



Report to the GAVI Alliance Board

4-5 December 2012

Subject:	Financial Forecast and Programme Funding Envelope approval
Report of:	Barry Greene, Managing Director, Finance & Operations
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Agenda item:	05
Category:	For Decision
Strategic goal:	Alliance operations

Section A: Overview

1. Purpose of the report

- 1.1 This paper informs the GAVI Alliance Board ("Board") of the updated GAVI financial forecast for 2011-2020 (Version 6.0Fb) and requests the Board to approve a programme funding envelope to be allotted by the Secretariat through 31 December 2013.

2. Recommendations

- 2.1 The Board is requested to:

- **Approve** a Programme Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2013, to:
 - a) Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 600 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
 - b) Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2014 for an aggregate amount not exceeding US\$ 1,482 million. (These amounts are a sub-component of endorsed programme budgets.)

- 2.2 The Board in session without the participation of US citizens and residents is requested to:
- **Approve** a Programme Funding Envelope for restricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2013, to:
 - c) Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 15 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
 - d) Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2014 for an aggregate amount not exceeding US\$ 20 million. (These amounts are a sub-component of endorsed programme budgets.)
- 2.3 To assist the Board in its decision making, the Audit and Finance Committee reviewed the financial implications of this request at its meeting on 9 November 2012 and will advise the Board at its meeting on 4-5 December 2012 regarding the ability to make these decisions in accordance with the Programme Funding Policy.

2. Executive summary

- 3.1 The updated GAVI financial forecast (see Section B) incorporates the latest demand estimates and funding decisions taken to date. The level of resources reflects amounts pledged to date and an allowance for forecasting purposes that direct contributions will continue at their 2012-2014 level in subsequent years.
- 3.2 The funding decisions recommended in this paper (see Section C) are reflected within the expenditure estimates in the forecast. The forecast indicates that GAVI will have sufficient resources to cover the needs of existing programmes and the funding decisions requested herein in accordance with the Programme Funding Policy.
- 3.3 No additional resources are forecast to be needed to fully meet estimated demand anticipated for future programmes (i.e. through new proposals expected in the future for currently supported vaccines) for the period 2013 - 2015.

4. Risk implications and mitigations

- 4.1 See Section C, paragraph 6.

5. Financial implications

- 5.1 Expenditure for all existing programmes and the amounts arising from the funding decisions now recommended is fully covered by Qualifying Resources through 2015 (i.e. through the next two calendar years), as is required by the Programme Funding Policy.

Note: In tables throughout this paper that include rounded numbers, the constituent numbers may appear not to sum to the total because of rounding.

Section B: Forecast of needs and resources

1. Updated forecast

- 1.1 Expenditure: The expenditure estimates in this forecast are based on the latest Adjusted Strategic Demand Forecast (version 6.0), issued in September 2012. The forecast reflects all previous funding decisions made by the EC/Board and those funding decisions recommended in this paper. It incorporates updated implementation assumptions, notably for pneumococcal vaccine programme roll-out in 2013, based on latest country and supplier information regarding country readiness and supply availability.
- 1.2 The expenditure estimates are based on current GAVI eligibility and graduation rules and include provision for the opening of the envisaged new vaccine windows for Measles-Rubella, Human Papillomavirus, Japanese Encephalitis and Typhoid (from 2017), but not for any other new vaccines. The introduction of additional vaccines would increase demand and expenditure.
- 1.3 Consistent with the Board's decision in June 2012, GAVI's expenditure also includes a provision for six large countries at high risk of measles outbreaks (Afghanistan, Chad, DR Congo, Ethiopia, Nigeria, and Pakistan) to be able to receive GAVI support for measles vaccines and operational costs until these countries are forecasted to have implemented a measles-rubella (MR) campaign, or by no later than 2017.
- 1.4 Contributions: The forecast relies on all pledged contributions being paid when due. Because the current replenishment period extends through 2015 only, the resource forecast includes an allowance for direct contributions not yet pledged which assumes that the overall level of direct contributions will be maintained at the 2012-14 level of US\$ 1.1 billion per year in subsequent years¹.
- 1.5 Forecast period: The forecast spans the period 2011 to 2020, sub-divided into two periods: the current replenishment period (2011-2015) and the next five

¹ This conservative allowance as required by the Programme Funding Policy is based on the annual average of total direct contributions currently confirmed for the three years 2012-2014, which amounts to US\$ 1.1 billion per year. The allowance is included in the financial forecast by assuming that in years where currently confirmed direct contributions total less than US\$ 1.1 billion for the year, further contributions will bring the total to that level. The Secretariat expects that this level will be exceeded.

years (2016-2020). The Programme Funding Policy requires new programmes to be assessed over the current year and five subsequent calendar years (i.e. a ‘rolling six-year’ view). As allotments from the envelope will be made in 2013, the visibility now required is for 2013-2018.

