. This fund seeks to achieve its target return by investing principally in (or otherwise gaining exposure to) performing, stressed or distressed securities and loans of any type and within any sector across the global fixed income markets.

<sup>12</sup> This category is comprised of one underlying fund. This fund seeks capital preservation and the generation of superior, risk-adjusted absolute returns over a multi-year period. Due to a three-year lock-up period, redemptions of shares in these funds are restricted until the three-year anniversary of the subscription payment.

## 5. NET CONTRIBUTIONS RECEIVABLE

The Gavi Group's net contributions receivable consisted of the following unconditional promises to give:

In Thousands of US\$	2021	2020
Unconditional promises due in less than one year	1,697,633	1,186,455
Unconditional promises due in two to five years	4,306,865	2,739,603
Unconditional promises due thereafter	1,075,713	1,150,506
Contributions receivable before unamortised discount and grant payment condition	7,080,211	5,076,564
Reduction due to grant payment condition and unamortised discount: <sup>1</sup>		
Due in less than one year	(44,015)	(35,164)
Due in more than one year	(368,612)	(279,795)
Total net contributions receivable	6,667,584	4,761,605

<sup>1</sup> The grant payment condition is described in Note 2 to the consolidated financial statements.

In 2020, the US\$ 6.0 million contributions receivable, for which a provision was provided, was collected.

As of 31 December 2021 and 2020, US\$ 1.2 billion and US\$ 1.4 billion, respectively, of the net contributions receivable in the table above is from Gavi COVAX AMC donors, including grant agreements assigned to IFFIm, and related to Gavi's role as administrator of the Facility.

## 6. DERIVATIVE FINANCIAL INSTRUMENTS

The Gavi Group is exposed to the market risk that its net assets or its ability to meet its objectives may be adversely affected by changes in the level of, or volatility in, market rates or prices. IFFIm's market risk is comprised primarily of foreign exchange rate risk and interest rate risk, while Gavi is exposed to foreign exchange risk only. Each of these is described further below.

**Foreign Exchange Rate Risk:** During the years ended 31 December 2021 and 2020, IFFIm was exposed to foreign exchange risks from currency mismatches as well as timing differences between receipt of donor payments, payment of bonds and other borrowings obligations, disbursements to Gavi and issuance of IFFIm bonds. To mitigate these risks, donor pledges were economically swapped into United States dollar floating rate assets and, at issuance, IFFIm's bonds and other borrowings was economically swapped into United States dollar floating rate liabilities.

The Gavi Group hedges its exposure to currency fluctuations by taking out foreign currency forward contracts. This was done primarily to improve predictability of contribution cash flows, which are denominated in foreign currencies, and cash balances, which are required in Swiss Francs to pay operating expenses for the Secretariat.

**Interest Rate Risk:** IFFIm was exposed to interest rate risk from differences in the interest rate bases of the bonds and other borrowings and funds held in trust. IFFIm used interest rate swaps to mitigate this exposure.

The notional amounts and fair values of currency and interest rate swaps held by IFFIm were:

In Thousands of US\$	2021		2020	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Currency and interest rate swaps receivable related to contributions receivable	1,445,709	150,589	331,271	79,391
Total currency and interest rate swaps receivable		150,589		79,391
Currency and interest rate swaps payable related to contributions receivable	1,076,671	(254,632)	2,384,053	(429,821)
Currency and interest rate swaps payable related to bonds and other borrowings	1,633,772	(91,983)	626,907	(56,795)
Total currency and interest rate swaps payable		(346,615)		(486,616)
Net fair value of currency and interest rate swaps		(196,026)		(407,225)

The rationale of offsetting derivative assets against derivative liabilities is described in Note 2 to the consolidated financial statements.

IFFIm maintains a minimum liquidity equivalent to its cumulative contracted debt service payments for the next twelve months. This minimum liquidity level is recalculated and reset on a quarterly basis. As of December 2021, IFFIm's calculated minimum liquidity was US\$ 99 million and the value of IFFIm's cash and pooled investments was US\$ 615 million. As of December 2020, IFFIm's calculated minimum liquidity level was US\$ 40 million and the value of IFFIm's cash and pooled investments was US\$ 492 million.

The above US\$ 196 million net liability on swaps was comprised of an amount of US\$ 216 million due to the World Bank and an amount of US\$ 20 million due from the Toronto-Dominion Bank, which are the counterparties on IFFIm's currency and interest rate swap contracts. The World Bank has the right to call for collateral, above a specified threshold amount, to protect against its exposure on IFFIm's derivative positions under the terms of the Credit Support Annex ("CSA") to the International Swaps and Derivatives Association ("ISDA") Agreement between IFFIm and the World Bank. The World Bank has not exercised this right and has confirmed that it will not call collateral over at least twelve months from the date of approval of these financial statements. Instead, in order to mitigate the risk that the World Bank may call collateral, an agreement has been reached between the World Bank and IFFIm to apply an additional buffer (the "Risk Management Buffer") to an existing gearing ratio limit that IFFIm uses to manage its liquidity risk. The Risk Management Buffer was applied to manage the World Bank's exposure under the swap contracts and may be adjusted by the World Bank in its sole discretion. In addition, the World Bank as IFFIm's Treasury Manager, shall continue to monitor IFFIm's funding needs to ensure that at all times IFFIm maintains sufficient available resources to be able to meet its financial obligations, including debt-service payments and obligations under the abovementioned CSA and ISDA Agreement. IFFIm is not required to post any collateral to the Toronto-Dominion Bank. IFFIm has the right to call for collateral, above a specified threshold amount, to protect against its exposure on derivative positions under the terms of CSA to the ISDA Agreement between IFFIm and the Toronto-Dominion Bank.

As of 31 December 2020, derivative financial instruments include the effects of a swap re-couponsing transaction in the amount of US\$ 200 million, which was executed in May 2020 between IFFIm and the World Bank, as counterparty on all IFFIm's swap contracts. The transaction, which reduced the World Bank's derivative exposure, amended certain swap contracts between IFFIm and the World Bank by modifying their cash flows such that IFFIm made an additional payment of US\$ 200 million to the World Bank in May 2020 and the World Bank will make scheduled repayments to IFFIm in 2023, 2024, and 2025 totalling US\$ 200 million with interest. IFFIm evaluated the transaction and determined that it resulted in a hybrid financial instrument comprised of the amended swap contracts as an embedded derivative and the modified cash flows corresponding to a separate financial instrument as the host. IFFIm elected to designate the entire hybrid instrument as a financial instrument through profit or loss. As both components of the hybrid instrument have closely related economic characteristics and risks, they are not separated in the consolidated financial statements and are reported as part of derivative financial instruments as the principal cash flows are primarily related to the embedded derivative component.

As of 31 December 2021 and 2020, the Risk Management Buffer was 0% of the present value of expected future cash flows from Grantor pledges. The World Bank recalculated and reset the Risk Management Buffer to 0% from the previous value of 12% following the execution of a swap re-couponsing transaction in May 2020 in the amount of US\$ 200 million, which reduced the World Bank's exposure on IFFIm's derivative positions by the same amount and enabled the World Bank to intermediate new swaps for IFFIm.

The notional amounts and fair values of foreign currency forward contracts held by Gavi were:

In Thousands of US\$	2021		2020	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Foreign currency forward contracts receivable	1,970,204	37,188	526,542	3,886
Foreign currency forward contracts payable	(888,778)	(47,888)	(2,027,564)	(135,526)

Gavi uses foreign exchange contracts to reduce the level of foreign exchange risk associated with its contributions receivable and future net cash inflows (usually for up to five years forward). Under its hedging policy, Gavi enters into foreign exchange contracts to economically hedge a portion of the foreign currency exposure on its contributions receivable and future net cash inflows. These foreign exchange contracts, which include option and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date. Gavi minimises counterparty credit risk in derivative instruments by entering into transactions with high quality counterparties whose credit rating is not lower than A or A2 as measured by at least two major credit agencies. The maximum exposure with any single bank is limited to 10% of the short-term portfolio or US\$ 250 million (or equivalent in other currencies), whichever is higher. Due to the policy in place and assessment performed, there are no significant concentrations of risk.

The required collateral as a result of hedging future net cash inflows and a weaker United States dollar was US\$ 7.7 million and US\$ 70.6 million as of 31 December 2021 and 2020, respectively. US\$ 2.0 million in 2021 and US\$ 47.7 million in 2020 was held as collateral and included in receivables, prepaid expenses and other assets in the Consolidated Statements of Financial Position.

## 7. RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS

The Gavi Group's receivables, prepaid expenses and other assets were:

In Thousands	2021	2020
Advances to vaccine manufacturers and procurement agents	4,170,002	300,000
Prepaid expenses	93,691	51,061
Fixed assets	2,348	1,938
Other receivables	3,351	48,094
Total receivables, prepaid expenses and other assets	4,269,392	401,093

## 8. RECEIVABLE/PAYABLE ON COVAX FACILITY ARRANGEMENTS

As the administrator of the Facility, the Gavi Group records collected funds, not yet distributed to vaccine manufacturers, as cash or receivable on COVAX Facility arrangements and payable on COVAX Facility arrangements.

Self-financing countries joining the Facility have two ways in which they can participate, through a Committed Purchase Arrangement or an Optional Purchase Arrangement. As a pass-through facility, participants pay the amount for the doses that was negotiated by the Facility, plus a speed premium invested in accelerating and scale-up of manufacturing, as well as a very small fee towards the operation of the Facility. As of 31 December 2021, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 9.5 million, net of interest income of US\$ 808 thousand. As of 31 December 2020, the pro-rata reimbursement towards the Facility's operating costs totalled US\$ 4.2 million, net of interest income and in-kind contributions of US\$ 1.8 million.

Self-financing countries that opted for a Committed Purchase made committed guarantees to procure an agreed volume of doses through the Facility. In exchange for this firm commitment these participants provided a lower upfront payment of US\$ 1.60 per dose, or 15% of the total estimated cost per dose and a financial guarantee of US\$ 8.95 per dose in cash or other form of credit support (unchanged from prior period). Under this type of agreement, participants effectively committed to purchase a set number of vaccines that, once available, are fairly and equitably allocated amongst participants. Countries have the ability to opt out of purchasing a vaccine should the price of the vaccine be twice (or more) that which was expected. During 2021, there were no participants that opted out as the price of the vaccine was not twice (or more) of the amount which was expected.

For the Optional Purchase Arrangement, participants chose to opt out of receiving any vaccine, without jeopardising their ability to receive their full share of doses of other candidates, subject to supply becoming available. This type of agreement was more attractive to participants that already had bilateral agreements with manufacturers, through which they may already have secured sufficient doses of that particular vaccine. The participants paid a higher proportion of the total cost per dose upfront, making a down payment of US\$ 3.10 per dose and a risk-sharing guarantee of US\$ 0.40 per dose in cash or other form of credit support (unchanged from prior period) to help protect the Facility against any liabilities resulting from participants deciding not to purchase a particular vaccine candidate after the Facility has already entered into a contract with the manufacturer. Also, by opting out of vaccines that were allocated to them and waiting for another to become available, these countries inevitably experienced a delay in receiving their full committed volume of vaccines. During 2021, there were a number of participants that opted out of purchasing vaccines and a total of US\$ 71.8 million upfront payments were forfeited. These forfeited upfront payments will be used to reallocate relevant doses to Gavi COVAX AMC or other participants.

In September 2021, Gavi Board confirmed the cost-sharing approach. Under the cost-sharing approach, AMC-eligible economies worked with the Facility and multilateral development bank ("MDB"), including the World Bank and regional development banks, as relevant, to allocate cost-sharing funds to purchase supplemental doses. Participants indicated the number of doses they wished to procure via the Facility with cost-sharing funds (subject to dose availability) and, as relevant, worked with MDBs to allocate financing for those doses. As a pass-through facility, participants paid the amount for the doses that was negotiated by the Facility.

The Gavi Group's receivable on COVAX Facility arrangements were:

<b>In Thousands</b>	<b>2021</b>	<b>2020</b>
Committed purchase arrangements	-	18,199
Optional purchase arrangements	4,350	202,176
Cost-sharing approach	9,271	-
<b>Total receivable on COVAX Facility arrangements</b>	<b>13,621</b>	<b>220,375</b>

The Gavi Group's payable on COVAX Facility arrangements, which were the amounts received from SFPs and cost-sharing participants, were:

<b>In Thousands</b>	<b>2021</b>	<b>2020</b>
Committed purchase arrangements	194,826	331,406
Optional purchase arrangements	1,457,869	1,519,624
Cost-sharing approach	6,462	-
<b>Total payable on COVAX Facility arrangements</b>	<b>1,659,157</b>	<b>1,851,030</b>

## 9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

The Gavi Group's accounts payable and other liabilities were:

<b>In Thousands</b>	<b>2021</b>	<b>2020</b>
Refundable advance	300,000	300,000
Deferred revenue	416,513	127,113
Trade creditors	9,185	9,900
Accrued expenses	49,196	8,712
Other liabilities	286	379
<b>Total accounts payable and other liabilities</b>	<b>775,180</b>	<b>446,104</b>

In 2020, Gavi received funding from the Gates Foundation in the amount of US\$ 300 million to fund the COVID-19 vaccine (principally being the Covovax vaccine) procurement prepayment to Serum Institute of India Private Limited ("SII") and reported as refundable advance.

