

FINANCIAL UPDATE, INCLUDING FORECAST

BOARD MEETING

Assietou Diouf

30 November – 2 December 2021, Virtual Meeting



The financial portfolio of Gavi's programmatic mission, including COVAX AMC has significantly increased from past strategic periods; US\$ 21.6 bn in Qualifying Resources

US\$ million, cash-flow basis

	GAVI 5.0	COVAX AMC	Consolidated GAVI 5.0 & COVAX AMC
Assured resources 2021-2025	10,230	10,828	21,057
Allowance for Further Direct Contributions (not yet pledged)	535	-	535
Qualifying Resources	10,764	10,828	21,592
Forecast Expenditure	10,452	10,655	21,107
COVAX: Cost Sharing Backstop	-	79	79
Available for future investments	312	94	406
	\$0.3 bn	\$0.1 bn	\$0.4 bn

- Gavi's full financial portfolio presented for the first time to the Board, covering 2 different funding periods :
 - Gavi 5.0 **2021 - 2025**
 - COVAX AMC **2020 – 2022 (to date)**

- Qualifying Resources are US\$ 21.6 bn

- Forecast Expenditure is US\$ 21.1 bn

- Available for Future Investments US\$ 0.4 bn; largely Gavi 5.0 related

Note: m = millions; bn = billions

Gavi 5.0 Now includes expected Further Direct Contributions and 3 New Investments for decision. Other expenditures unchanged

US\$ million, cash-flow basis

	2021-2025			New Forecast (v19.0) Dec 2021 Board
	Prior Forecast (v18.2) Jun 2021 Board	Change upon updating estimates	Impact of Dec 2021 decisions	
Assured Resources (projected)	10,332	7	(109)	10,230
Allowance for Further Direct Contributions (not yet pledged)		535		535
Qualifying Resources	10,332	541	(109)	10,764
	\$10.3 bn			\$10.8 bn
Forecast Expenditure	10,108	(66)	410	10,452
	\$10.1 bn			\$10.5 bn
Available for future investments	224	607	(519)	312
	\$0.2 bn			\$0.3 bn



Decisions for consideration by the Board	US\$ million	Decision amount
(a) VPD Surveillance		55
(b) Strategic Partnership with India		199
(c) Malaria vaccine programme		156
Total decisions amount		410

Note: m = millions; bn = billions

Allowance for Further Direct Contributions (US\$ 535 m)

- Increase in cash and investment reserve (US\$ 109 m) to cover 9 months of 2026 expenditure on new investments

Forecast Expenditure (US\$ 66 m)

- No material changes to 5.0/ routine immunisation programmes before considering new investments
- Secretariat expenditure unchanged - phasing updated

New Investments (US\$ 410 m)

- 3 new investment cases recommended by the PPC

COVAX AMC: Increases in pledges and new deals/options exercised. US\$150 m Delivery funding now shown in core; Qualifying Resources substantially committed

US\$ million, cash-flow basis

	2020-2022				
	Prior Forecast (v18) Jun 2021 Board	Gavi 5.0 Core Funding (Delivery)	Structural Adjustments	Change upon updating estimates	New Forecast (v19) Dec 2021 Board
Qualifying Resources	10,603 \$10.6 bn	(150)	-	375	10,828 \$10.8 bn
Forecast Expenditure	10,355 \$10.4 bn	(150)	(2,463)	2,913	10,655 \$10.7 bn
Committed Deals: Cost Sharing Backstop	-	-	-	79	79
Available for future investments	248 \$0.2 bn	-	2,463	(2,617)	94 \$0.1 bn

Qualifying resources

- US\$ 150 m Gavi contribution for Delivery shown as core
- New pledges from China, S. Korea, & Sweden

Expenditure

- US\$ 2.5 bn of options removed from forecasts
- US\$ 2.9 bn committed for procurement of vaccines and ancillary costs

Backstop

- US\$ 79 m backstop of Cost Sharing awaiting confirmation of delivery schedule

Available for Future Investments

- US\$ 94 m ⇒ insufficient to fund future deals and absorb additional costs mainly ancillary costs for future doses donation

Note: Dose Sharing and Cost Sharing are not included in Qualifying Resources

Note: m = millions; bn = billions

COVAX: Overhead cost forecast between 2020 and 2022 remains the same; cost phasing moved from 2021 to 2022 reflecting complexity of activity remaining

COVAX Operating Costs Forecast 2020 - 2022

All Values in \$US m

Full Year Values

	2020	2021	2022	2020-2022
Prior Forecast Jun 2021 Board	6	67	57	130
New Forecast Dec 2021 Board	6	56	68	130



- With majority of doses still to be delivered and many new initiatives still to be finalised, costs are planned to be **higher in 2022**
- Cost allocation between AMC and SFPs adjusted to reflect the actuals costs

Note: Forecast includes Operating Costs for COVAX AMC, COVID-19 Delivery, Partners Procurement Agency Fees, and SFP

Recommendation (1/2)

The Gavi Alliance Audit and Finance Committee reviewed the Financial Forecast and **recommends** to the Gavi Alliance Board that it:

- a) **Note** that the Audit and Finance Committee reviewed the financial implications of the recommendations to be made to the Programme and Policy Committee and concluded that these recommendations could be approved by the Gavi Alliance Board in accordance with the Programme Funding Policy;
- b) **Approve** the updated Financial Forecast for the Gavi 5.0 (2021-2025) period, as set out in Section B paragraphs 2.1–2.10, noting that this has been amended for the December 2021 Gavi Alliance Board meeting to reflect the outcome of the Programme and Policy Committee recommendation on the new investments proposals;
- a) **Approve** the updated Financial Forecast for COVAX AMC, as set out in Section B paragraphs 3.1-3.6, noting that this has been amended for the December 2021 Gavi Alliance Board meeting to reflect the outcome of the 22 November 2021 meeting of the Market-Sensitive Decisions Committee;

Recommendation (2/2)

- d) **Agree** that the budgetary amounts approved by the Gavi Alliance Board in Decision 9 of the Board Meeting of 16-17 December 2020 for Secretariat Resources for 2021 and separately for 2022, be treated as an overall Budget amount for each component which may be utilised over both years subject to total Secretariat expenditure of US\$ 246.2 million across 2021 and 2022;
- e) **Approve** the Office of the COVAX Facility operating budget for 2022 of US\$ 68 million;
- f) **Authorise** the Gavi Secretariat to allot funding in 2022 for new programmes and for the continuation and adjustment of funding to existing programmes, in accordance with the Programme Funding Policy;
- g) **Approve** the nomenclature change in the Gavi Alliance Programme Funding Policy from 'PEF Management Team' to 'Partnerships Team'.

Thank you



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