2. Forecast for 2011-2015

- 2.1 In June 2012 the Board reviewed the financial forecast for the period 2011 to 2015. That forecast indicated that while forecast resources were sufficient to cover expenditure on existing programmes (and business plan), an additional US\$ 131 million would be required to fully fund anticipated demand from future programmes in that period². Per the current forecast, that additional requirement is eliminated, due mainly to the lower, updated estimates for programme implementation -- see Figure 1. The decrease in forecast expenditure is due mainly to a net shift in the timing of expenditures from 2011-2015 to 2016-2020.
- 2.2 The funding decisions now recommended that establish budget envelope amounts are described in Section C. These decisions have no impact on the cash flow forecast because they were already fully provided for within the estimate for current and future programmes in the prior forecast.

Figure 1: Reconciliation with previous forecast for 2011-2015

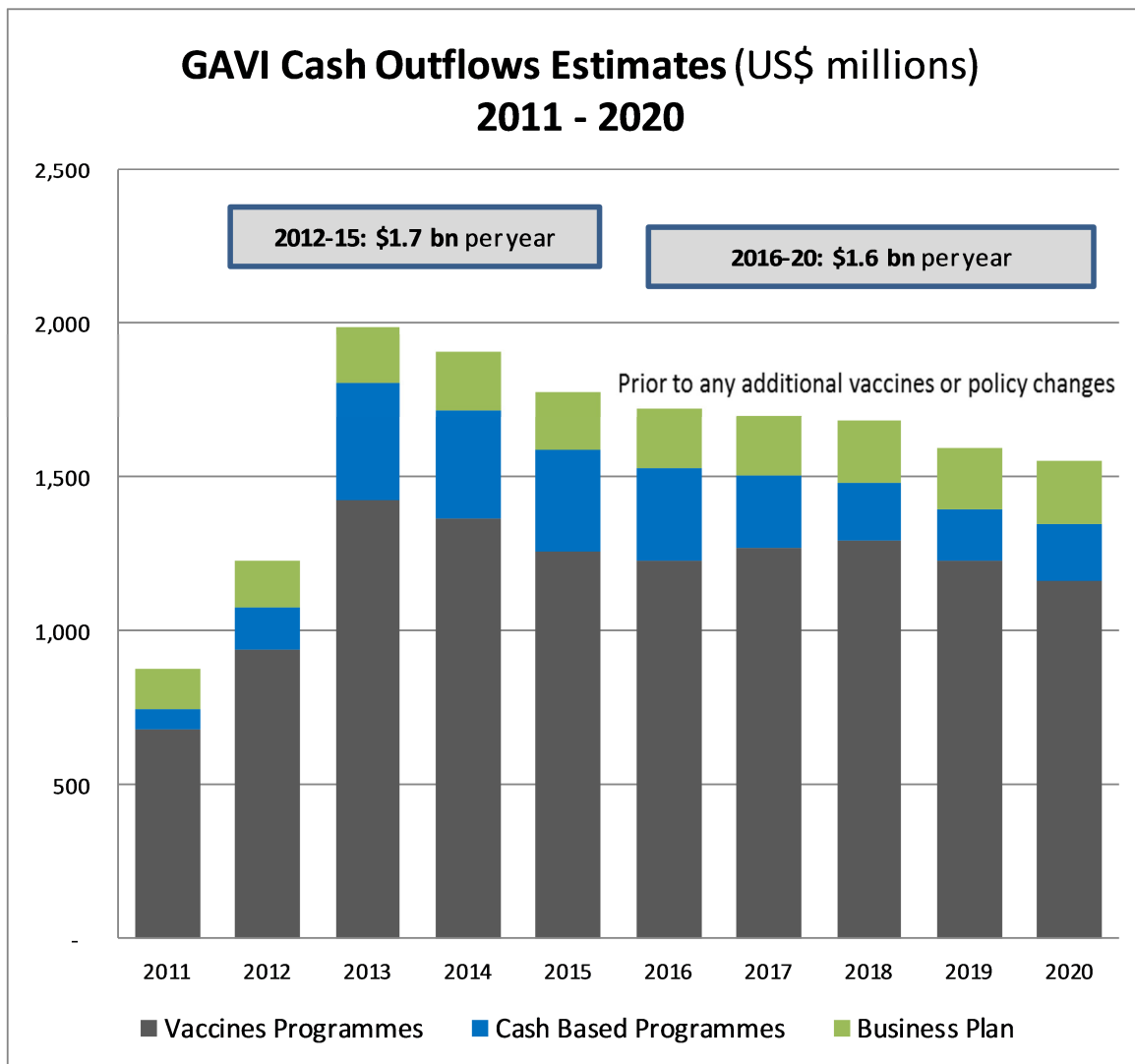
Cash flow basis US\$ millions	June 2012 Board	Change in estimates	Dec 2012 Board
Expenditure	7,978	(130)	7,848
Qualifying Resources	7,847	5	7,852
Additional required	(131)	135	4
	(\$0.1 bn)		\$0.0 bn
			↓
Surplus after existing programmes & new requests	\$1.7 bn		1,667
Future programmes (net of AMC funding)	(\$1.7 bn)		(1,663)
Additional required -- for future programmes	\$0.0 bn		4

² “Existing programmes” means country programmes that have already been approved for support by GAVI. “Future programmes” means projected demand from country programmes expected to seek GAVI support for currently supported vaccines and cash-based programmes; it does not include any additional vaccines that GAVI may consider for support in the future.