Gavi and the Gates Foundation agreed that the repayment of the US\$ 300 million funding under the 2020 agreement would be solely governed pursuant to a funding agreement signed on 29 April 2021, whereby the Gates Foundation funding is subject to repayment by Gavi on a quarterly basis, starting with the quarter in which the first SII procurement credit is applied, reduced or offset by SII. For each quarter, Gavi will repay to the Gates Foundation (within 60 days after quarter-end) an amount equal to one-third of such SII procurement credit, representing the proportion of the foundation's US\$ 300 million funding amount to Gavi's US\$ 900 million aggregate prepayment amount to SII, during such quarter. As SII delivers vaccine doses



to Gavi (via UNICEF or any other agent designated by Gavi), Gavi will repay its equivalent obligation to the Gates Foundation.

The aggregate amount repayable by Gavi to the Gates Foundation will be subject to a proportional reduction by the amount of any procurement credit reduction, which related to reductions to the amount repayable by Gavi in the event of product failures that may be incurred by SII. No repayment became due in 2021.

In 2020, Gavi advanced US\$ 300 million to SII as a prepayment for the manufacture of COVID-19 vaccines and reported as advances to vaccine manufacturers and procurement agents in Note 7 to the consolidated financial statements.

## 10. NET PROGRAMME GRANTS PAYABLE

The Gavi Group's committed but unpaid grants were:

In Thousands of US\$	2021	2020
Grants payable due in less than one year	59,079	117,860
Grants payable before unamortised discount	59,079	117,860
Unamortised discount	-	-
Total net programme grants payable	59,079	117,860

Prior to 2019, Gavi records programme expenses and liabilities for Near-Term Programme Approvals, where the likelihood that future events will confirm the incurrence of programme liabilities is probable. Starting in 2019, upon adoption of a new accounting standard, the Gavi Group recognised programme expenses and liabilities upon substantial fulfilment of conditions by the recipient.

As of 31 December 2021, programme grants payable of US\$ 32.9 million, US\$ 27.2 million of which was recorded prior to 2019, was written off based on management's evaluation of existence and validity of the related programmes.

## 11. BONDS AND OTHER BORROWINGS

IFFIm borrows in the worldwide capital markets by offering its bonds to fund the Gavi Group's programmes. IFFIm's outstanding bonds and other borrowings were all bonds except for IFFIm Sukuk certificates with a fair value of US\$ 50 million as of 31 December 2021 and 2020.

In December 2020, the European Commission ("EC") committed support to the Facility with €400 million in guarantees, representing an SFP upfront payment, a risk-sharing guarantee and a loan for vaccine purchases, provided through the EIB, as part of its Global Coronavirus Response. This amount was received on 31 March 2021. It consists of an SFP upfront payment of US\$ 150 million (€130 million), a risk-sharing guarantee of US\$ 35 million (€30 million) and proceeds from loan of US\$ 283 million (€240 million). As of 31 December 2021, US\$ 86 million (€72 million) of the SFP upfront payment was donated to Gavi COVAX AMC and reported as contributions from government and private donors in the consolidated statement of activities. The remaining balance of US\$ 64 million (€58 million), including the risk-sharing guarantee, was reported as payable on COVAX Facility arrangements in the consolidated statement of financial position.

In October 2021, EC committed an additional €200 million loan for the Gavi COVAX AMC. This amount was received on 26 November 2021 and the proceeds from loan was US\$ 226 million (€200 million).

The loan facilities have a fixed rate of 0% per annum and will mature on 11 December 2025. As of 31 December 2021, the outstanding borrowings to EIB was US\$ 500 million (€440 million). This balance is net of the SFP upfront payment of US\$ 150 million (€130 million) which will be paid directly by the EC to the EIB under the terms of the European Fund for Sustainable Development Guarantee between EC and EIB.

Bonds and other borrowings summarised by year of maturity were:

Year of Maturity, In Thousands of US\$	2021		2020	
	Nominal Amount	Fair Value	Nominal Amount	Fair Value
2021 <sup>1</sup>	-	-	40,005	39,966
2022 <sup>1</sup>	98,582	98,486	89,948	89,626
2023	548,532	540,592	539,888	535,147
2024	89,808	88,364	283,217	251,589
2025	546,700	544,374	-	-
Thereafter	1,151,154	1,073,176	-	-
Total bonds and other borrowings	2,434,776	2,344,992	953,058	916,328

<sup>1</sup> Fair value includes accrued interest of US\$ 2.2 million and US\$ 324 thousand as of 31 December 2021 and 2020, respectively.

Bonds and other borrowings as of 31 December 2021 and 2020, include both United States dollar and foreign currency denominated fixed and variable rate debt as presented below:

Currency	Coupon Rate	Fair Value as of 31 December 2021, in Thousands of US\$	Fair Value as of 31 December 2020, in Thousands of US\$
United States Dollars	Variable	50,037	50,061
United States Dollars	Fixed	1,985,834	501,378
South African Rand	Fixed	66,966	72,149
Norwegian Krone	Fixed	242,155	292,740
Total bonds and other borrowings		2,344,992	916,328

In order to diversify its investors and raise its profile in the Middle East capital markets, IFFIm issued US\$ 50 million in Sukuk certificates through IFFImSC III on 9 April 2019. The Sukuk certificates entitled the holders to pro-rata interests in commodity transactions with IFFIm under which IFFIm purchased and immediately on-sold commodities on a recognised commodities exchange as part of the Sukuk issuance. The purchase and on-sale of the commodity transactions offset each other and were recorded on a net basis.

As of 31 December 2021, the weighted average coupon interest rate for fixed rate bonds was 0.5%, with actual rates ranging from 0.0% to 1.0%, and the coupon rate for variable rate bonds was 4 basis points over three-month USD LIBOR.

As of 31 December 2020, the weighted average coupon interest rate for fixed rate bonds was 0.3%, with actual rates ranging from 0.0% to 0.5%, and the coupon rate for variable rate bonds was ranging from 4 to 13 basis points over three-month USD LIBOR.

The impact on interest rate benchmark reform is described in Note 2 to the consolidated financial statements.

## 12. NET ASSETS WITH DONOR RESTRICTIONS

The Gavi Group's net assets with donor restrictions consisted of the following:

In Thousands of US\$	2021	2020
Due to time restriction	5,831,950	3,729,205
Due to programme restriction:		
Gavi – Core programmes	82,594	319,562
Gavi COVAX AMC	3,375,451	811,515
Total net assets with donor restrictions	9,289,995	4,860,282

With funding through the SFPs and through donations to the Gavi COVAX AMC, the Facility entered into advance purchase agreements (“APA”) with vaccine manufacturers and procurement agents to secure COVID-19 vaccine doses as described in Note 23 to the consolidated financial statements. In securing the doses, Gavi incurred prepayments for the dose quantities in accordance with the agreements. Prepayments are reported as advances to vaccine manufacturers in Note 7 to the consolidated financial statements.

### 13. NET INVESTMENT INCOME

Net investment income was as follows:

In Thousands of US\$	2021	2020
Investment income on investments held by Gavi	89,140	129,862
Investment fees on investments held by Gavi	(1,389)	(4,185)
Direct internal investment expenses	(789)	(772)
Net investment income on investments held by Gavi	86,962	124,905
Investment income on pooled investments held by IFFIm	667	4,479
Total net investment income	87,629	129,384

Investment income on investments held by Gavi included realised and unrealised net gains of US\$ 78 million and US\$ 114 million for the years ended 31 December 2021 and 2020, respectively. US\$ 17 million and US\$ 107 million of net gains were unrealised as of 31 December 2021 and 2020, respectively.

### 14. NET FAIR VALUE GAINS (LOSSES) ON DERIVATIVES

Net gains (losses) on the fair values of derivatives, which have been recognised in the Consolidated Statements of Activities, include the following:

In Thousands of US\$	2021	2020
Net gains (losses) from swaps related to contributions receivable	179,678	(139,078)
Net (losses) gains from swaps related to bonds and other borrowings	(18,896)	1,172
Net gains (losses) from other derivatives	63,070	(97,962)
Net fair value gains (losses) on derivatives	223,852	(235,868)

### 15. CONTRIBUTED NONFINANCIAL ASSETS

Gavi’s policy is to use contributed nonfinancial assets for programmatic or other purposes consistent with Gavi’s mission. Revenues from contributions of nonfinancial assets were as follows:

In Thousands of US\$	2021	2020	Usage in programmes/ activities	Donor imposed restrictions	Fair value technique and inputs
COVID-19 vaccine doses	4,406,448	-	Gavi COVAX AMC	Use for AMC-eligible economies	Estimates based on price per dose in the APA with vaccine manufacturers
Consultant services	5,229	1,338	Vaccine and immunisation	None	Estimates based on current rates for similar consultant services
Vehicles	275	-	Cold Chain Equipment	Use for AMC-eligible economies	Estimates based on current rates for similar vehicles
Total contributed nonfinancial assets	4,411,952	1,338			

The Gavi Group received pledges from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under a dose sharing arrangement. See Schedule 1.7: *Gavi COVAX AMC Donated Doses* on page 70 for a complete list of donated doses received by the Gavi Group during 2021. As of 31 December 2021, US\$ 131 million of the US\$ 4.4 billion has not been received and reported as contributions receivable in the statement of financial position.

## 16. LEASES

Gavi classified the following leases as operating leases. These leases generally contain renewal options that Gavi is not reasonably certain to exercise.

Geneva, Switzerland leases: Gavi entered into a ten-year lease agreement, with a five-year option to renew, for office space in Geneva, Switzerland which commenced in February 2018 and ending in February 2028.

Washington, DC leases: In September 2016, Gavi entered into a fifteen-year lease agreement for office space in Washington, DC, which commenced in August 2017 and ending in July 2032, with a five-year option to renew. The lease agreement provided Gavi with a Tenant Improvement Allowance of up to US\$ 2.3 million towards certain costs incurred by Gavi incidental to its occupancy of the office space.

As of 31 December 2021, the right-of-use asset and lease obligations of US\$ 19 million and US\$ 22 million, respectively, are reported in the Consolidated Statements of Financial Position. The right-of-use asset and lease obligations were measured using risk-free annual discount rates ranging from 0% to 2.7% for 2021.

As of 31 December 2020, the right-of-use asset and lease obligations of US\$ 21 million and US\$ 25 million, respectively, are reported in the Consolidated Statements of Financial Position. The right-of-use asset and lease obligations were measured using risk-free annual discount rates ranging from 0.0% to 2.7% for 2020.

Gavi's minimum future lease principal and interest payments are as follows:

In Thousands of US\$	Principal	Interest	Total
Year Ending 31 December 2022	2,810	78	2,888
Year Ending 31 December 2023	2,736	101	2,837
Year Ending 31 December 2024	2,682	125	2,807
Year Ending 31 December 2025	2,677	149	2,826
Year Ending 31 December 2026	2,675	174	2,849
Thereafter	6,458	1,451	7,909
Total	20,038	2,078	22,116

Rent expense for these leases is recognised on a straight-line basis over the term of the leases. Rental expense was US\$ 3.1 million and US\$ 3.6 million for the years ended 31 December 2021 and 2020, respectively, and reported as facility and office costs in the Consolidated Statements of Functional Expenses.

## 17. RETIREMENT PLANS

The Gavi Group sponsors the following retirement plans:

Employees Based in Geneva, Switzerland: Gavi sponsors a defined contribution term savings plan with Zurich International Life Limited ("the Geneva Plan"). Membership in the Geneva Plan is for all employees with Gavi employment contracts of four or more months. The Geneva Plan is funded by both Gavi and employees' contributions that are based on the employees' gross annual salaries. Gavi makes monthly employer contributions to the Geneva Plan at 16% of the employee gross salary. Each employee has a compulsory 5% contribution. The total amount expensed for Gavi's contributions was US\$ 8.6 million and US\$ 7.8 million for the years ended 31 December 2021 and 2020, respectively.

Employees Based in Washington, DC: Gavi sponsors a 401(k) defined contribution plan (the "Washington Plan"), which is a United States retirement savings plan under the United States Internal Revenue Code, for all eligible employees. Employees become eligible upon being hired and may participate starting on the first day of any month. Employees may contribute voluntary salary deferrals to the Washington Plan, subject to United States Internal Revenue Service limitations. Gavi's annual matching contributions equal 1% of each vested participant's compensation and a 3% contribution due to a safe harbour provision. Participants are fully vested upon employment. In addition, the Board approved discretionary spending equalling 12% of each participant's compensation in order to better align the Washington Plan with the Geneva Plan. The amounts expensed for Gavi's contributions were US\$ 320 thousand and US\$ 355 thousand for the years ended 31 December 2021 and 2020, respectively.

## 18. NET FINANCING EXPENSES

Financing expenses were as follows:

In Thousands of US\$	2021	2020
Interest expense on bonds and other borrowings	7,885	4,141
Net fair value (gains) losses on bonds and other borrowings	(30,540)	33,450
Other financing charges	2,134	560
Net financing (income) expenses	(20,521)	38,151

## 19. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Gavi Group to concentrations of credit risk consist of deposits in banks in excess of deposit insurance limits in Switzerland, the United Kingdom and the United States. Bank deposits in these countries are insured up to limits guaranteed by the Swiss Banks' and Securities Dealers' Depositor Protection Association, the United Kingdom's Financial Services Compensation Scheme ("FSCS") and the United States Federal Deposit Insurance Corporation ("FDIC"), respectively. The Gavi Group also invests its excess cash in money market and debt instruments and has established guidelines relative to diversification and maturities aimed at maintaining safety and liquidity.

