

DOCUMENT ADMINISTRATION

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Purpose

- 1.1. The Programme Funding Policy ('PFP') aims to ensure the prudent management of the Gavi Alliance resources and commitments.

2. Scope

- 2.1. This Policy shall apply to all programme funding decisions unless specific exceptions are granted by the Board.

3. Principles

- 3.1. Gavi supports countries in strengthening their immunisation programmes by providing vaccine support complemented by health system strengthening support and technical assistance.
- 3.2. When Gavi decides to support a country's programme(s) ("individual programme"), it normally does so with the intention of maintaining its support for the duration of the country's funding application, subject always to an assessment of the availability of funding and the performance of the programme.
- 3.3. The performance of each programme is reviewed periodically by Gavi's Alliance Partnership and Performance Team ('APPT') or other body as may be so empowered by the Board; and in years between such reviews, by the Gavi Secretariat based on its routine monitoring of the programme.
- 3.4. Gavi's support also includes funding of non-country specific programmes through the Partners Engagement Framework and other Board approved specific funding envelopes.
- 3.5. As a prerequisite to any programme funding decision, an amount of Qualifying Resources (as defined below) shall be set aside to fully cover all cash outflow commitments arising in the period from the start of the then current year through to the next two calendar years (the Defined Period). Funding decisions will be committed only for the current strategic period. Any funding consideration to a new strategic period will be communicated as subject to funding availability and Board decision (except for commitments into the first year of the new strategic period see paragraph 6.e in Annex1).
- 3.6. The Secretariat shall provide the Board with a projection of the amounts arising during the Defined Period (per 3.5 above), in respect of:
 - a) Qualifying Resources available in the defined period; and
 - b) Cash outflows required to meet Gavi Alliance commitments, other than to the new programmes being considered (i.e. to programmes being already supported, including extensions thereof, and partners' engagement and operating costs) in the Defined Period.
 - c) The remainder (a-b), being the amount available to cover commitments to new programmes in the Defined Period.
- 3.7. The Secretariat shall also provide the Board with a projection of commitments arising and Qualifying Resources available 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.

- 3.8. In addition to the foregoing, the Gavi Alliance shall maintain an unrestricted cash and investment reserve ('the Reserve') equaling not less than eight months of expected annual expenditure on average over a year and potentially more than that amount in times of increased uncertainty. The Reserve shall include liquid assets equivalent to not less than three months' expenditure and respect the conditions of any ear-marked funding.
- 3.9. The Board shall approve at least annually a financial forecast based on cash flow projections for the current strategic period reflecting the cash flow implications of the programme funding decisions which have been made related to that strategic period to ensure that qualifying resources are available to support these programme decisions. The Board shall also at the same time receive a financial forecast of programme funding decisions impact on the next strategic period. The Secretariat shall allot funding to programmes in accordance with the provisions of Annex 1 hereto.
- 3.10. The Secretariat shall provide timely authorisation and commitments to UNICEF for the purposes of procuring Gavi-funded vaccines, related supplies and cold chain equipment for delivery to Gavi-supported countries on a rolling basis within the allotted period, based on Gavi's then current projections of country needs to be met by Gavi pursuant to funding decisions.

4. Definitions

- 4.1. Qualifying Resources, meaning the resources that can be counted for the purposes of covering commitments, shall comprise:

Funds on hand:

- a) Net Cash and Investments of the Gavi Alliance (excluding funds held in the procurement escrow account over which UNICEF has sole drawing rights).

Future inflows expected during the Defined Period from:

- b) Confirmed contributions to Gavi Alliance (under already-signed agreements or otherwise confirmed in writing)
- e) Expected funding from IFFIm, reflecting confirmed contributions to IFFIm after taking into account the IFFIm Gearing Ratio Limit, Risk Management Buffer and risk tolerance level, and Gavi Alliance funding requirements
- d) Contributions to specific programmes, contingent on programmatic expenditure (e.g. matching funds)
- e) Expected contributions from existing donors who have not yet confirmed their contributions for the entirety of the Defined Period, based on current contribution levels (i.e. a conservative projection)
- f) Projected investment income with prudent growth assumptions
- g) Net inflow from Financial Instruments.

In the event that earmarked funds are accepted, the reporting of resources available for new investments shall reflect the earmarked funding separately.

- 4.2 Individual programmes: a programme (country and type of support or global support) designed to utilise the Gavi Alliance resources to implement activities supporting Gavi's strategy. This covers all types of support including vaccine and cash programmes and the provisions of Board approved programmes such as the Fragility, Emergency and Displaced population ('FED') support and Outbreak support.