3. Projected expenditure to meet country demand

- 3.1 Details of the projected expenditure to meet demand are provided in Annex 1, Figure 2 and are summarised in Figure 2 below.
- 3.2 The scale-up of country demand is evident from 2012 onwards, with expenditure expected to reach a level of US\$ 1.7 billion per year on average in 2012-2015.
- 3.3 Estimates for 2016-2020 are tentative and should be considered as indicative at this time. The reduction of the average level to US\$ 1.6 billion per year is due to factors such as graduation of countries from eligibility for GAVI support, the acceleration of vaccine introductions into the 2011-2015 period and the reducing cost to GAVI as Pneumococcal vaccine reaches the AMC ‘tail price’.

Figure 2



4. Capacity to meet projected demand through 2020

4.1 A cash flow projection for each year from 2011 through 2020 is provided in Figure 3 of Annex 1 and is summarised in Figure 3 below.

Figure 3: Expenditure to meet demand and resources available

Cash flow basis US\$ millions		2011-15		2016-20		2011-20	
A	Existing Programmes & Business Plan Envelope for 2013	5,969	76%	5,482	66%	11,451	
	Future Programmes, not in the Envelope	398	5%	217	3%	615	
		1,481	19%	2,555	31%	4,036	
	Total Expenditure to meet demand	7,848	100%	8,255	100%	16,103	
		\$7.8 bn		\$8.3 bn		\$16.1 bn	
B	Assured Resources	7,689	98%	1,163	18%	8,852	
	Allowance for further contributions *	163	2%	5,370	82%	5,534	
	Qualifying Resources available	7,852	100%	6,534	100%	14,386	
		\$7.9 bn		\$6.5 bn		\$14.4 bn	
B-A	Surplus/(Deficit) for period	2011-15		2016-20		2011-20	
	Surplus after existing progs. & Envelope	1,667		872		2,539	
	minus: Future programmes**	1,663		2,593		4,256	
	Additional required for Future Programmes	4	0%	(1,721)	21%	(1,717)	
		\$0.0 bn	of A	(\$1.7 bn)	of A	(\$1.7 bn)	
Per June 2012 Forecast				(\$0.1 bn)		(\$1.4 bn)	
						(\$1.6 bn)	

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

** Anticipated demand from Future Programmes, minus related AMC funding (excluding future programmes covered by the Envelope)

2011-15

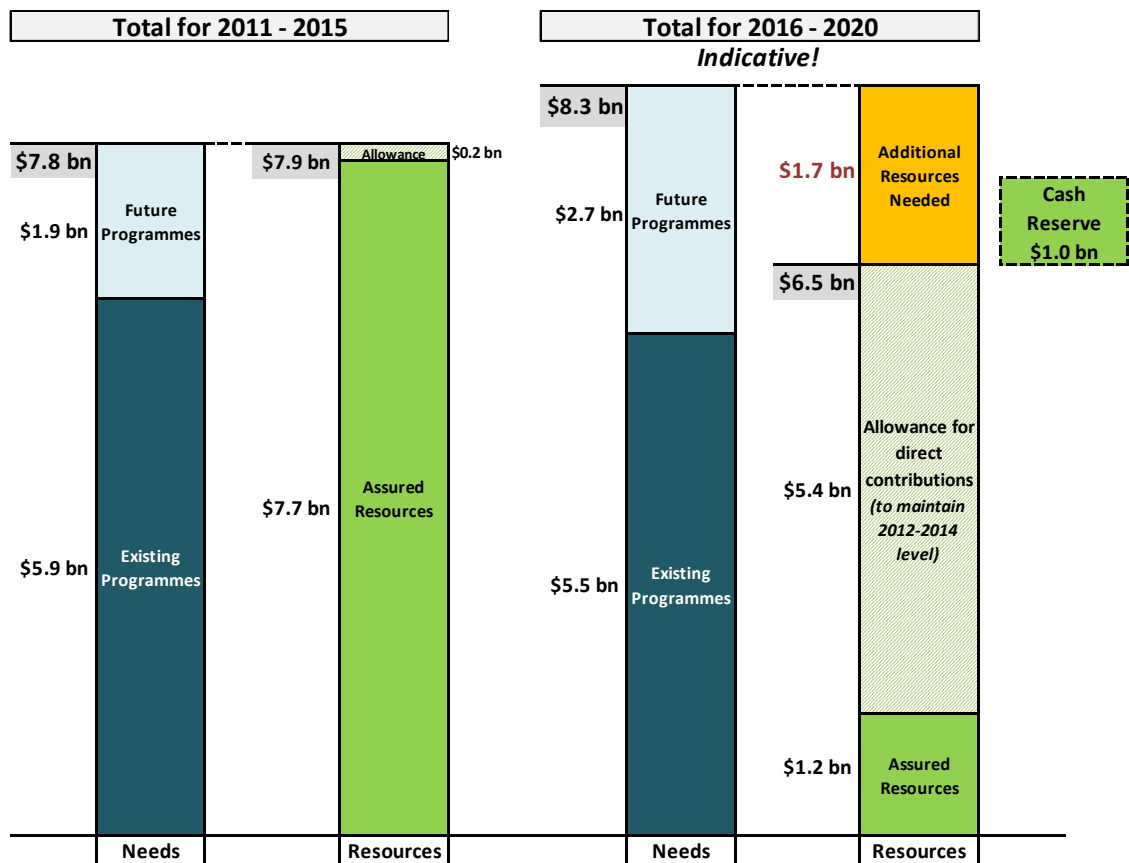
4.2 For 2011-15, expenditure needed to meet forecast demand is forecast at US\$ 7.85 billion and resources available at US\$ 7.85 billion. Such resources would be sufficient to meet the needs of all currently existing country programmes and the funding decisions now recommended.