The deposit insurance limits in Switzerland and the United Kingdom are SFr 100 thousand and £85 thousand, respectively, per depositor, per insured depository institution. In the United States, the standard maximum FDIC deposit insurance amount per depositor, per insured depository institution for each account ownership category is US\$ 250 thousand. While amounts in the Gavi Group's demand deposit accounts at times exceed the amounts guaranteed in the respective jurisdictions and therefore bear some risk, the Gavi Group has not experienced, nor does it anticipate, any credit losses on these financial instruments.

The World Bank manages IFFIm's credit risk related to its derivative contracts by serving as the counterparty for all IFFIm's swaps. No collateral or other security is held in support of IFFIm's financial assets or liabilities. To manage credit risk related to investments, the World Bank invests the pooled assets in liquid instruments such as money market deposits, government and agency obligations. The World Bank is limited to investments with minimum credit ratings at the time of purchase as follows:

- Money market deposits issued or guaranteed by financial institutions whose senior debt securities are rated at least A- by the major rating agencies.
- Government and agency obligations issued or unconditionally guaranteed by government agencies rated at least AA- by the major rating agencies if denominated in a currency other than the home currency of the issuer, otherwise no rating is required. Obligations issued by an agency or instrumentality of a government, a multilateral organisation or any other official entity require a minimum credit rating of AA-.
- Mortgage-backed securities, asset-backed securities and corporate securities whose minimum rating is AAA.

In order to achieve greater diversification of portfolio risks and generate value, the World Bank has made investments in the short-term domestic debt of new sovereign markets offering potential to generate excess yields over LIBOR, mainly from currency basis arbitrage. Investments in these sovereign markets are subject to specific approvals from the financial governing committees of the World Bank and prudent credit limits.

The Gavi Group's contributions receivable as of 31 December 2021 included US\$ 1.2 billion and US\$ 1.5 billion of pledges received, either directly or through IFFIm, from the United Kingdom and euro zone countries, respectively. This represented 26% and 32%, respectively, of the Gavi Group's total contributions receivable as of 31 December 2021.

As of 31 December 2021, Gavi had entered into foreign currency forward contracts with two counterparties with an aggregate fair value payable of US\$ 9.4 million. This represented 88% of Gavi's foreign currency forward contracts as of 31 December 2021.

## 20. LIQUIDITY AND AVAILABILITY

The Gavi Group's financial assets available to meet cash needs for general expenditures, such as operating expenses and scheduled redemption of bonds and other borrowings, within one year consisted of the following:

In Thousands of US\$	Note	2021	2020
Cash		1,355,077	209,364
Investments	4	3,758,168	3,598,388
Pooled investments	4	603,383	478,455
Contributions receivable	5	1,653,618	1,151,291
Foreign currency forward contracts receivable	6	37,188	3,886
Total financial assets available within one year		7,407,434	5,441,384
Less those unavailable for general expenditure within one year due to:			
Lock-up redemption on investments	4	-	(27,264)
Redemption of bonds and other borrowings	11	(2,246,506)	(876,362)
Payable on COVAX Facility arrangements	8	(1,659,157)	(1,851,030)
Donor-imposed programme restrictions on contributions	12	(82,594)	(1,131,077)
Financial assets available to meet cash needs for general expenditures within one year		3,419,177	1,555,651

Gavi and IFFIm have put in place certain policies in order to ensure that they maintain sufficient liquidity to meet their obligations to implementing countries, IFFIm investors and all other creditors. These policies are summarised below:

- **Gavi cash reserve policy:** At all times, Gavi maintains a minimum unrestricted cash and investment reserve equivalent to eight months of Gavi's expected annual cash expenditures.
- **Gavi programme funding policy:** As a prerequisite to Board approval or endorsement of any new programmes, Gavi designates an amount of Qualifying Resources sufficient to fully cover all its commitments for the period from the start of the current year through the next two calendar years. Qualified Resources are defined as the aggregate of Gavi cash and investments on hand, in excess of the cash and investment reserve policy, and expected future cash inflows for the next two years. Expected future cash flows are comprised of: (1) expected cash receipts from Gavi COVAX AMC donors and other direct Gavi donors; (2) expected funding from IFFIm; and (3) projected investment income.
- **IFFIm liquidity policy:** IFFIm maintains an adequate level of liquidity to meet its operational requirements, provide predictability of programme funding and support its credit rating. Taking these factors into account, IFFIm maintains a minimum balance of pooled investments equivalent to its cumulative contracted debt service payments for the next twelve months. This minimum balance is recalculated and reset on a quarterly basis.

## 21. FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table summarises the Gavi Group's assets measured at fair value along with their valuation hierarchy:

<b>As of 31 December 2021, in Thousands of US\$</b>	<b>Investments measured at Net Asset Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Pooled investments	-	-	603,383	-	603,383
Other investments:					
Money market funds	-	2,516,601	-	-	2,516,601
Registered investment companies	-	367,673	-	-	367,673
Limited liability companies and limited partnerships	873,894	-	-	-	873,894
Net contributions receivable	-	-	3,231,019	3,436,565	6,667,584
Foreign currency forward contracts receivable	-	-	37,188	-	37,188
<b>Total assets at fair value</b>	<b>873,894</b>	<b>2,884,274</b>	<b>3,871,590</b>	<b>3,436,565</b>	<b>11,066,323</b>

<b>As of 31 December 2020, in Thousands of US\$</b>	<b>Investments measured at Net Asset Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Pooled investments	-	-	478,455	-	478,455
Other investments:					
Money market funds	-	2,271,725	-	-	2,271,725
Registered investment companies	-	409,161	-	-	409,161
Limited liability companies and limited partnerships	917,502	-	-	-	917,502
Net contributions receivable	-	-	1,475,820	3,285,785	4,761,605
Foreign currency forward contracts receivable	-	-	3,886	-	3,886
<b>Total assets at fair value</b>	<b>917,502</b>	<b>2,680,886</b>	<b>1,958,161</b>	<b>3,285,785</b>	<b>8,842,334</b>

The following table summarises the Gavi Group's liabilities measured at fair value along with their valuation hierarchy:

<b>As of 31 December 2021, in Thousands of US\$</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Programme grants payable	-	59,079	-	59,079
Bonds and other borrowings	-	2,344,992	-	2,344,992
Foreign currency forward contracts payable	-	47,888	-	47,888
Net payable for currency and interest rate swaps	-	196,026	-	196,026
<b>Total liabilities at fair value</b>	<b>-</b>	<b>2,647,985</b>	<b>-</b>	<b>2,647,985</b>

<b>As of 31 December 2020, in Thousands of US\$</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Programme grants payable	-	117,860	-	117,860
Bonds and other borrowings	-	916,328	-	916,328
Foreign currency forward contracts payable	-	135,526	-	135,526
Net payable for currency and interest rate swaps	-	407,225	-	407,225
<b>Total liabilities at fair value</b>	<b>-</b>	<b>1,576,939</b>	<b>-</b>	<b>1,576,939</b>

The following table provides a summary of changes in the fair value of Level 3 financial assets:

In Thousands of US\$	2021	2020
Fair value as of beginning of year	3,285,785	2,200,074
Net realised fair value gains	156,086	107,402
Net unrealised fair value gains	(281,734)	106,172
New pledges	719,784	1,347,303
Contributions received/redemptions	(443,356)	(348,928)
Transfer out	-	(126,238)
Fair value as of end of year	3,436,565	3,285,785

There were no transfers of assets and liabilities between levels of the fair value hierarchy in 2021. As of 31 December 2020, contributions receivable from PCV AMC Donors of US\$ 126 million was transferred from level 3 to level 2 as PCV AMC mechanism ended on 31 December 2020 and the unused funding is available to the newly launched Gavi COVAX AMC.

The techniques applied in determining the fair values of financial instruments are described in the *Fair Values of Financial Instruments* section of Note 2 to the consolidated financial statements.

## 22. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table reconciles cash and restricted cash in the Consolidated Statements of Financial Position to the total shown in the Consolidated Statements of Cash Flows:

In Thousands of US\$	2021	2020
Cash	1,355,077	209,364
Restricted cash	3,190,770	819,505
Total cash and restricted cash in the Consolidated Statements of Cash Flows	4,545,847	1,028,869

## 23. COMMITMENTS

Gavi entered into APAs with vaccine manufacturers to secure COVID-19 vaccine doses.

On 31 July 2020, a procurement prepayment was signed with SII to accelerate the manufacture and delivery of up to 100 million doses of COVID-19 vaccines for lower-income countries as part of the Gavi COVAX AMC. On 28 September 2020, an amendment was signed for an additional 100 million doses, bringing the total to up to 200 million doses of COVID-19 vaccines, with an option to secure more. On 21 July 2021, Gavi exercised the option for 60 million doses.

On 18 December 2020, Gavi signed an APA with AstraZeneca for 170 million doses of the AstraZeneca/Oxford COVID-19 vaccine candidate.

On 15 January 2021, an APA was signed with Pfizer for up to 40 million doses of the Pfizer-BioNTech vaccine candidate, which has already received WHO emergency use listing. Rollout commenced with the successful negotiation and execution of supply agreements.

On 30 April 2021, a procurement prepayment was signed with SII to accelerate the manufacture and delivery of up to 200 million doses of COVID-19 vaccines for lower-income countries as part of the Gavi COVAX AMC, with an option to secure up to 700 million doses.

On 30 April 2021, Gavi signed an APA with Moderna for its mRNA vaccine against COVID-19. The agreement was for 34 million doses of the Moderna vaccine, secured on behalf of the Facility, with an option to secure more. Initial supply under the agreement was for Gavi COVAX AMC-eligible participants, with the potential to allocate and supply to SFPs in the future. On 30 June 2021, Gavi exercised the option for 116.5 million doses for delivery in the first quarter of 2022 and on 28 October 2021, Gavi exercised the option for 116.5 million doses for delivery in the second quarter of 2022.

On 5 May 2021, Gavi signed an APA with Novavax for its highly efficacious NVX-CoV2373 vaccine candidate against COVID-19. The agreement was for a commitment to purchase 350 million doses of the Novavax vaccine candidate, secured on behalf of the Facility. Supply of the vaccine was anticipated to commence in the third quarter of 2021, as soon as Novavax secured the required regulatory approvals. In December 2021, WHO issued an emergency use listing for NVX-CoV2373 vaccine, giving a much-needed boost to ongoing efforts to vaccinate more people in lower-income countries.



On 19 May 2021, Gavi signed an APA with Johnson & Johnson for its single-dose vaccine against COVID-19. The agreement was for a commitment to purchase 200 million doses on behalf of the Facility, with the goal of being supplied to SFPs and Gavi COVAX AMC-eligible participants in 2021.

On 29 June 2021, Gavi signed an APA with Clover Biopharmaceuticals for its SCB-2019 protein-based adjuvanted vaccine candidate against COVID-19. The agreement secured 64 million doses available to participants of the Facility, with an option to secure more.

On 12 July 2021, an APA was signed with Sinopharm for its "BBIBP-CorV" inactivated virus vaccine against COVID-19 as well as with Sinovac for its inactivated virus vaccine against COVID-19, "CoronaVac". The agreements, which came at a time when the Delta variant was posing a rising risk to health systems, made 110 million doses immediately available to participants of the Facility, with options for additional doses. In September 2021, Gavi exercised the option for 58.7 million doses with Sinopharm and 82.6 million doses with Sinovac on behalf of specific SFPs and Gavi COVAX AMC-eligible participants as part of the cost-sharing approach.

On 23 November 2021, Gavi signed an amendment to the APA with Moderna for its mRNA vaccine against COVID-19. The agreement was for 20 million doses of the Moderna vaccine, secured on behalf of the Facility, with an option to secure more. The supply under the agreement was for Gavi COVAX AMC-eligible participants and seven SFPs.

Outstanding commitments on these APAs amounted to approximately US\$ 4.3 billion and US\$ 980 million as of 31 December 2021 and 2020, respectively.

## 24. RECENTLY ISSUED BUT NOT YET ADOPTED ACCOUNTING GUIDANCE

The following are recently issued accounting standards updates with possible financial reporting implications for the Gavi Group. These accounting standards updates are effective in future accounting periods and have not yet been adopted by the Gavi Group.

- In March 2020, the FASB issued ASU No. 2020-04 *Reference Rate Reform (Topic 848)*. This update provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met and applies only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The Gavi Group is reviewing this update to determine its impact on the Gavi Group's consolidated financial statements. This update will be effective for Gavi Group's financial year ending 31 December 2022.
- In October 2020, the FASB issued ASU No. 2020-10 *Codification Improvements*. This update affects a wide variety of Topics in the Codification that vary in nature. FASB recommends Codification users to review the entire update to assess any effects that the amendments may have on entities. The Gavi Group is reviewing this update to determine its impact on the Gavi Group's consolidated financial statements. This update will be effective for Gavi Group's financial year ending 31 December 2022.