5. Effective date and review of policy

- 5.1. This policy comes into effect as of the 1 January, 2025
- 5.2. This policy will be reviewed by the AFC as and when required. Any amendments to this policy are subject to Gavi Alliance Board approval.

Annex 1

Allotment of Funding

1. The Board shall approve a financial forecast for a period of between five and ten years, with time periods consistent with the Gavi Strategic Periods. The financial forecast sets out forecast Qualifying Resources and Forecast Disbursements (programmatic and operating) to ensure the Gavi Alliance anticipates sufficient funding available to meet cash commitments. The Secretariat is authorised to allot funding to programmes for up to a 5 year period (in line with the country application period or Gavi's strategic period for global support) at the time of allotment or other period as the Board may specify for the continuation and adjustment of funding for existing programmes and for new programmes (please refer to paragraph 3.5 of the Policy on commitments for years outside of the current strategic period).
2. The Board approves any new programmatic funding by opening a funding window. The Secretariat includes the estimated financial impact (cash disbursements) in the updated financial forecast for the AFC to review and Board to approve.
3. The Board may also approve programme-specific funding limits from time to time which set a limit on expenditure for specific activities, within the overall forecast amount.
4. The financial forecast sets out on a cashflow basis the Forecast Qualifying Resources and Forecast Disbursement Expenditure for the Strategic Period(s). As the financial forecast is prepared on a cashflow basis, the Secretariat is authorised to allot funding up to 120% of such disbursement forecast for the current strategic period in order to optimise the funding available and account for delays of programme implementation resulting in delays of disbursements. Disbursements must remain within the available resources of the strategic period. Gavi shall provide visibility on fund allotments to the AFC through its regular reporting.
5. The Secretariat, acting within the amount provided for programme expenditure and as further constrained by any specific limits, shall:
 - (a) for all new programmes benefitting countries or Alliance partners recommended by the Independent Review Committee or any other bodies as may be so empowered by the Board to recommend funding decisions: allot funding to programmes based on those recommendations;
 - (b) and for then existing programmes, including programmes in the first year:
 - (i) allot funding to extend budgets into future years and/or adjust budget amounts for individual programmes, as authorised by the CEO* taking into account the latest results of a programme's performance review, updated timing of implementation and budget utilisation; and
 - (ii) adjust budget amounts, as authorised by the CEO*, for price variances, dose reductions or increases, and updated cost estimates for programmes, provided that any vaccine dose adjustments exceeding 5% and any costing adjustments exceeding 5% of the approved amount are based on the recommendations of a body specified in paragraph 5(a).

Terms of Reference of the Independent Review Committee specify its mandate for recommending funding decisions.

*CEO or his or her delegate as approved by the CEO

6. By 'allot funding' it is meant that the Secretariat shall, establish and approve a multi-year budget for Gavi support to each programme, and record a liability if applicable in accordance with Gavi's accounting policies.
7. The Secretariat shall implement appropriate safeguards for oversight of the multi-year funding allotments and reporting to the Board thereon, including:
 - a. Following receipt of recommendations a body specified in paragraph 5(a), the financial implications of the recommendations shall be assessed by the Secretariat and documented in an Approval Request prepared by the relevant programmatic team. That Approval Request shall be submitted to the Chief financial Officer for financial certification that the financial implications are provided for within the then current Board-approved financial forecast.
 - b. Following that financial certification, the funding recommendation shall be reviewed by the CEO* who is empowered to authorise the allotment of funding to individual programmes.
 - c. If that financial certification is not provided, then the funding recommendations shall be considered in accordance with the Board approved Prioritisation mechanism.
 - d. Following authorisation by the CEO*, countries shall be notified accordingly by a decision letter (if relevant) and agreements with implementing partners can be entered into (as applicable).
 - e. The Secretariat is authorised to make contractual commitments for programmatic implementation for the first year of the next strategic period ahead of the final outcome of the replenishment.
 - f. The Secretariat shall disburse funds to countries and partners after careful assessment of funding needs considering the aging of cash balances and forecast cash utilisation.
 - g. Reprogramming of reviewed and recommended budgets is governed by the Secretariat's internal operational guidelines. In the event of reprogramming requests for an individual programme are higher than 25% of the approved programme budget, the revised budget for the programme is to be resubmitted for review and recommendation by the body specified in paragraph 5(a).
 - h. The Secretariat shall report back to the AFC and the Board semi-annually on the amounts of funding allotted. This reporting shall summarise the programme funding allotments made by the Secretariat.
 - i. When the financial forecast is updated, the Secretariat shall provide an explanation for the changes including utilisation of the Prioritisation mechanism as well as provide breakdown of the forecast and changes by vaccine and programme funding lever highlighting key country variances.

*CEO or his or her delegate as approved by the CEO