Outlook for 2016-20

4.3 Based on early, tentative estimates of demand, expenditure is projected at US\$ 8.3 billion and resources available at US\$ 6.5 billion for 2016-20. Already assured resources, mainly from IFFIm and AMC, account for 18% of projected resources. Because pledges of direct contributions have not yet been sought for these years, the major part (82%) of projected resources is based on the assumption that direct contributions will be maintained at the 2012-14 level of US\$ 1.1 billion per year (as explained in Section B, Paragraph 1.4).

- 4.4 On that basis, resources are projected to fully cover the needs of currently existing programmes. However, a further US\$ 1.7 billion³ in addition to the projected resources would be required to fully meet projected demand for 2016-20 from future programmes.
- 4.5 Figure 4 below illustrates the forecast capacity to meet the needs of existing and future programmes as outlined above, in each of the five-year periods.

Figure 4: Overview of needs and resources



Existing Programmes - Programmes already endorsed by GAVI Board/EC and Business Plan, including extension through the five year period.

Future Programmes - Projected demand from future programmes expected to seek GAVI support, including their extension through the five year period, for currently supported vaccines and cash-based programmes. This does not include any additional vaccines that GAVI may consider for support in the future.

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

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

Additional Resources Needed - in order to fully fund Future Programmes

Cash Reserve - in addition to Assured Resources, maintained at level to cover 8 months' future expenditure needs

³ The corresponding amount indicated in the prior forecast (June 2012) for 2016-2020 was US\$ 1.4 billion. The increase of US\$ 0.3 billion reflects additional expenditures in 2011-2020 of \$ 0.2 billion (mainly for measles and business plan) and a net US\$ 0.1 billion shift in timing of expenditures from 2011-2015 to 2016-2020 (mainly for pneumococcal).

5. Coverage of funding decisions to be made in 2013

5.1 The GAVI Programme Funding Policy requires that:

- (a) As a prerequisite to the approval or endorsement of any new programmes, an amount of Qualifying Resources shall be set aside to fully cover all commitments arising in the period from the start of the then current year through the next two calendar years (the Defined Period), 2013-15; and
- (b) The Secretariat shall also provide the Board with a projection of commitments arising and Qualifying Resources in the three years subsequent to the Defined Period, so that the Board can take into account the longer-term implications when considering the funding of new programmes, 2016-18.

5.2 Hence, a 'rolling six-year' view is required. Figure 5 below provides a year-by-year view of the cash outflows to meet the needs of existing and future programmes, and the resource inflows to meet those needs, highlighting the two 3-year periods relevant to the Funding Policy: 2013-15 and 2016-18.

5.3 The cash flow impact of the Programme Funding Envelope decisions now recommended (see Section C) is highlighted within Figure 5.

Figure 5: Cash flows by year

Cash flow basis US\$ millions		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Existing Programmes & Business Plan		872	1,224	1,561	1,191	1,068	1,134	1,120	1,149	1,097	1,031
	Portion of above <u>in</u> the Envelope			(105)	24	28	21	18	9	1	
a1	Existing Programmes, <u>not in</u> the Envelope	872	1,224	1,665	1,167	1,040	1,113	1,102	1,140	1,096	1,031
Future programmes			40	442	716	733	596	586	530	495	518
	Portion of above <u>in</u> the Envelope		40	73	163	175	101	35	22	11	
a2	Existing Programmes, <u>not in</u> the Envelope		0	370	553	558	495	550	508	484	518
a3	Envelope amount		40	(32)	187	203	121	53	31	12	
A	Total Expenditure to meet demand	872	1,264	2,003	1,908	1,801	1,730	1,706	1,678	1,592	1,549
Assured Resources		872	1,522	1,992	1,870	1,433	227	217	348	237	134
Allowance for further contributions *						163	1,054	1,079	1,079	1,079	1,079
B	Qualifying Resources available	872	1,522	1,992	1,870	1,596	1,280	1,296	1,427	1,316	1,213
For year:											
Surplus/(Deficit) FOR YEAR		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Surplus after existing programmes & envelope minus: Future programmes**		258	310	387	261	35	122	188	180	177
B-A	Additional required for Future Programmes		(0)	(321)	(425)	(466)	(484)	(531)	(439)	(456)	(513)
			258	(11)	(38)	(205)	(449)	(409)	(251)	(276)	(336)
Cumulative:											
Surplus/(Deficit) CUMULATIVE		2011	2012	'Rolling six-year' view							
	Surplus after Existing Programmes & Envelope		258	568	956	1,216	1,251	1,373	1,561	1,741	1,918
	(Additional required) for Future Programmes		258	247	209	4	(445)	(854)	(1,105)	(1,381)	(1,717)
Key periods for Programme Funding Policy:											
						2015					
									2018		
											Additional required for Future Programmes
	Cash Reserve maintained	1,632	1,335	1,272	1,201	1,153	1,137	1,119	1,062	1,033	1,033

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

** Anticipated demand from Future Programmes, minus related AMC funding, excluding future programmes included in the envelope.