## 25. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Gavi Group evaluated subsequent events through 23 June 2022, which represents the date that the consolidated financial statements were issued. The Gavi Group identified the following significant subsequent events requiring disclosure:

- Gavi, as legal administrator of the COVAX Facility, negotiated APAs with vaccine manufacturers to secure doses of COVID-19 vaccines on behalf of all Facility participants. In 2020 and 2021, the Facility adopted pandemic response best practice by ensuring sufficient supplies were available to meet the needs of participants guided by the WHO pandemic scenarios (and consequent public health crisis). COVAX pursued a diversified approach in building a vaccine portfolio to address uncertainties surrounding the pandemic such as: regulatory approval and delays of certain vaccine candidates; export controls; and manufacturer scale-up issues. In securing the doses, Gavi incurred prepayments and contractual commitments for the dose quantities in accordance with the agreements. Prepayments are reported as advances to vaccine manufacturers in Note 7 to the consolidated financial statements.

During 2022, the environment for COVID-19 vaccines has significantly changed: the number of vaccines and availability of supply has increased and become more stable; many high-income countries are donating surplus doses; and the latest variants appeared to be milder in nature – resulting in many countries re-evaluating their vaccine targets and a softening of demand. Consequently, there is a risk of global COVID-19 vaccine oversupply. The Facility is undergoing negotiations with vaccine manufacturers to rephase and reduce volume commitments to match more closely supply with demand and may incur exit payments and/or forfeiture of prepayments. There is also a risk of product expiry. At this point in time, negotiations are still taking place; and donors, vaccine manufacturers and the Facility are looking

to minimise any impact and free up resources to accommodate any future uncertainties of the pandemic response.

Management has agreed with the Gavi Board committee responsible for approving APAs with vaccine manufacturers (known as the Market-Sensitive Decisions Committee) a proposed reduction/rephasing of doses, expected to be a mix of donated (non-cash) and APA (cash) doses. Given that negotiations with vaccine manufacturers are still ongoing, the estimated exit costs are still to be established. As of 31 December 2021, Gavi has a total contractual commitment of US\$ 8.5 billion, of which US\$ 4.2 billion has been prepaid to vaccine manufacturers and US\$ 4.3 billion remains due on firm order commitments under APAs. The resizing component will be partly APA doses and donated doses. All APA doses are fully funded in the financial forecast. Gavi therefore has the financial capacity to manage all potential outcomes of the negotiations. See further information on the APA contractual commitments in Note 23 to the consolidated financial statements.

- In January 2022, an APA with a vaccine manufacturer was amended to reduce the price per dose of the COVID-19 vaccine. Gavi received a credit note in the amount of US\$ 51.5 million for doses received in 2021. The credit note will be applied to reduce the amounts due from Gavi under future procurement of COVID-19 vaccines.
- On 28 January 2022, Gavi exercised the option of 10 million doses under the original APA with Moderna executed on 3 May 2021 and 30 million doses under the amended APA with Moderna executed on 23 November 2021.
- On 3 February 2022, Gavi issued a notice to the vaccine manufacturer to convert 35 million doses from one type of COVID-19 vaccines to another in accordance with the APA due to delayed delivery. The conversion reduced the advance to the vaccine manufacturer from US\$ 900 million to US\$ 795 million. In relation to the remaining advance to the vaccine manufacturer, on 22 April 2022, Gavi exercised its rights under the APA and issued a notice to the vaccine manufacturer to retain 10 million doses of COVID-19 vaccines, which is equivalent to US\$ 30 million and utilise the remaining advance to the vaccine manufacturer of US\$ 765 million to apply to the cost of any expired doses or wastage, the cost of any additional volumes required over and above the 10 million doses and/or the cost of converting any remaining volumes to any other vaccines manufactured and offered for sale by the vaccine manufacturer.
- In April 2022, IFFImSC III made the final payment of US\$ 50 million to the holders of its certificates.
- On 8 April 2022, the 2022 Break COVID Now Summit, co-hosted by Gavi, the Vaccine Alliance alongside the governments of Germany, Ghana, Indonesia and Senegal saw world leaders come together to reaffirm support for equitable access to COVID-19 vaccines and acting urgently to break COVID now. With Germany, Indonesia and Senegal holding Presidencies in the G7, G20 and AU respectively, the Summit represented an affirmation of the international community's support for COVAX's multilateral approach to vaccine equity. The event successfully secured commitments to help lower-income countries boost vaccinations now, enable equitable access for new vaccine procurements plus additional help for countries looking to procure their own vaccines in the future.

These commitments mean a total of US\$ 1.7 billion in new sovereign donor pledges towards the 2022 AMC fundraising request, alongside US\$ 2.1 billion worth of commitments to facilitate the acceleration of the availability of cash from pledges via new innovative finance mechanisms provided by the EIB and the United States Development Finance Corporation, and least US\$ 1 billion made available by three MDBs – World Bank, Asian Development Bank and EIB.

- On 10 June 2022, IFFIm received a new sovereign pledge from the United Kingdom in the amount of £461 million to support programme funding to Gavi. The pledge will be disbursed to IFFIm in four annual grant payments beginning in October 2026 and ending in October 2029.
- Management have considered the conflict between Ukraine and Russia and its global impact on economic activity and financial markets; and have assessed the potential impact of the conflict on the Gavi Group's financial position, performance, and ability to continue meeting its obligations. Management does not expect that the Gavi Group's overall financial position and performance will be significantly impacted by the adverse effects of the conflict. The Gavi Group has measures in place to ensure it maintains sufficient liquidity and capacity to meet its obligations as they fall due; and to continue undertaking its business activities on an ongoing basis. Management does acknowledge the risk of increased market volatility due to the conflict and the potential challenges it may involve.

## **Statutory Auditor's Report**

To the GAVI Alliance Board of  
**GAVI Alliance, Grand-Saconnex – Geneva**

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of GAVI Alliance and its subsidiaries (Foundation), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated statements of activities, cash flows and functional expenses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as at 31 December 2021, and its results of operations and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law, the statutes and by-laws of the Foundation.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), Swiss law and Swiss Auditing Standards (SAS). Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Foundation in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of the GAVI Alliance Board and the Secretariat for the Consolidated Financial Statements***

The GAVI Alliance Board and Secretariat are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) and the provisions of Swiss law, the statutes and the by-laws of the Foundation, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the GAVI Alliance Board and Secretariat are required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Swiss law and SAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, Swiss law and SAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GAVI Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GAVI Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Information in the Annual Report***

The GAVI Alliance Board and Secretariat are responsible for the other information in the annual report. The other information comprises all information included in the annual

report, but does not include the consolidated financial statements of the Foundation and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Report on Other Legal and Regulatory Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b Civil Code (CC) in connection with article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the GAVI Alliance Board.

We recommend that the consolidated financial statements submitted to you be approved.

### **Deloitte SA**

Fabien Bryois  
Licensed Audit Expert  
Auditor in Charge

Lisa Watson  
Licensed Audit Expert

Geneva, Switzerland, 23 June 2022

# SUPPLEMENTARY INFORMATION



## PLEDGES AND CONTRIBUTIONS SCHEDULES

Schedules 1.1 to 1.7 provide details of the Gavi Group's pledges and contributions from the following sources:

- **Multi-Year Pledges:** The Gavi Group receives upfront written commitments from donors that do not include any conditions and are payable over multiple years ("Multi-Year Pledges"). In accordance with its accounting policy, the Gavi Group records each Multi-Year Pledge as contribution revenue and contributions receivable at fair value on the date the recognition criteria are met and the pledge becomes unconditional. The recorded contributions receivable balances are then reduced over time as cash payments are received from the donors, and are adjusted for changes in fair value.

The Gavi Group's methodology for valuing its contributions receivable, including details of IFFIm's grant payment condition, is described in the *Fair Values of Financial Instruments* section of Note 2 to the consolidated financial statements. Multi-Year Pledges in foreign currency are converted to United States dollars at the prevailing average interbank exchange rate as of 31 December 2021. See *Foreign Currency Transactions* section of Note 2 to the consolidated financial statements for further information.

Multi-Year Pledges balances presented in the currencies of the pledges, in Schedules 1.3 and 1.4, are not adjusted for reductions due to discounting. Discounting the Gavi Group's contributions receivable is described in Note 2 to the consolidated financial statements.

Multi-Year Pledges to IFFIm presented in the currencies of the pledge, in Schedule 1.4, are not adjusted for reductions due to the grant payment condition ("GPC"). The GPC is described in Note 2 to the consolidated financial statements.

- **Annual Contributions:** The Gavi Group receives contributions from donors that are committed and paid annually ("Annual Contributions"). In accordance with its accounting policy, the Gavi Group records Annual Contributions as contribution revenue when payments are received from the donors.
- **Gavi COVAX AMC Donated Doses:** Various countries have secured sufficient doses to begin sharing a portion of those doses rapidly with other countries. Consequently, the Facility is accelerating its work with potential dose sharing countries, and vaccine manufacturers, to include these doses in the Facility and facilitate their equitable global distribution. In accordance with its accounting policy on initial recognition, the Gavi Group records each donated dose as contributed nonfinancial assets at fair value on the date the recognition criteria are met and the pledge becomes unconditional (i.e. when donated doses are legally accepted by Gavi and the recipient country is confirmed as an AMC-eligible economy). Any recorded contributions receivable balances are then reduced over time as donated doses are received from donors, and are adjusted for changes in fair value.

The Gavi Group's methodology for recognising and valuing its contributed nonfinancial assets is described in Note 2 to the consolidated financial statements.

Schedules 1.8 to 1.9 provide details of cash receipts from donors, in United States dollar and in currencies of receipts. Cash receipts in foreign currencies are converted to United States dollar at the prevailing interbank exchange rate at the date cash is received.

## SCHEDULE 1.1: MULTI-YEAR PLEDGES FROM DONORS, IN UNITED STATES DOLLARS

The following table presents the nominal amounts of Multi-Year Pledges from all Gavi Group's donors, in United States dollars:

In Thousands of US\$	Balance as of 31 December 2021	Balance as of 31 December 2020
<u>Multi-Year Pledges to Gavi from sovereign governments:</u>		
Australia, Commonwealth of	196,047	-
Cameroon, Republic of	1,000	-
China, People's Republic of	16,000	-
Denmark, Kingdom of	3,823	4,103
European Union	-	30,538
Germany, Federal Republic of	545,760	732,900
India, Republic of	12,000	2,000
Italy, Republic of	109,152	-
Monaco, Principality of	569	733
Norway, Kingdom of	548,126	-
Qatar, State of	8,000	-
Russian Federation <sup>5</sup>	-	10,000
Saudi Arabia, Kingdom of	-	2,500
Swiss Confederation	-	452
Uganda, Republic of	1,000	-
United States of America	290,000	20,000
<b>Total Multi-Year Pledges to Gavi from sovereign governments</b>	<b>1,731,477</b>	<b>803,226</b>
<u>Multi-Year Pledges to Gavi from corporations, foundations and private individuals:</u>		
Alwaleed Bin Talal Foundation	2,000	3,000
Bill & Melinda Gates Foundation	1,315,000	-
IFPW Foundation	-	215
Rockefeller Foundation	1,754	1,578
<b>Total Multi-Year Pledges to Gavi from corporations, foundations and private individuals</b>	<b>1,318,754</b>	<b>4,793</b>
<u>Multi-Year Pledges to IFFIm:</u>		
Australia, Commonwealth of <sup>1</sup>	94,613	112,237
Australia, Commonwealth of <sup>4</sup>	62,350	-
Brazil, Federative Republic of	16,000	17,000
France, Republic of <sup>2</sup>	-	37,193
France, Republic of <sup>3</sup>	416,086	521,552
France, Republic of <sup>2</sup>	169,785	184,125
Italy, Republic of	294,294	352,906
Netherlands, State of the	254,678	306,875
Norway, Kingdom of	711,534	305,204
Norway, Kingdom of <sup>4</sup>	101,971	117,386
South Africa, Republic of	5,000	6,000
Spain, Kingdom of	42,899	58,153
Sweden, Kingdom of	27,593	2,254
Sweden, Kingdom of <sup>4</sup>	237,296	-
United Kingdom	693,135	893,627
United Kingdom <sup>4</sup>	673,800	682,450
<b>Total Multi-Year Pledges to IFFIm</b>	<b>3,801,034</b>	<b>3,596,962</b>
<u>Multi-Year Pledges from Gavi COVAX AMC donors:</u>		
<u>Sovereign governments</u>		
Australia, Commonwealth of	-	1,924
Belgium, Kingdom of	9,096	-
Canada	-	172,766
Canada <sup>5</sup>	-	25,000

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Continued from page 63

In Thousands of US\$	Balance as of 31 December 2021	Balance as of 31 December 2020
Finland, Republic of	17,363	-
Hellenic Republic (Greece)	-	1,832
Italy, Republic of <sup>5</sup>	-	79,375
Korea, Republic of	-	10,000
Kuwait, State of	10,000	-
Luxembourg, Grand Duchy of	569	1,221
Norway, Kingdom of <sup>5</sup>	-	6,250
Saudi Arabia, Kingdom of	50,000	150,000
Singapore, Republic of	-	5,000
Slovenia, Republic of	170	-
Spain, Kingdom of	3,980	-
United Kingdom <sup>5</sup>	-	60,625
<u>Corporations, foundations and private individuals</u>		
Bill & Melinda Gates Foundation	-	150,000
Bill & Melinda Gates Foundation <sup>5</sup>	-	6,250
King Salman Humanitarian Aid and Relief Centre	6,307	1,340
Toyota Tsusho Corporation	261	-
<b>Total Multi-Year Pledges from Gavi COVAX AMC donors</b>	<b>97,746</b>	<b>671,583</b>
<b>Total Multi-Year Pledges from donors</b>	<b>6,949,011</b>	<b>5,076,564</b>

<sup>1</sup> Acting through the Australian Agency for International Development.

