

WHAT HAPPENS IF A COUNTRY DOES NOT FULFIL CO-FINANCING REQUIREMENTS ON TIME?

A country enters into default status when it has not fulfilled its co-financing commitment by 31 December of a particular year, e.g. 2016 co-financing must be paid in full by 31 December 2016.

When a country is in default, new vaccine applications may be submitted, but approval is contingent on the fulfilment of all of the country's co-financing requirements for that year. New vaccines cannot be approved as long as a country remains in default.

If a country is at risk of entering into default status, it will receive a reminder letter from Gavi in the fourth quarter of the year.

The following actions happen when a country enters into default status:

- At the start of the year, the Gavi Secretariat will inform the country of its default status;
- The Gavi Secretariat and the country will agree on a payment plan intended to spread payment of arrears in tranches over a set period of time;
- Gavi partners at regional and country levels work with the country to help it fulfil its co-financing requirements;
- Country remains in default until it timely fulfils its co-financing obligation for the current year together with the first tranche of arrears agreed upon in the payment plan;
- Once these commitments are fulfilled, the country will no longer be considered in default and will be referred to as "late payer" until all arrears are paid back; and
- If a country remains in default for more than one year, the Gavi Board will suspend support for the vaccine(s) in question until co-financing arrears are paid in full (except when the Board considers that exceptional circumstances justify the continuation of the support). The Board will also decide whether other types of support should be affected.