- 5.4 In 2013 and the two subsequent calendar years (i.e. 2014-15), the Defined Period for which full coverage of needs is a prerequisite:
- The needs of all existing programmes (i.e. already endorsed) and the funding decisions now recommended, including provision for their extension (where relevant) through 2015, are forecast to be fully covered.
 - The estimated demand from future programmes anticipated to be endorsed in the years through 2015, are also forecast to be fully covered.
- 5.5 In the three following years (i.e. 2016-18), for which the longer term implications should be considered:
- The needs of all existing programmes and those future programmes included in the programme funding envelope, including provision for their extension (where relevant) through 2018, are forecast to be fully covered.
 - In order to support the entirety of demand from future programmes anticipated to be endorsed in the years through 2018, additional resources of US\$ 1,105 million (beyond the resources currently forecast) would be required to meet their cash flow needs during 2016-18.
 - Whenever new programmes are considered for endorsement, an updated forecast is provided to provide visibility on their longer-term implications. Accordingly, endorsement of future programmes can be declined or deferred in the light of resource availability at that time.
- 5.6 In addition to the foregoing, a cash reserve equivalent to eight months' future expenditure is maintained⁴.
- 5.7 Accordingly, Programme Funding Envelope decisions now recommended can be approved in accordance with the Programme Funding Policy.

6. Risk implications and mitigation

Factors that may impact the expenditure forecast include:

- 6.1 Reviews by the Monitoring IRC and Secretariat adjustments for updated implementation assumptions have historically resulted in the reduction of endorsed programme budgets in light of actual implementation progress; if this continued to be the case, expenditure would be less than currently estimated. *(Note: the programme funding envelope amount assumes reductions to existing programme budgets of up to US\$ 125 million will be made).*
- 6.2 The forecast allows for expected supply constraints and country readiness for pneumococcal and rotavirus vaccines in 2013. Based on current indications, there may also be additional supply constraints and country readiness issues

⁴ The required minimum level of the Cash and Investments Reserve is estimated to be US\$ 1.1 billion at the end of 2015 and US\$ 1.0 billion at the end of 2020, based on projected expenditure for the following year and calculated as 8/12 of that amount.

across the vaccines portfolio in 2014 and 2015 that are not yet reflected in the forecast. If these were to occur, they would reduce the 2014-15 expenditure estimate by potentially up to US\$ 100 million.

- 6.3 Expenditure reductions may also be achieved through future vaccine price reductions that cannot yet be counted in the forecast.
- 6.4 The introduction of new vaccines would increase expenditure as would changes to the recommended “age catchments” for vaccine “campaigns”.

Factors that may impact the forecast of resources available include:

- 6.5 Proceeds to GAVI from IFFIm: The forecast for IFFIm Proceeds reflects the amount GAVI would receive based on current and announced pledges to IFFIm and the current Gearing Ratio Limit (that limits disbursements from IFFIm). IFFIm proceeds to GAVI would be reduced if there was a lowering of the Gearing Ratio Limit.
- 6.6 Direct contributions: The resources forecast for 2011-2015 include Direct Contributions in the amount of US\$ 5.1 billion (comprised of US\$ 4.95 billion already confirmed and an allowance of US\$ 0.16 billion for future contributions yet to be confirmed). If actual contributions through 2015 were less than forecast, then for each 10% reduction on the overall amount, resources would be reduced by US\$ 0.5 billion.
- 6.7 Because almost no contributions have yet been pledged for 2016-2020, the forecast for those years relies heavily on the assumption that direct contributions will be maintained at their 2012-2014 level (per footnote 1).

Risk mitigation

- 6.8 Should the net effect of risk factors materially impact the forecast, the following are important measures towards mitigating that risk:
 - b) The cash and investments reserve, equivalent to eight months’ future expenditure, provides a cushion for adverse fluctuations in resources and expenditures.
 - c) A surplus is forecast for each year after meeting the needs of existing programmes. When, in the future, new programmes are considered for funding, endorsement can be declined or deferred in the light of resource availability as foreseen at that time.

7. Conclusions

- 7.1 Expenditure for all existing programmes and the decisions now recommended in this paper is fully covered by Qualifying Resources through 2015 (i.e. through the next two calendar years), as is required by the Programme Funding Policy;

- 7.2 Additional resources will be required to fully fund the demand expected from future programmes. This will be assessed whenever funding decisions are considered.

Section C: Programme Funding Envelope

1. Establishment of envelope

- 1.1 In June 2012 the Board approved an amendment to the Programme Funding Policy to enable it approve a funding envelope:

The Board or EC may from time-to-time approve a funding envelope, to be allotted by the Secretariat in the upcoming calendar year or other period as the Board or EC may specify for the continuation and adjustment of funding for existing programmes, and for new cash programmes. The Board is being requested to approve an envelope for the period running through to the 31 December 2013.