<sup>2</sup> Acting through Agence Française de Développement.

<sup>3</sup> Acting through the Ministry of Economy, Industry and Employment.

<sup>4</sup> The funding from these pledges will support the Gavi COVAX AMC.

<sup>5</sup> US\$ 177.5 million in unused funding from PCV AMC Donors the Republic of Italy, the United Kingdom, Canada, the Kingdom of Norway, and the Bill & Melinda Gates Foundation is available for the newly launched Gavi COVAX AMC. Russia's pro-rata share of the unused PCV AMC funds of US\$ 10 million is available for use in the 2021–2025 strategic period as part of Gavi's core funding.

## SCHEDULE 1.2: RECONCILIATION OF MULTI-YEAR PLEDGES TO CONTRIBUTIONS RECEIVABLE

The following table reconciles Multi-Year Pledges from donors, per Schedule 1.1 above, to the contributions receivable balances reported in the Consolidated Statements of Financial Position on page 30:

In Thousands of US\$	2021	2020
Total Multi-Year Pledges from donors	6,949,011	5,076,564
Contributions receivable on dose sharing arrangements	131,200	-
Grant Payment reduction on Multi-Year Pledges to IFFIm	(262,161)	(287,041)
Unamortised discount on Multi-Year Pledges to Gavi	(48,158)	(3,782)
Unamortised discount on Multi-Year Pledges to IFFIm	(102,308)	(24,136)
<b>Total recorded contributions receivable</b>	<b>6,667,584</b>	<b>4,761,605</b>

The Gavi Group received pledges from Gavi COVAX AMC donors in the form of COVID-19 vaccine doses under a dose sharing arrangement. In accordance with its accounting policy, the Gavi Group recorded the pledges as contributed nonfinancial assets and contributions receivable at fair value.

## SCHEDULE 1.3: MULTI-YEAR PLEDGES TO GAVI, IN CURRENCIES OF PLEDGES

The following table presents the activity of Multi-Year Pledges to Gavi, for the year ended 31 December 2021, in the currencies of the pledges:

In Thousands, in Currencies of Pledges	Currency of Pledge	Balance as of 31 December 2020	New Pledges	Payments Received	Balance as of 31 December 2021
<u>Multi-Year Pledges to Gavi from sovereign governments:</u>					
Australia, Commonwealth of	A\$ (AUD)	-	300,000	(30,000)	270,000
Cameroon, Republic of	US\$ (USD)	-	1,000	-	1,000
China, People's Republic of	US\$ (USD)	-	20,000	(4,000)	16,000
Denmark, Kingdom of	kr (DKK)	25,000	-	-	25,000
European Union	€ (EUR)	25,000	-	(25,000)	-
Germany, Federal Republic of	€ (EUR)	600,000	-	(120,000)	480,000
India, Republic of	US\$ (USD)	2,000	15,000	(5,000)	12,000
Italy, Republic of	€ (EUR)	-	100,000	(4,000)	96,000
Monaco, Principality of	€ (EUR)	600	-	(100)	500
Norway, Kingdom of	kr (NOK)	-	6,050,000	(1,221,973)	4,828,027
Qatar, State of	US\$ (USD)	-	10,000	(2,000)	8,000
Russian Federation <sup>1</sup>	US\$ (USD)	10,000	-	(10,000)	-
Saudi Arabia, Kingdom of	US\$ (USD)	2,500	-	(2,500)	-
Swiss Confederation	SFr (CHF)	400	-	(400)	-
Uganda Republic of	US\$ (USD)	-	1,000	-	1,000
United States of America	US\$ (USD)	20,000	290,000	(20,000)	290,000
<u>Multi-Year Pledges to Gavi from corporations, foundations and private individuals:</u>					
Alwaleed Bin Talal Foundation	US\$ (USD)	3,000	-	(1,000)	2,000
Bill & Melinda Gates Foundation	US\$ (USD)	-	1,525,000	(210,000)	1,315,000
IFPW Foundation <sup>2</sup>	US\$ (USD)	215	-	(215)	-
Rockefeller Foundation	US\$ (USD)	1,578	176	-	1,754
<u>Multi-Year Pledges from Gavi COVAX AMC donors:</u>					
<u>Sovereign governments</u>					
Australia, Commonwealth of	A\$ (AUD)	2,500	-	(2,500)	-
Belgium, Kingdom of	€ (EUR)	-	8,000	-	8,000
Canada	C\$ (CAD)	220,000	-	(220,000)	-
Canada <sup>1</sup>	US\$ (USD)	25,000	-	(25,000)	-
Finland, Republic of	€ (EUR)	-	15,271	-	15,271
Hellenic Republic (Greece)	€ (EUR)	1,500	-	(1,500)	-
Italy, Republic of <sup>1</sup>	US\$ (USD)	79,375	-	(79,375)	-
Korea, Republic of	US\$ (USD)	10,000	-	(10,000)	-
Kuwait, State of	US\$ (USD)	-	20,000	(10,000)	10,000
Luxembourg, Grand Duchy of	€ (EUR)	1,000	3,000	(3,500)	500
Norway, Kingdom of <sup>1</sup>	US\$ (USD)	6,250	-	(6,250)	-
Saudi Arabia, Kingdom of	US\$ (USD)	150,000	-	(100,000)	50,000
Singapore, Republic of	US\$ (USD)	5,000	-	(5,000)	-
Slovenia, Republic of	€ (EUR)	-	500	(350)	150
Spain, Kingdom of	€ (EUR)	-	3,500	-	3,500
United Kingdom <sup>1</sup>	US\$ (USD)	60,625	-	(60,625)	-
<u>Corporations, foundations and private individuals</u>					
Bill & Melinda Gates Foundation	US\$ (USD)	150,000	-	(150,000)	-
Bill & Melinda Gates Foundation <sup>1</sup>	US\$ (USD)	6,250	-	(6,250)	-
King Salman Humanitarian Aid and Relief Centre	SR (SAR)	-	20,000	-	20,000
King Salman Humanitarian Aid and Relief Centre	US\$ (USD)	1,340	965	(1,340)	965
Toyota Tsusho Corporation	US\$ (USD)	-	1,191	(916)	275

<sup>1</sup> US\$ 177.5 million in unused funding from PCV AMC Donors the Republic of Italy, the United Kingdom, Canada, the Kingdom of Norway, and the Bill & Melinda Gates Foundation is available for the newly launched Gavi COVAX AMC. Russia's pro-rata share of the unused PCV AMC funds of US\$ 10 million is available for use in the 2021–2025 strategic period as part of Gavi's core funding.

## SCHEDULE 1.4: MULTI-YEAR PLEDGES TO IFFIm, IN CURRENCIES OF PLEDGES

The following table presents the activity of Multi-Year Pledges assigned to IFFIm, for the year ended 31 December 2021, in the currencies of the pledges:

In Thousands, In Currencies of Pledges	Currency of Pledge	Balance as of 31 December 2020	GPC Adjustments	New Pledges	Payments Received	Balance as of 31 December 2021
<u>Multi-Year Pledges to IFFIm:</u>						
Australia, Commonwealth of	A\$ (AUD)	145,000	(73)	86,000	(14,427)	216,500
Brazil, Federative Republic of	US\$ (USD)	17,000	-	-	(1,000)	16,000
France, Republic of	€ (EUR)	30,300	(152)	-	(30,148)	-
France, Republic of	€ (EUR)	424,890	(286)	-	(57,004)	367,600
France, Republic of	€ (EUR)	150,000	-	-	-	150,000
Italy, Republic of	€ (EUR)	287,500	(137)	-	(27,363)	260,000
Netherlands, State of the	US\$ (USD)	250,000	-	-	(25,000)	225,000
Norway, Kingdom of	kr (NOK)	3,600,000	(500)	4,000,000	(419,500)	7,180,000
South Africa, Republic of	US\$ (USD)	6,000	(5)	-	(995)	5,000
Spain, Kingdom of	€ (EUR)	47,375	95	-	(9,570)	37,900
Sweden, Kingdom of	kr (SEK)	18,410	(92)	2,400,000	(18,318)	2,400,000
United Kingdom	£ (GBP)	1,154,720	(351)	-	(140,021)	1,014,348

## SCHEDULE 1.5: ANNUAL CONTRIBUTIONS FROM DONORS

The following schedule details Annual Contributions received from donors during the years ended 31 December 2021 and 2020, in both the currencies of the contributions and United States dollars:

In Thousands	Currency of Contribution	2021	2020	2021, in US\$	2020, in US\$
<u>Annual Contributions from sovereign governments:</u>					
Burkina Faso, Republic of	US\$ (USD)	1,000	-	1,000	-
Canada	C\$ (CAD)	100,000	-	79,140	-
European Union	€ (EUR)	90,000	25,000	104,337	29,685
Finland, Republic of	€ (EUR)	-	2,500	-	3,050
France, Republic of	€ (EUR)	29,716	15,000	33,404	18,124
Germany, Federal Republic of	€ (EUR)	25,000	-	29,593	-
Ireland, Republic of <sup>1</sup>	€ (EUR)	3,000	3,000	3,596	3,263
Japan	US\$ (USD)	123	88,688	123	88,688
Japan	SFr (CHF)	158	228	172	233
Korea, Republic of	₩ (KRW)	-	5,950,000	-	5,379
Luxembourg, Grand Duchy of	€ (EUR)	1,000	-	1,192	-
Netherlands, State of the	€ (EUR)	10,000	2,408	11,563	2,855
Niger, Republic of	US\$ (USD)	1,000	-	1,000	-
Portuguese Republic	€ (EUR)	100	-	120	-
Spain, Kingdom of	€ (EUR)	10,000	-	11,330	-
Sweden, Kingdom of	kr (SEK)	350,000	350,000	42,158	36,330
Swiss Confederation	SFr (CHF)	-	10,546	-	11,851
United Kingdom	£ (GBP)	218,000	-	299,913	-
United States of America	US\$ (USD)	-	290,000	-	290,000
Total Annual Contributions from sovereign governments				618,641	489,458
<u>Annual Contributions from corporations, foundations and private individuals:</u>					
Bill & Melinda Gates Foundation	US\$ (USD)	7,526	71,938	7,526	71,938
"la Caixa" Foundation	€ (EUR)	1,000	5,738	1,161	6,225
"la Caixa" Foundation	US\$ (USD)	802	-	802	-
TikTok Pte. Ltd.	US\$ (USD)	-	5,000	-	5,000
Other contributions	€ (EUR)	153	-	175	-
Other contributions	£ (GBP)	406	-	565	-
Other contributions	US\$ (USD)	2,140	2,959	2,140	2,959
Total Annual Contributions from corporations, foundations and private individuals				12,369	86,122
<u>Annual Contributions from Gavi COVAX AMC donors:</u>					
<u>Sovereign governments</u>					
Australia, Commonwealth of	A\$ (AUS)	4,000	-	3,106	-
Austria, Republic of	€ (EUR)	7,500	-	8,635	-
Bahrain, Kingdom of	US\$ (USD)	2,500	-	2,500	-
Belgium, Kingdom of	€ (EUR)	4,000	-	4,866	-
Bhutan, Kingdom of	US\$ (USD)	5	-	5	-
Canada	C\$ (CAD)	295,000	-	230,336	-
Colombia, Republic of	US\$ (USD)	-	500	-	500
Croatia, Republic of	€ (EUR)	500	-	597	-
Denmark, Kingdom of	kr (DKK)	115,000	-	18,424	-
Estonia, Republic of	€ (EUR)	70	70	82	85
European Union	US\$ (USD)	204,222	-	204,222	-
France, Republic of	€ (EUR)	200,000	-	235,690	-