The Secretariat, acting within that Board-approved funding envelope, shall during this period:

- a) *for new programmes recommended by the HSFP IRC: allot funding to individual programmes based on recommendations of the IRC; and*
- b) *for then existing programmes: allot funding to extend budgets into future years and/or adjust annual budget amounts for individual programmes, based on recommendations of the Monitoring IRC, and adjust budget amounts for updated timing of implementation and budget utilisation.*

By 'allot funding' is meant that the Secretariat shall, from within the Board-approved funding envelope, for each programme:

- a) *endorse or adjust the multi-year budget for a programme; and*
- b) *establish or adjust a near-term liability on the GAVI Alliance balance sheet for funding through the then current calendar year and one further year.*

- 1.2 The first such envelope is now proposed for approval from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2013 to:

- a) Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 600 million for unrestricted countries and US\$ 15 million for restricted countries. (In total US\$ 615 million, per Figure 6 below).

- b) Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2014 for an aggregate amount not exceeding US\$ 1,482 million for unrestricted countries and US\$ 20 million for restricted countries. (In total US\$ 1,502 million, per Figure 6 below).
- c) The Board is requested to make the decisions that relate to restricted countries in session without the participation of US citizens and residents.

Figure 6: The envelope amounts

US\$ millions		Endorsed Programme Budget Amounts								
		2012	2013	2014	2015	2016	2017	2018	2019	Total
Programme Year basis										
Estimates for changes to endorsed amounts during 2013										
	- Adjustments to existing programmes	-25	-100							-125
	- Extensions of existing programmes		10	30	30	20	20	10		120
	- New Cash Programmes		182	199	139	43	24	19		606
	- New Vaccine Campaign (exceptional)		14							14
A	Envelope for changes to endorsed amounts	-25	106	229	169	63	44	29		615
		Changes to Endorsed Amounts								
B	Already Endorsed Budgets (per annex 2)	996	1,347	1,099	732	102				4,277
A+B	Forecast Endorsed budgets at end 2013	971	1,453	1,328	902	165	44	29		4,892
Estimates for changes to near-term liabilities during 2013										
	Near Term Liabilities, forecast 2012-2014	971	1,453	1,328	(through 2014 only)				C	3,752
	Near Term Liabilities, currently	972	1,234	44	(per Annex 2)				D	2,250
	Envelope for changes to near-term liabilities								C-D	1,502
		Changes to Near-Term Liabilities								
Note: Cash flows arising from changes to endorsed budget amounts										
	Changes to Endorsed Budgets, as cash flows	40	-32	187	203	121	53	31	12	615

Endorsed programme budget amounts

- 1.3 As explained in in Section B, paragraph 5, the cash flows arising from changes to endorsed programme budgets for the envelope amount are included within the expenditure forecast, for which adequate Qualifying Resources exist in conformity with the Programme Funding Policy.
- 1.4 The funding envelope amount of US\$ 615 million (see Figure 6) for endorsed programme budgets covers the duration of multi-year plans of individual country programmes recommended by an Independent Review Committee (IRC) and is comprised of estimates for the following components:
 - a) US\$ -125 million (a net reduction) to cover anticipated adjustments to existing programme budgets to reflect decisions of the Monitoring IRC and updated implementation assumptions.
 - b) US\$ 120 million to cover to the extension of existing programmes as and when recommended by the Monitoring IRC.

- c) US\$ 606 million to cover the endorsement of new cash programmes as and when recommended by the Health Systems Funding Platform IRC.
- d) US\$ 14 million for a new measles vaccine campaign in Ethiopia subject to its approval by the New Proposals IRC. This is exceptionally proposed for inclusion in the envelope, in order to avoid the need to convene an additional EC meeting solely to approve this proposal⁵

Near-term liability amounts

- 1.5 GAVI establishes a near-term liability on its balance sheet for endorsed programme budgets through the next calendar year. These liabilities are discharged as disbursements are made (for vaccines or in cash).
- 1.6 In 2013, it will recognise as liabilities endorsed programme budgets through 2014. Accordingly, in 2013 it will add to its near-term liabilities amounts endorsed through 2014, for which a liability has not already been established, amounting to US\$ 1,502 million (see Figure 6).
- 1.7 Further details of the foregoing have been reviewed by the Audit and Finance Committee. Details of the already endorsed amounts for each country for 2012 and subsequent years are provided in Annex 2.

Section D: Implications

1. Impact on countries

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

2. Impact on GAVI Stakeholders

- 2.1 None.

3. Impact on Secretariat

- 3.1 None.

4. Legal and governance implications

- 4.1 None.

⁵ A number of Measles Campaign proposals are currently being reviewed by the IRC and the resultant recommendations and funding request will be brought to the Executive Committee (EC) for approval in February 2013. In the case of Ethiopia, the proposed campaign start date (if recommended by the IRC) would necessitate approval prior to February, for approximately US\$14 million. To avoid the need to convene an additional, earlier EC meeting solely for this purpose, the Secretariat proposes that this new vaccine programme be treated through the envelope similarly to new cash programmes.

5. Consultation

- 5.1 The Strategic Demand forecast is produced by the AVI Team⁶ with the demand forecasts for pneumococcal, rotavirus and pentavalent vaccines, and is reviewed and endorsed by the AVI Management Team.

6. Gender implications

- 6.1 None.

⁶ The AVI Team is comprised of participants from PATH, Johns Hopkins University, WHO & UNICEF. The AVI Management Team includes participants from these organisations, as well as from the Bill and Melinda Gates Foundation and the GAVI Secretariat.

Annex 1: Supporting tables

Figure 1: Reconciliation with previous forecast (2011-2015)

		2011 - 2015		2011-2015	
Cash flow basis US\$ millions		Bridge from previous to current forecast			
A	Expenditure to meet demand	June 2012 Board	Change in estimates	Dec 2012 Board	
	Existing Programmes	5,255	(179)	5,076	
	Business Plan	826	14	840	
	Existing Programmes & Business Plan	6,081	(165)	5,916	
	Future Programmes	1,897	35	1,932	
	Total Expenditure Outflows	7,978	(130)	7,848	
		\$8.0 bn		\$7.8 bn	
B	Resources Available	June 2012 Board	Change in estimates	Dec 2012 Board	
	Direct contributions - confirmed	4,955	(3)	4,952	
	IFFIm proceeds	1,480	0	1,480	
	AMC contributions - existing programmes	824	(51)	773	
	AMC contributions - future programmes	218	51	269	
	Investment income	130	0	130	
	Total inflows	7,607	(3)	7,604	
	Drawdown of cash & investments	129	(44)	85	
	Assured Resources	7,736	(47)	7,689	
	Allowance for further direct contributions*	111	52	163	
Qualifying Resource Inflows	7,847	5	7,852		
		\$7.8 bn		\$7.9 bn	
B-A	Surplus / (Additional required)	(131)	135	0	4
		↓		↓	
	Surplus after existing programmes	1,548			1,667
	Funding decisions now requested	0			0
	Surplus after existing progs. & new requests	1,548			1,667
	Future programmes (net of AMC funding)	(1,679)			(1,663)
	Additional required - for Future Programmes	(131)			4
		(\$0.1 bn)			\$0.0 bn
	Cash Reserve maintained - at end of 2015				1,153

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

Figure 2: Projected expenditure to meet demand

Summary of Expenditure 2011-2015

Cash flow basis	Existing Programmes		Estimate for future demand	Total	
	Endorsed	Prov. for Extensions			
US\$ million					
Programmes:					
Penta	1,581	97	2	1,680	24%
Pneumo	1,959	228	462	2,650	38%
Rota	267	33	148	449	6%
Other vaccines	253	23	657	934	13%
Total Vaccine Programmes	4,060	382	1,270	5,713	82%
Cash-based Programmes	634	-	662	1,295	18%
Total Programmes	4,694	382	1,932	7,008	100%
Business Plan	279	562	-	840	
Total Expenditure	4,973	944	1,932	7,848	
	\$5.9 bn		\$1.9 bn	\$7.8 bn	

Summary of Expenditure 2016-2020

Cash flow basis	Existing Programmes		Estimate for future demand	Total	
	Endorsed	Prov. for Extensions			
US\$ million					
Programmes:					
Penta	38	1,479	5	1,522	21%
Pneumo	61	2,457	513	3,031	42%
Rota	5	379	473	856	12%
Other vaccines	23	86	681	790	11%
Total Vaccine Programmes	127	4,401	1,671	6,199	85%
Cash-based Programmes	14	-	1,054	1,068	15%
Total Programmes	141	4,401	2,725	7,268	100%
Business Plan		987	-	987	
Total Expenditure	141	5,388	2,725	8,255	
	\$5.5 bn		\$2.7 bn	\$8.3 bn	

Total 2011-2020

\$16.1 bn

Annex 2: Already endorsed programme budgets

Relevant to Figure 6 on page 12

Already endorsed programme budgets - by country

US\$ 000	2012	2013	2014	2015	2016	Total 2012-16
Afghanistan	9,847	17,277	21,543	10,063		58,730
Albania	292	150				442
Angola	18,236	18,506	14,288	8,161		59,191
Armenia	771	1,270	621	332		2,993
Azerbaijan	1,372	3,679	2,460	1,723		9,233
Bangladesh	34,098	106,549	80,163	76,776	59,347	356,931
Benin	17,258	11,156	3,085	2,942		34,441
Bhutan	135	146				281
Bolivia	1,431	3,554	2,575	1,862		9,421
Burkina Faso	7,696	4,332	4,350	4,301		20,678
Burundi	11,746	18,501	11,216	5,911		47,374
Cambodia	4,549	3,806	3,739	3,635		15,728
Cameroun	27,748	22,387	21,153	19,870		91,157
CAR	4,076	4,649	4,096	3,887		16,706
Chad	12,165	3,281	3,564	3,230		22,240
Comoros	777	782	765	157		2,481
Congo	3,490	4,808	3,007	1,803		13,108
Congo DRC	55,595	70,810	61,142	57,387		244,933
Côte d'Ivoire	8,600	4,093	7,279	4,943		24,914
Cuba	693	548	261	18		1,520
Djibouti	947	835	715	683		3,179
Eritrea	1,212	1,240	754	708	64	3,976
Ethiopia	100,068	121,095	102,362	42,938		366,463
Gambia	2,929	1,385	1,848	1,683	31	7,875
Georgia	751	1,537	1,010	725	367	4,389
Ghana	49,568	26,562	28,896	7,892		112,917
Guinea	5,072	1,230	2,989	3,005		12,296
Guinea Bissau	798	2,103	2,097			4,997
Guyana	603	397	294	197		1,491
Haiti	2,460	9,733	7,313	7,226		26,731
Honduras	5,433	3,683	2,270	1,282		12,668
India	26,283	49,889	44,045			120,216
Indonesia	3,723	24,860	16,045			44,628
Kenya	53,107	33,494	29,180	27,183		142,964
Kiribati	116	51	34	23		223
Korea DPR	3,656	3,571	2,773	2,681		12,680
Kyrgyz Rep	1,335	890	893	886		4,004
Lao PDR	1,435	5,120	4,036	3,857		14,447
Lesotho	414	1,223	1,039	954	679	4,308
Liberia	2,997	2,653	2,662	877		9,188