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In Thousands	Currency of Contribution	2021	2020	2021, in US\$	2020, in US\$
Germany, Federal Republic of	€ (EUR)	-	100,000	-	118,410
Germany, Federal Republic of	€ (EUR)	890,224	-	1,054,168	-
Iceland, Republic of	US\$ (USD)	332	-	332	-
Iceland, Republic of	kr (ISK)	750,000	-	6,058	-
Ireland, Republic of	€ (EUR)	8,500	-	10,011	-
Italy, Republic of	€ (EUR)	320,000	-	373,862	-
Japan	US\$ (USD)	140,000	30,000	140,000	30,000
Korea, Republic of	US\$ (USD)	100,000	-	100,000	-
Kuwait, State of	US\$ (USD)	20,000	10,000	20,000	10,000
Liechtenstein, Principality of	€ (EUR)	200	-	216	-
Malaysia	US\$ (USD)	100	-	100	-
Malta, Republic of	€ (EUR)	40	-	47	-
Moldova, Republic of	US\$ (USD)	3	-	3	-
Monaco, Principality of	€ (EUR)	-	50	-	60
Netherlands, State of the	€ (EUR)	68,000	5,000	81,991	6,055
New Zealand	NZ\$ (NZD)	19,000	7,000	13,354	4,773
New Zealand <sup>4</sup>	US\$ (USD)	7,491	-	7,491	-
Norway, Kingdom of	US\$ (USD)	-	2,234	-	2,234
Norway, Kingdom of	Nkr (NOK)	504,226	164,100	60,146	19,172
Oman, Sultanate of	US\$ (USD)	1,000	-	1,000	-
Philippines, Republic of	US\$ (USD)	1,100	-	1,100	-
Poland, Commonwealth of	€ (EUR)	750	-	911	-
Portuguese Republic	€ (EUR)	828	-	982	-
Qatar, State of	US\$ (USD)	10,000	-	10,000	-
Spain, Kingdom of <sup>2</sup>	€ (EUR)	790	-	942	-
Sweden, Kingdom of	kr (SEK)	100,000	100,000	11,810	11,325
Swiss Confederation	SFr (CHF)	125,000	20,000	134,788	22,579
United Kingdom	US\$ (USD)	2,544	-	2,544	-
United Mexican States (Mexico)	US\$ (USD)	250	-	250	-
United States of America	US\$ (USD)	4,000,000	-	4,000,000	-
Viet Nam, Socialist Republic of	US\$ (USD)	500	-	500	-
<u>Corporations, foundations and private individuals</u>					
Anonymous	SFr (CHF)	17,167	-	18,614	-
Asia Philanthropy Circle	US\$ (USD)	1,500	-	1,500	-
Bill & Melinda Gates Foundation	US\$ (USD)	78,212	-	78,212	-
Gates Philanthropy Partners	US\$ (USD)	18,000	-	18,000	-
Mastercard Impact Fund	US\$ (USD)	15,805	-	15,805	-
Mastercard International Incorporated <sup>3</sup>	US\$ (USD)	10,000	-	10,000	-
Nikkei Inc.	US\$ (USD)	-	43	-	43
Shell International B.V.	US\$ (USD)	-	10,000	-	10,000
Silicon Valley Community Foundation	US\$ (USD)	100	30,000	100	30,000
The P&G Fund at the Greater Cincinnati Foundation	US\$ (USD)	-	-	5,000	-
TikTok Pte. Ltd.	US\$ (USD)	-	5,000	-	5,000
Union Bank of Switzerland	US\$ (USD)	2,100	-	2,100	-
Vaccine Forward Initiative	kr (SEK)	16,783	-	2,005	-
Visa Foundation	US\$ (USD)	4,500	-	4,500	-
Other contributions	C\$ (CAD)	5,000	-	3,924	-
Other contributions	€ (EUR)	2,256	-	2,663	-
Other contributions	£ (GBP)	67	-	92	-
Other contributions	Nkr (NOK)	100	-	11	-
Other contributions	kr (SEK)	2,240	-	260	-
Other contributions	US\$ (USD)	27,642	22,000	27,646	22,000
Total Annual Contributions from Gavi COVAX AMC donors				6,931,501	292,236
Total Annual Contributions				7,562,511	867,816

<sup>1</sup> Through the Department of Foreign Affairs

<sup>2</sup> Through the Catalan Agency for Development Cooperation

<sup>3</sup> With support from the Mastercard Center for Inclusive Growth

<sup>4</sup> Gavi COVAX AMC donor that opts to donate doses and ancillary costs, if any, in the form of cash. This was reported as contributions from government and private donors in the consolidated statement of activities.

## SCHEDULE 1.6: RECONCILIATION OF ANNUAL CONTRIBUTIONS TO CONTRIBUTION REVENUE

The following table reconciles Annual Contributions per Schedule 1.5 above to contribution revenue reported in the Consolidated Statements of Activities on page 31 of the consolidated financial statements:

In Thousands of US\$	2021	2020
Total Annual Contributions	7,562,511	867,816
Contributed nonfinancial assets <sup>1</sup>	4,411,952	1,338
Reversal of provision for doubtful accounts <sup>2</sup>	-	6,000
Initial fair value of new Multi-Year Pledges received during the year <sup>3</sup>	3,668,643	2,693,235
Total recorded contribution revenue <sup>4</sup>	15,643,106	3,568,389

<sup>1</sup>In accordance with its accounting policy, the Gavi Group recorded the fair value of each in-kind contribution as contributed nonfinancial assets on the date the recognition criteria are met. Therefore, this amount is included in the total recorded contribution revenue amount in the Gavi Group's Consolidated Statement of Activities.

<sup>2</sup>The US\$ 6 million contributions receivable for which a provision was provided in 2018 was collected in 2020.

<sup>3</sup>In accordance with its accounting policy, the Gavi Group recorded the fair value of each new Multi-Year Pledge as contribution revenue on the date the recognition criteria are met. Therefore, this amount is included in the contribution revenue amount in the Gavi Group's Consolidated Statement of Activities.

<sup>4</sup>This amount represents the aggregate of unrestricted and donor-restricted contribution revenue as presented in the Gavi Group's Consolidated Statement of Activities. Annual Contributions in foreign currency are translated to United States dollars in accordance with the Gavi Group's methodology described in the *Foreign Currency Transactions* section of Note 2 to the consolidated financial statements.

Total recorded contribution revenue is comprised of:

In Thousands of US\$	2021	2020
Contributions from governments and private donors without donor restrictions	410,350	398,940
Contributions from governments and private donors with donor restrictions	10,820,804	3,168,111
Contributed nonfinancial assets with donor restrictions	4,411,952	1,338
Total recorded contribution revenue	15,643,106	3,568,389

## SCHEDULE 1.7: GAVI COVAX AMC DONATED DOSES

In accordance with Gavi's accounting policy on initial recognition, the Gavi Group records each donated dose as contributed nonfinancial assets at fair value on the date the recognition criteria are met and the pledge becomes unconditional (i.e. when donated doses are legally accepted by Gavi and the recipient country is confirmed as an AMC-eligible economy). Gavi also tracks doses accepted and delivered to reflect donor commitments in line with Organisation for Economic Co-operation and Development guidelines, which is available online at <https://www.gavi.org/sites/default/files/covid/covax/COVAX-Dose-Donation-Table.pdf>.

The following table presents the fair value of Gavi COVAX AMC donated doses from all Gavi Group's donors, in United States dollars:

In Thousands of US\$	2021
Austria, Republic of	7,452
Belgium, Kingdom of	47,546
Canada	78,771
Croatia, Republic of	6,744
Cyprus, Republic of	581
Czech Republic	8,218
Denmark, Kingdom of	31,430
Estonia, Republic of	2,328
Finland, Republic of	7,634
France, Republic of	382,892
Germany, Federal Republic of	645,491
Hellenic Republic (Greece)	16,308
Hong Kong Special Administrative Region of the People's Republic of China	30,000
Iceland, Republic of	1,666
Ireland, Republic of	6,445
Italy, Republic of	236,528
Japan	48,044
Latvia, Republic of	192
Lithuania, Republic of	1,317
Luxembourg, Grand Duchy of	1,170
Monaco, Principality of	8
Netherlands, State of the	104,246
New Zealand	2,834
Norway, Kingdom of	38,828
Portuguese Republic	19,273
Slovak Republic	7,256
Slovenia, Republic of	8,243
Spain, Kingdom of	186,963
Sweden, Kingdom of	28,130
Swiss Confederation	7,037
United Kingdom	76,856
United States of America	2,366,017
<b>Total Gavi COVAX AMC Donated Doses<sup>1</sup></b>	<b>4,406,448</b>

<sup>1</sup> These were reported as contributed nonfinancial assets in the consolidated statement of activities. Other Gavi COVAX AMC donors opt to donate doses in the form of cash. These were excluded in the table above and reported as contributions from government and private donors in the consolidated statement of activities and included in Schedule 1.5: *Annual Contributions from Donors* on page 67.

Certain doses from the above donor countries were donated to the Gavi COVAX AMC through umbrella Dose-Sharing Tripartite Agreements: (a) Janssen doses through Belgium's agreement; (b) Pfizer doses through France's agreement; and (c) AstraZeneca and Moderna doses through Sweden's agreement.

## SCHEDULE 1.8: CASH RECEIPTS FROM DONORS, IN UNITED STATES DOLLAR

The following schedule details Gavi's cash received from donors during the year ended 31 December 2021, in United States dollar:

In Thousands of US\$	Contribution Payments Received in 2021		
	For 2021 Pledges <sup>1</sup>	For Multi-Year Pledges <sup>2</sup>	Total Received
<u>Sovereign governments:</u>			
Australia, Commonwealth of	-	22,067	22,067
Burkina Faso, Republic of	1,000	-	1,000
Canada	79,140	-	79,140
China, People's Republic of	-	4,000	4,000
European Union	104,337	30,413	134,750
France, Republic of	33,404	-	33,404
Germany, Federal Republic of	29,593	143,548	173,141
India, Republic of	-	5,000	5,000
Ireland, Republic of	3,596	-	3,596
Italy, Republic of	-	4,798	4,798
Japan	295	-	295
Luxembourg, Grand Duchy of	1,192	-	1,192
Monaco, Principality of	-	119	119
Netherlands, State of the	11,563	-	11,563
Niger, Republic of	1,000	-	1,000
Norway, Kingdom of	-	140,195	140,195
Portuguese Republic	120	-	120
Qatar, State of	-	2,000	2,000
Russian Federation	-	10,000	10,000
Saudi Arabia, Kingdom of	-	2,500	2,500
Spain, Kingdom of	11,330	-	11,330
Sweden, Kingdom of	42,158	-	42,158
Swiss Confederation	-	433	433
United Kingdom	299,913	-	299,913
United States of America	-	20,000	20,000
<b>Total cash receipts from sovereign governments</b>	<b>618,641</b>	<b>385,073</b>	<b>1,003,714</b>
<u>Corporations, foundations and private individuals:</u>			
Alwaleed Bin Talal Foundation	-	1,000	1,000
Bill & Melinda Gates Foundation	7,526	210,000	217,526
IFPW Foundation	-	215	215
"la Caixa" Foundation	1,963	-	1,963
Other contributions	2,880	-	2,880
<b>Total cash receipts from corporations, foundations and private individuals</b>	<b>12,369</b>	<b>211,215</b>	<b>223,584</b>
<u>Gavi COVAX AMC donors:</u>			
<u>Sovereign governments</u>			
Australia, Commonwealth of	3,106	1,905	5,011
Austria, Republic of	8,635	-	8,635
Bahrain, Kingdom of	2,500	-	2,500
Belgium, Kingdom of	4,866	-	4,866
Bhutan, Kingdom of	5	-	5
Canada	230,336	199,191	429,527
Croatia, Republic of	597	-	597
Denmark, Kingdom of	18,424	-	18,424
Estonia, Republic of	82	-	82
European Union	204,222	-	204,222
France, Republic of	235,690	-	235,690
Germany, Federal Republic of	1,054,168	-	1,054,168
Hellenic Republic (Greece)	-	1,805	1,805

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In Thousands of US\$	Contribution Payments Received in 2021		
	For 2021 Pledges <sup>1</sup>	For Multi-Year Pledges <sup>2</sup>	Total Received
Iceland, Republic of	6,390	-	6,390
Ireland, Republic of	10,011	-	10,011
Italy, Republic of	373,862	79,375	453,237
Japan	140,000	-	140,000
Korea, Republic of	100,000	10,000	110,000
Kuwait, State of	20,000	10,000	30,000
Liechtenstein, Principality of	216	-	216
Luxembourg, Grand Duchy of	-	4,049	4,049
Malaysia	100	-	100
Malta, Republic of	47	-	47
Moldova, Republic of	3	-	3
Netherlands, State of the	81,991	-	81,991
New Zealand	20,845	-	20,845
Norway, Kingdom of	60,146	6,250	66,396
Oman, Sultanate of	1,000	-	1,000
Philippines, Republic of	1,100	-	1,100
Poland, Commonwealth of	911	-	911
Portuguese Republic	982	-	982
Qatar, State of	10,000	-	10,000
Saudi Arabia, Kingdom of	-	100,000	100,000
Singapore, Republic of	-	5,000	5,000
Slovenia, Republic of	-	407	407
Spain, Kingdom of	942	-	942
Sweden, Kingdom of	11,810	-	11,810
Swiss Confederation	134,788	-	134,788
United Kingdom	2,544	60,625	63,169
United Mexican States (Mexico)	250	-	250
United States of America	4,000,000	-	4,000,000
Viet Nam, Socialist Republic of	500	-	500
<u>Corporations, foundations and private individuals</u>			
Anonymous	18,614	-	18,614
Asia Philanthropy Circle	1,500	-	1,500
Bill & Melinda Gates Foundation	78,212	156,250	234,462
Gates Philanthropy Partners	18,000	-	18,000
King Salman Humanitarian Aid and Relief Centre	-	1,340	1,340
Mastercard Impact Fund	15,805	-	15,805
Mastercard International Incorporated	10,000	-	10,000
Silicon Valley Community Foundation	100	-	100
The P&G Fund at the Greater Cincinnati Foundation	5,000	-	5,000
Toyota Tsusho Corporation	-	905	905
Union Bank of Switzerland	2,100	-	2,100
Vaccine Forward Initiative	2,005	-	2,005
Visa Foundation	4,500	-	4,500
Other contributions	34,596	-	34,596
<b>Total cash receipts from Gavi COVAX AMC donors</b>	<b>6,931,501</b>	<b>637,102</b>	<b>7,568,603</b>
<b>Total cash receipts</b>	<b>7,562,511</b>	<b>1,233,390</b>	<b>8,795,901</b>

<sup>1</sup> Amounts received in 2021 to fulfil pledges for 2021.