Already endorsed programme budgets - by country (continued)

US\$ 000	2012	2013	2014	2015	2016	Total 2012-16
Madagascar	18,329	27,609	22,068	5,266		73,271
Malawi	25,329	21,411	19,227	5,295		71,261
Mali	21,306	9,295	14,916	14,527		60,044
Mauritania	1,412	4,206	3,178	3,487		12,283
Moldova	582	1,175	779	503		3,038
Mongolia	600	589	447	323		1,959
Mozambique	9,568	27,196	14,829	13,381	15,059	80,033
Myanmar	17,891	22,103	23,579	10,077	10,113	83,761
Nepal	10,200	9,912	5,072	4,739		29,923
Nicaragua	5,818	4,372	4,528	4,230		18,946
Niger	9,504	31,286	24,937	23,975		89,702
Nigeria	70,564	126,666	101,473	55,615		354,317
Pakistan	94,958	154,177	117,069	106,417		472,621
Papua NG	1,043	5,801	4,281	4,010		15,134
Rwanda	17,118	17,603	15,752	13,100		63,572
São Tomé	304	257	142	82		784
Senegal	10,769	13,839	10,151	9,299	7,250	51,308
Sierra Leone	7,910	8,246	6,400	5,205		27,760
Solomon Isl	630	639	554	707		2,531
Somalia	2,477	5,419	4,375	4,243		16,514
Sri Lanka	3,370	1,638	1,907	1,456		8,371
Sudan South	1,378					1,378
Sudan, Republic of	48,701	53,944	34,739			137,383
Tajikistan	2,725	1,728	1,419	1,406		7,277
Tanzania	36,566	54,884	56,844	51,612		199,907
Timor-Leste	552	289	228	154		1,223
Togo	4,320	9,699	9,436	7,490		30,944
Uganda	18,546	53,866	34,274	10,841		117,525
Uzbekistan	4,793	3,965	3,657	3,406		15,821
Vietnam	15,160	22,307	13,314	12,131		62,912
Yemen	26,262	22,960	21,686	20,521		91,428
Zambia	12,486	20,377	18,533	17,447		68,842
Zimbabwe	11,132	17,865	12,891	11,645	9,573	63,106
Total	995,775	1,347,143	1,099,234	732,375	102,481	4,277,009

Budgets as per those presented to the EC on 13.10.2012

Subject to change based on updated implementation assumptions per the guidelines outlined in the Programme Funding Envelope

Already endorsed programme budgets - by programme

		US\$ millions							
		2012	2013	2014	2015	2016	2017	2018	Total
Endorsed Country Programme Budgets									
Vaccines	Penta	380	345	379	300	10			1,414
	Pneumo	362	712	506	330	88			1,997
	Rotavirus	30	75	87	62	2			256
	Meningitis A - campaign	41	19	23					83
	Yellow Fever	12	11	13	13				48
	Measles	3	4	4	4	3			18
	Measles-Rubella		4						4
	Tetra DTP-HepB	1	1	1	1				3
	* Sub-Total	830	1,171	1,011	709	102			3,823
Cash	CSO Type B	3							3
	HSFP	26	87	47	20	0			180
	HSS	79	49	23	4				155
	ISS	5	1	0	0				6
	Meningitis A - operational costs	31	17	18					65
	Vaccine Introduction Grant	23	22	0					45
	* Sub-Total	166	176	88	23	0			454
* Total Country "Endorsed" Programmes		996	1,347	1,099	732	102			4,277
Near Term Programme Liabilities									
Vaccines	Penta	380	343	44					767
	Pneumo	362	712						1,074
	Rotavirus	30	75						106
	Meningitis A - campaign	41	19						61
	Yellow Fever	12	11						23
	Measles	3	4						7
	Measles-Rubella		4						4
	Tetra DTP-HepB	1							1
	* Sub-Total	830	1,169	44					2,042
Cash	CSO Type B	3							3
	HSFP	26	16						41
	HSS	56	11						67
	ISS	5							5
	Meningitis A - operational costs	31	17						47
	Vaccine Introduction Grant	23	22						44
	* Sub-Total	142	65						207
* Total Country "Approved" NT Prog Liabilities		972	1,234	44					2,250