<sup>2</sup> Amounts received in 2021 to fulfil pledges for multi-years.

## SCHEDULE 1.9: CASH RECEIPTS FROM DONORS, IN CURRENCIES OF RECEIPTS

The following schedule details Gavi's cash received from donors during the year ended 31 December 2021, in currencies of receipts:

In Thousands, in Currencies of Receipts	Currency of Receipt	Contribution Payments Received in 2021		
		For 2021 Pledges <sup>1</sup>	For Multi-Year Pledges <sup>2</sup>	Total Received
<u>Sovereign governments:</u>				
Australia, Commonwealth of	A\$ (AUD)	-	30,000	30,000
Burkina Faso, Republic of	US\$ (USD)	1,000	-	1,000
Canada	C\$ (CAD)	100,000	-	100,000
China, People's Republic of	US\$ (USD)	-	4,000	4,000
European Union	€ (EUR)	90,000	25,000	115,000
France, Republic of	€ (EUR)	29,716	-	29,716
Germany, Federal Republic of	€ (EUR)	25,000	120,000	145,000
India, Republic of	US\$ (USD)	-	5,000	5,000
Ireland, Republic of	€ (EUR)	3,000	-	3,000
Italy, Republic of	€ (EUR)	-	4,000	4,000
Japan	US\$ (USD)	123	-	123
Japan	SFr (CHF)	158	-	158
Luxembourg, Grand Duchy of	€ (EUR)	1,000	-	1,000
Monaco, Principality of	€ (EUR)	-	100	100
Netherlands, State of the	€ (EUR)	10,000	-	10,000
Niger, Republic of	US\$ (USD)	1,000	-	1,000
Norway, Kingdom of	kr (NOK)	-	1,221,973	1,221,973
Portuguese Republic	US\$ (USD)	100	-	100
Qatar, State of	US\$ (USD)	-	2,000	2,000
Russian Federation	US\$ (USD)	-	10,000	10,000
Saudi Arabia, Kingdom of	US\$ (USD)	-	2,500	2,500
Spain, Kingdom of	€ (EUR)	10,000	-	10,000
Sweden, Kingdom of	kr (SEK)	350,000	-	350,000
Swiss Confederation	SFr (CHF)	-	400	400
United Kingdom	£ (GBP)	218,000	-	218,000
United States of America	US\$ (USD)	-	20,000	20,000
<u>Corporations, foundations and private individuals:</u>				
Alwaleed Bin Talal Foundation	US\$ (USD)	-	1,000	1,000
Bill & Melinda Gates Foundation	US\$ (USD)	7,526	210,000	217,526
IFPW Foundation	US\$ (USD)	-	215	215
"la Caixa" Foundation	€ (EUR)	1,000	-	1,000
"la Caixa" Foundation	US\$ (USD)	802	-	802
Other contributions	€ (EUR)	153	-	153
Other contributions	£ (GBP)	406	-	406
Other contributions	US\$ (USD)	2,140	-	2,140
<u>Gavi COVAX AMC donors:</u>				
<u>Sovereign governments</u>				
Australia, Commonwealth of	A\$ (AUD)	4,000	2,500	6,500
Austria, Republic of	€ (EUR)	7,500	-	7,500
Bahrain, Kingdom of	US\$ (USD)	2,500	-	2,500
Belgium, Kingdom of	€ (EUR)	4,000	-	4,000
Bhutan, Kingdom of	US\$ (USD)	5	-	5
Canada	C\$ (CAD)	295,000	220,000	515,000
Canada	US\$ (USD)	-	25,000	25,000
Croatia, Republic of	€ (EUR)	500	-	500
Denmark, Kingdom of	kr (DKK)	115,000	-	115,000
Estonia, Republic of	€ (EUR)	70	-	70
European Union	US\$ (USD)	204,222	-	204,222

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In Thousands, in Currencies of Receipts	Currency of Receipt	Contribution Payments Received in 2021		
		For 2021 Pledges <sup>1</sup>	For Multi-Year Pledges <sup>2</sup>	Total Received
France, Republic of	€ (EUR)	200,000	-	200,000
Germany, Federal Republic of	€ (EUR)	890,224	-	890,224
Hellenic Republic (Greece)	€ (EUR)	-	1,500	1,500
Iceland, Republic of	US\$ (USD)	332	-	332
Iceland, Republic of	kr (ISK)	750,000	-	750,000
Ireland, Republic of	€ (EUR)	8,500	-	8,500
Italy, Republic of	US\$ (USD)	320,000	79,375	399,375
Japan	US\$ (USD)	140,000	-	140,000
Korea, Republic of	US\$ (USD)	100,000	10,000	110,000
Kuwait, State of	US\$ (USD)	20,000	10,000	30,000
Liechtenstein, Principality of	€ (EUR)	200	-	200
Luxembourg, Grand Duchy of	€ (EUR)	-	3,500	3,500
Malaysia	US\$ (USD)	100	-	100
Malta, Republic of	€ (EUR)	40	-	40
Moldova, Republic of	US\$ (USD)	3	-	3
Netherlands, State of the	€ (EUR)	68,000	-	68,000
New Zealand	NZ\$ (NZD)	19,000	-	19,000
New Zealand	US\$ (USD)	7,491	-	7,491
Norway, Kingdom of	US\$ (USD)	-	6,250	6,250
Norway, Kingdom of	kr (NOK)	504,226	-	504,226
Oman, Sultanate of	US\$ (USD)	1,000	-	1,000
Philippines, Republic of	US\$ (USD)	1,100	-	1,100
Poland, Commonwealth of	€ (EUR)	750	-	750
Portuguese Republic	€ (EUR)	828	-	828
Qatar, State of	US\$ (USD)	10,000	-	10,000
Saudi Arabia, Kingdom of	US\$ (USD)	-	100,000	100,000
Singapore, Republic of	US\$ (USD)	-	5,000	5,000
Slovenia, Republic of	€ (EUR)	-	350	350
Spain, Kingdom of	€ (EUR)	790	-	790
Sweden, Kingdom of	US\$ (USD)	100,000	-	100,000
Swiss Confederation	SFr (CHF)	125,000	-	125,000
United Kingdom	US\$ (USD)	2,544	60,625	63,169
United Mexican States (Mexico)	US\$ (USD)	250	-	250
United States of America	US\$ (USD)	4,000,000	-	4,000,000
Viet Nam, Socialist Republic of	US\$ (USD)	500	-	500
<u>Corporations, foundations and private individuals</u>				
Anonymous	US\$ (USD)	17,167	-	17,167
Asia Philanthropy Circle	US\$ (USD)	1,500	-	1,500
Bill & Melinda Gates Foundation	US\$ (USD)	78,212	156,250	234,462
Gates Philanthropy Partners	US\$ (USD)	18,000	-	18,000
King Salman Humanitarian Aid and Relief Centre	US\$ (USD)	-	1,340	1,340
Mastercard Impact Fund	US\$ (USD)	15,805	-	15,805
Mastercard International Incorporated	US\$ (USD)	10,000	-	10,000
Silicon Valley Community Foundation	US\$ (USD)	100	-	100
Toyota Tsusho Corporation	US\$ (USD)	-	916	916
Union Bank of Switzerland	US\$ (USD)	2,100	-	2,100
Vaccine Forward Initiative	kr (SEK)	16,783	-	16,783
Visa Foundation	US\$ (USD)	4,500	-	4,500
Other contributions	C\$ (CAD)	5,000	-	5,000
Other contributions	€ (EUR)	2,256	-	2,256
Other contributions	£ (GBP)	67	-	67
Other contributions	Nkr (NOK)	100	-	100
Other contributions	kr (SEK)	2,240	-	2,240
Other contributions	US\$ (USD)	27,642	-	27,642

<sup>1</sup> Amounts received in 2021 to fulfil pledges for 2021.

<sup>2</sup> Amounts received in 2021 to fulfil pledges for multi-years.

## EXPENSES SCHEDULES

Schedules 2.1 to 2.4 provide details of the following categories of Gavi Group's expenses:

- **Country Programme Expenses:** Gavi directly incurs expenses to procure and distribute vaccines to countries (e.g. the cost of vaccines, freight and insurance) and related to vaccine and cash programmes and investment cases of Gavi - Core and Gavi - Facility.
- **Partner Programme Expenses:** Gavi incurs expenses to provide funding to partners through the Partners' Engagement Framework (PEF). In June 2015, the Board approved the structure for the PEF, which came into force in 2016. Through PEF, Gavi provides funding to partners and allows the partners to support countries' immunisation programmes. Support under PEF is divided into three areas: targeted country assistance, strategic focus areas, and foundational support. Most PEF funding is allocated to targeted country assistance. PEF gives priority to the 22 countries that face the most severe immunisation challenges and aims to meet the specific needs of each country. In 2021, the priority countries were the Islamic Republic of Afghanistan, Republic of Chad, Federal Republic of Nigeria, Republic of Uganda, Islamic Republic of Pakistan, Republic of Indonesia, Democratic Republic of the Congo, Republic of India, Republic of Kenya, Federal Democratic Republic of Ethiopia, Republic of the Niger, Central African Republic, Republic of the Union of Myanmar, Republic of Haiti, Federal Republic of Somalia, Republic of Yemen, Republic of Mozambique, Independent State of Papua New Guinea, Republic of Madagascar, Republic of South Sudan, Republic of the Sudan, and the Republic of Mali.
- **Professional Fees:** The Gavi Group incurs expenses to engage external technical and expert advisors and consultants as needed.

### SCHEDULE 2.1: COUNTRY PROGRAMME EXPENSES, BY RECIPIENT COUNTRY

The following schedule details country programme expenses, by recipient country, incurred by the Gavi Group during the years ended 31 December 2021 and 2020:

In Thousands of US\$	2021					2020		
	Gavi-Core Vaccine Support <sup>1</sup>	Gavi-Facility Vaccine Support <sup>1</sup>	Gavi-Core Cash Grants	Gavi-Facility Cash Grants	Total	Vaccine Support <sup>1</sup>	Cash Grants	Total
Afghanistan, Islamic Republic of	28,704	52,102	4,361	8,546	93,713	14,178	5,901	20,079
Algeria, People's Democratic Republic of	-	100,868	-	1,725	102,593	-	-	-
Angola, Republic of	4,385	110,429	278	4,021	119,113	-	1,702	1,702
Azerbaijan, Republic of	525	-	-	-	525	202	-	202
Bangladesh, People's Republic of	38,323	311,865	3,881	10,852	364,921	44,883	20,492	65,375
Benin, Republic of	13,622	27,111	-	3,075	43,808	15,049	1,370	16,419
Bhutan, Kingdom of	87	5,306	-	460	5,853	80	-	80
Bolivia, Plurinational State of	792	45,501	-	2,200	48,493	955	-	955
Botswana, Republic of	-	25	-	-	25	-	-	-
Burkina Faso	19,086	164,521	3,619	1,172	188,398	11,253	5,671	16,924
Burundi, Republic of	9,471	-	5,770	175	15,416	8,318	3,234	11,552
Cabo Verde, Republic of	-	1,670	-	306	1,976	-	-	-
Cambodia, Kingdom of	6,613	22,452	53	1,239	30,357	5,369	2,915	8,284
Cameroon, Republic of	9,569	17,273	26	6,005	32,873	-	-	-
Central African Republic	1,425	51,593	4,167	1,534	58,719	4,101	-	4,101
Chad, Republic of	4,836	14,784	4,713	5,729	30,062	12,006	10,630	22,636
Comoros, Union of the	101	100	510	147	858	20,024	734	20,758
Congo, Republic of the	69,039	15,487	16,673	984	102,183	1,273	2,237	3,510
Congo, Democratic Republic of the	5,947	34,734	2,378	15,498	58,557	90,368	61,748	152,116
Côte d'Ivoire, Republic of	22,826	42,272	814	3,001	68,913	18,937	8,415	27,352

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In Thousands of US\$	2021					2020		
	Gavi- Core Vaccine Support <sup>1</sup>	Gavi- Facility Vaccine Support <sup>1</sup>	Gavi- Core Cash Grants	Gavi- Facility Cash Grants	Total	Vaccine Support <sup>1</sup>	Cash Grants	Total
Cuba, Republic of	-	-	-	-	-	173	-	173
Djibouti, Republic of	487	124,325	145	984	125,941	252	542	794
Dominica, Commonwealth of	-	908	-	430	1,338	-	-	-
Egypt, Arab Republic of	-	276,964	-	8,281	285,245	-	-	-
El Salvador, Republic of	-	32,810	-	1,606	34,416	-	-	-
Eritrea, State of	2,155	-	354	-	2,509	2,165	10,232	12,397
Eswatini, Kingdom of	-	4,129	-	466	4,595	-	-	-
Ethiopia, Federal Democratic Republic of	85,048	194,480	8,840	15,433	303,801	56,323	26,176	82,499
Fiji, Republic of	-	4,289	-	495	4,784	-	-	-
Gabon, Republic of	-	77	-	-	77	-	-	-
Gambia, Republic of the	2,277	2,779	-	977	6,033	1,260	362	1,622
Ghana, Republic of	9,663	76,400	905	2,999	89,967	9,113	-	9,113
Grenada	-	1,189	-	430	1,619	-	-	-
Guinea, Republic of	4,499	154,529	518	2,530	162,076	3,580	1,886	5,466
Guinea Bissau, Republic of	1,643	2,662	967	1,025	6,297	1,188	550	1,738
Guyana, Co-operative Republic of	-	3,314	-	1,011	4,325	48	-	48
Haiti, Republic of	2,506	3,598	-	3,264	9,368	3,506	-	3,506
Honduras, Republic of	-	40,479	-	1,535	42,014	770	-	770
India, Republic of	3,551	40,216	11,450	10,867	66,084	70,072	-	70,072
Indonesia, Republic of	8,458	500,975	92	95	509,620	255	-	255
Iran, Islamic Republic of	-	10,216	-	-	10,216	-	-	-
Kenya, Republic of	23,887	105,545	1,930	5,708	137,070	25,571	5,371	30,942
Kiribati, Republic of	13	445	-	230	688	16	-	16
Korea, Democratic People's Republic of	1,690	5,258	232	-	7,180	1,360	343	1,703
Kosovo, Republic of	-	5,458	-	460	5,918	-	-	-
Kyrgyz Republic	3,043	19,072	165	1,215	23,495	1,942	1,113	3,055
Lao People's Democratic Republic	859	29,359	2,746	1,113	34,077	2,647	1,226	3,873
Lesotho, Kingdom of	2,013	21,704	-	396	24,113	504	-	504
Liberia	3,656	18,333	1,444	1,158	24,591	4,003	1,017	5,020
Libya (Socialist People's Libyan Arab Jamahiriya)	-	354	-	-	354	-	-	-
Madagascar, Republic of	13,929	19,075	4,851	4,703	42,558	16,515	-	16,515
Malawi, Republic of	13,234	13,813	214	2,230	29,491	16,813	1,313	18,126
Maldives, Republic of	-	9,092	-	460	9,552	-	-	-
Mali, Republic of	14,827	16,212	376	1,474	32,889	12,202	9,542	21,744
Marshall Islands, Republic of	-	4	-	-	4	-	-	-
Mauritania, Islamic Republic of	3,173	12,680	-	1,119	16,972	3,644	1,800	5,444
Mauritius, Republic of	-	97	-	-	97	-	-	-
Moldova, Republic of	51	6,742	-	738	7,531	127	-	127
Mongolia	125	4,545	-	460	5,130	1,313	103	1,416
Mozambique, Republic of	21,248	74,211	5,161	4,317	104,937	9,091	6,853	15,944
Morocco, Kingdom of	-	20,202	-	122	20,324	-	-	-
Micronesia, Federated States of	-	6	-	230	236	-	-	-

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In Thousands of US\$	2021					2020		
	Gavi - Core Vaccine Support <sup>1</sup>	Gavi - Facility Vaccine Support <sup>1</sup>	Gavi - Core Cash Grants	Gavi - Facility Cash Grants	Total	Vaccine Support <sup>1</sup>	Cash Grants	Total
Myanmar, Republic of the Union of	14,718	27,013	-	315	42,046	26,857	24,264	51,121
Namibia, Republic of	-	56	-	-	56	-	-	-
Nepal, Federal Democratic Republic of	24,561	348,744	7,667	2,416	383,388	7,877	245	8,122
Nicaragua, Republic of	-	31,080	-	350	31,430	1,011	-	1,011
Niger, Republic of the	27,826	106,244	11,294	3,773	149,137	13,055	4,657	17,712
Nigeria, Federal Republic of	116,113	472,608	54,023	11,602	654,346	116,496	30,640	147,136
Pakistan, Islamic Republic of	152,800	526,055	64,152	15,262	758,269	225,364	26,102	251,466
Palestine, State of	-	38,053	-	1,230	39,283	-	-	-
Papua New Guinea, Independent State of	58	6,179	986	31	7,254	851	6,393	7,244
Philippines, Republic of the	-	386,201	-	9,420	395,621	-	-	-
Rwanda, Republic of	9,081	76,347	3,106	893	89,427	6,111	2,758	8,869
Saint Lucia	-	47,944	-	430	48,374	-	-	-
Saint Vincent and the Grenadines	-	171	-	430	601	-	-	-
Samoa, Independent State of	-	974	-	-	974	-	-	-
Sao Tome and Principe	94	896	390	990	2,370	175	-	175
Senegal, Republic of	7,012	17,601	1,250	1,605	27,468	13,737	5,010	18,747
Seychelles, Republic of	-	11	-	-	11	-	-	-
Sierra Leone, Republic of	7,048	10,784	912	1,148	19,892	2,593	2,987	5,580
Solomon Island	236	3,351	588	-	4,175	90	-	90
Somalia, Federal Republic of	6,105	32,494	4,419	7,829	50,847	1,482	6	1,488
Sri Lanka, Democratic Socialist Republic of	259	26,200	-	1,967	28,426	307	-	307
South Sudan, Republic of	1,297	7,125	5,715	4,104	18,241	1,358	720	2,078
Sudan, Republic of the	35,551	50,138	17,803	3,564	107,056	19,912	-	19,912
Syria	4,252	83,355	-	2,928	90,535	1,442	-	1,442
Tajikistan, Republic of	2,707	30,323	1,510	1,218	35,758	5,711	6,044	11,755
Tanzania, United Republic of	50,596	85,839	-	7,181	143,616	30,595	3,265	33,860
Timor-Leste, Democratic Republic of	254	8,144	-	267	8,665	48	-	48
Togolese Republic	9,949	24,234	3,231	1,006	38,420	2,275	135	2,410
Tonga, Kingdom of	-	409	-	460	869	-	-	-
Tunisia, Republic of	-	52,249	-	1,047	53,296	-	-	-
Tuvalu	-	54	-	460	514	-	-	-
Uganda, Republic of	41,915	184,268	5,463	4,225	235,871	29,155	10,740	39,895
Ukraine	-	113,632	-	4,033	117,665	-	-	-
Uzbekistan, Republic of	17,784	182,740	1,991	2,657	205,172	6,163	4,957	11,120
Vanuatu, Republic of	-	555	-	460	1,015	-	-	-
Viet Nam, Socialist Republic of	6,163	255,141	-	1,217	262,521	4,640	250	4,890
Yemen, Republic of	19,014	14,486	4,302	6,237	44,039	12,483	-	12,483
Zambia, Republic of	26,407	40,928	2,427	2,163	71,925	17,156	5,288	22,444
Zimbabwe, Republic of	9,692	25,229	565	1,594	37,080	13,759	12,740	26,499
Total country programme expenses	1,048,878	6,192,494	279,427	249,742	7,770,541	1,052,152	340,679	1,392,831

<sup>1</sup> Vaccine support includes support for new vaccine, excluding COVID-19 vaccines, and cold chain equipment.

<sup>2</sup> Vaccine support includes support for COVID-19 vaccines.

## SCHEDULE 2.2: PARTNER PROGRAMME EXPENSES

The following schedule details partner programme expenses during the years ended 31 December 2021 and 2020:

In Thousands of US\$	2021	2020
United Nations Children's Fund	90,008	92,774
World Health Organization	64,325	91,771
Pan American Sanitary Bureau	7,009	871
United Nations Development Programme	4,886	2,366
Acasus Ltd	4,415	3,712
JSI Research & Training Institute, Inc.	4,346	4,564
The World Bank	4,119	7,361
University of Oslo	4,055	2,256
Clinton Health Access Initiative	4,018	3,440
CDC Foundation	3,553	5,350
PATH	3,506	2,687
Dalberg Global Development Advisors	2,938	1,945
Stiftelsen Flowminder	2,793	1,518
Zenysis Technologies Inc	1,504	887
Simprints Technology	1,382	430
Centers for Disease Control and Prevention	1,339	2,587
Imperial College of Science Technology and Medicine	1,300	-
The Aga Khan University	1,234	506
VillageReach	1,163	1,574
London School of Hygiene & Tropical Medicine	1,080	1,212
Save The Children Korea	1,000	-
Johns Hopkins University	888	534
Logistimo India Pvt Ltd	851	476
The Trustees of Columbia University in the City of New York	812	1,869
Centre for Infectious Disease Research in Zambia	705	334
GroupM Media India Private Ltd.	693	2,426
Agence Européenne pour le Développement et la Santé	672	590
Premise Data Corporation	658	74
Nexleaf Analytics	649	1,279
Mastercard International Inc	565	1,048
mHealth and eHealth Expert Learning Program NPC	554	255
Murdoch Children's Research Institute	553	559
AMP Bureau Regional Afrique	551	-
Oasys sarl	513	196
Sydani Initiative for International Development	497	302
Kantar LLC	490	-
IRD Global Limited	465	-
Crown Agents Limited	415	-
Results for Development Institute	407	877
PricewaterhouseCoopers	403	-
Swiss Tropical and Public Health Institute	386	186
University of Oxford	353	705
International Organization for Migration	349	-
Solina Health Limited	343	448
REPAOC	319	-
Itad Ltd	314	145
Yale University	313	1,084
Mott McDonald	311	251
AMP Burkina	308	-
Infectious Diseases Research Collaboration	305	391
Jhpiego	299	1,200
Ganeshaid Consultancy Company Limited	288	-
Orange Côte d'Ivoire	261	144
Albert B Sabin Vaccine Institute	234	124

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In Thousands of US\$	2021	2020
Mannion Daniels Africa Limited	234	-
Kati Collective Inc	223	58
Expertise France AFETI	218	20
Consortium of Christian Relief and Development Associations	201	178
Imperial College London	-	1,300
Agence de Mèdicine Prèventive	-	897
Zipline International Inc	-	850
Girl Effect	-	849
Task Force For Global Health Inc	-	639
Emory University	-	359
Cardno Emerging Markets USA Ltd.	-	279
Others	3,466	5,416
<b>Total partner programme expenses</b>	<b>230,039</b>	<b>254,153</b>

### SCHEDULE 2.3: RECONCILIATION OF COUNTRY AND PARTNER PROGRAMME EXPENSES TO PROGRAMME EXPENSES

The following table reconciles country programme expenses, per Schedule 2.1 above, and partner programme expenses, per Schedule 2.2 above, to programme expenses reported in the Consolidated Statements of Activities on page 31 of the consolidated financial statements:

In Thousands of US\$	2021	2020
Total country programme expenses	7,770,541	1,392,831
Total partner programme expenses	230,039	254,153
Provision for country programme expenses	449,245	367,131
Recovery of prior year grants	(8,623)	(9,226)
Allocated operating expenses	73,562	57,155
<b>Total recorded programme expenses</b>	<b>8,514,764</b>	<b>2,062,044</b>

### SCHEDULE 2.4: PROFESSIONAL FEES

The following schedule details professional fees incurred by the Gavi Group during the years ended 31 December 2021 and 2020:

In Thousands of US\$	2021	2020
Consulting services	26,711	14,697
Information technology	9,338	6,172
IFFIm's treasury management fees	2,255	2,104
Audit and accounting	1,510	1,527
Temporary staffing	2,003	1,369
In-kind services	5,228	1,338
Legal services	3,461	1,135
Other professional fees	10	-
<b>Total professional fees</b>	<b>50,516</b>	<b>28,342</b>



## PORTFOLIO WEIGHTED AVERAGE COST (MANUFACTURED COST) PER DOSE

The Facility procures doses of COVID-19 vaccines on behalf of AMC-eligible economies and also facilitates the donation of doses between donors and AMC-eligible economies and SFPs. These doses are sourced from multiple manufacturers across all four major COVID-19 vaccine platform technologies. While the prices that Gavi negotiates with manufacturers are commercially sensitive, the portfolio weighted average cost (manufactured cost) per dose provides donors with an indication of the value for money that the Facility is providing to AMC-eligible economies and information for donors on the cost of doses donated to the Facility.

The portfolio weighted average cost (manufactured cost) of the Gavi COVAX AMC committed portfolio [all doses where APAs have been signed as of 31 December 2021 and including post balance sheet events (agreements signed up until 8 April 2022)] is US\$ 5.01 per dose.

The portfolio weighted average cost (manufactured cost) of the Gavi COVAX AMC doses donated and received (by countries) as of 31 December 2021 is US\$ 6.64 per dose.

## Independent Auditors' Report on Supplementary Information

To the GAVI Alliance Board of  
**GAVI Alliance, Grand-Saconnex - Geneva**

We have audited the consolidated financial statements of GAVI Alliance as of and for the year ended 31 December 2021 and have issued our report thereon dated 23 June 2022 which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Pledges and Contributions Schedules 1.1 to 1.9 and Expenses Schedules 2.1 to 2.4 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of the Secretariat and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

### **Opinion**

In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte SA

Fabien Bryois  
Partner

Lisa Watson  
Director

Geneva, Switzerland, 23 June 2022