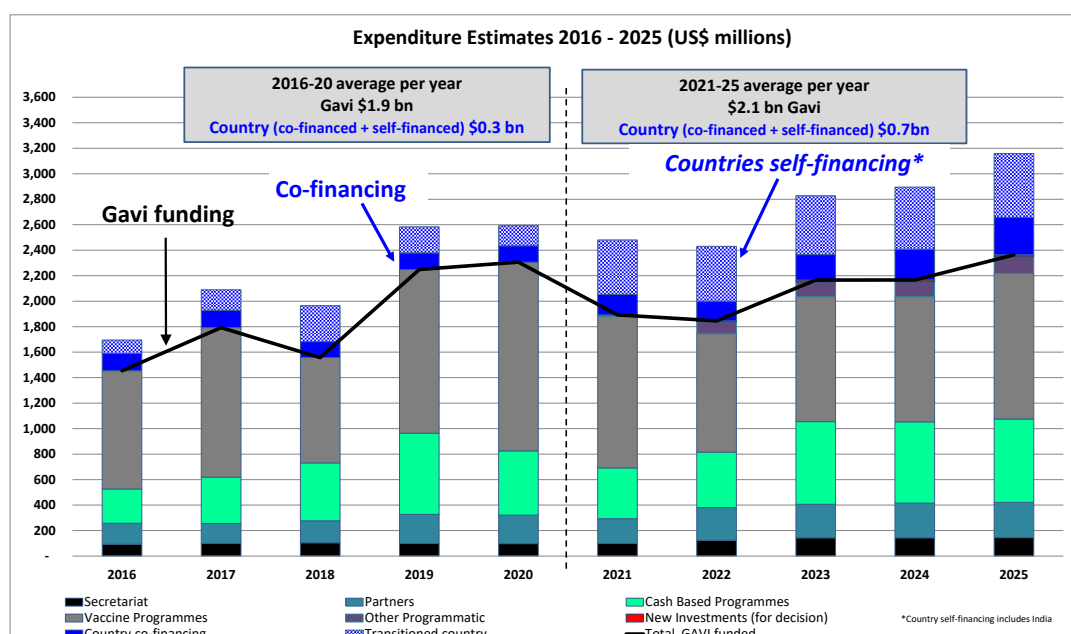


Annex B: Financial Forecast Detail Gavi 5.0

1. Expenditure to meet country demand

- 1.1 The expenditure estimates in this June 2022 (v19.1) forecast are based on the latest vaccine cost forecast (version 19.0), issued in August 2021, adjusted as of March 2022. The forecast reflects all previous funding decisions of the Board. It incorporates updated implementation assumptions based on latest information regarding country readiness and vaccine supply availability.
- 1.2 The overview of projected expenditures (below) illustrates the scale-up of country demand, with Gavi-funded expenditure having reached an average level of US\$ 1.9 billion per year in 2016-2020. Based on the current vaccine investment strategy and approved Gavi 5.0 expenditure forecast, this will increase to US\$ 2.1 billion per year in the 2021-2025 period.

Figure 1: Evolution of expenditure



The increase of expenditures from the last strategic period (2016-2020) to the current (2021-2025) results primarily from expanded programmatic support¹, partially offset by the impact of countries that will transition out of Gavi support.

- 1.3 Country co-financed & self-financed amounts are shown at the top of each bar. Total co-financed and self-financed amounts for 2016-2020 amounted to US\$ 0.7 billion and US\$ 0.9 billion, respectively (with a yearly average of US\$ 0.3 billion, per year, including both amounts). These amounts are estimated to increase to approximately US\$ 1.1 billion, US\$ 2.3 billion and

¹ YF EYE strategy, extension of IPV support across Gavi 5.0 (including rollout of IPV 2nd dose), expansion of HPV program and increase in cash-based support (including Equity Accelerator Funding, increases in PEF-related expenditure and institutionalising post-transition support & exploring MICs)

US\$ 0.7 billion, respectively, for 2021-2025. The estimates are based on current Gavi eligibility and transition policies.

1.4 More granular details of Gavi expenditure for the 2021–2025 period are provided in the Figures below. These include:

- variance in the current (v19.1) forecast vs. prior (v19.0) forecast (Figure 2)
- forecast of yearly amounts for each vaccine and type of support for all programmes (Figure 3)

Figure 2: Forecast of Expenditures 2021-2025 (forecast-to-forecast variance)

US\$ million, cash-flow basis	2021-2025			
	Prior Forecast (v19.0) Dec 2021 Board	Change upon updating estimates	Decisions for consideration in June 2022	New Forecast (v19.1) June 2022 Board
	US\$m	US\$m	US\$m	US\$m
Forecast Expenditure				
Pneumo (incl. AMC)	1,238	(1)		1,237
IPV	821	7		827
Rota	624	(15)		609
HPV	424	38		463
Penta	425	(11)		414
Yellow Fever	408	(6)		402
Typhoid	186	5		191
Malaria (incl. cost-share mechanism)	184	(5)		180
Measles-Rubella	175	(23)		152
VIS - vaccines	159	(14)		145
Cholera	109	5		114
Men A	86	10		96
Other vaccines (incl. India & Diagnostics)	341	14		355
Co-financing waiver	70	(42)		28
Vaccine programmes	5,250	(36)	-	5,214
Health systems strengthening (incl. India & Innovation approach)	1,333	-	50	1,383
Equity Accelerator Funding	500	-		500
CCEOP programmes	228	(2)		226
Campaign operational costs	408	-		408
Vaccine introduction Grants	85	15		100
VIS - op costs	91	(19)		72
Other cash-based programmes	48	(12)		36
HSIS programmes	2,693	(18)	50	2,725
PEF (Targeted Country Asst. incl. Malaria, Strategic Focus Areas, incl. Diagnostics and Foundational Support)	896	-		895
PEF (Proc. fees, Partnerships in Innovation, Post-transition Support)	272	(5)		267
PEF	1,167	(5)	-	1,162
Institutionalising post-transition support & exploring MICs (incl. prevention of backsliding)	301	-		301
Fiduciary risk assurance costs & Fin. Mgmt.	164	-		164
COVID-19 vaccine delivery costs	99	-		99
Vaccine Innovation Prioritization Strategy	7	-		7
CEPI	6	-		6
Programmatic Expenditure	9,688	(59)	50	9,678
Secretariat - OpEx	653	-		653
PEF - Operating Expenditure	112	(9)		103
Operating Expenditure	765	(9)	-	756
Total Expenditure	10,452	(68)	50	10,434
	\$10.5 bn	(\$0.1 bn)	\$0.1 bn	\$10.4 bn

Key changes by vaccine and non-vaccine programmes are discussed below:

- a) **Vaccine Launches (Routine Introductions and Campaigns):** In line with the Board-approved recalibration of Gavi 5.0 priorities, the new launches of VIS (Vaccine Investment Strategy) vaccines have been paused since 2020. Prior to the pandemic (pre-2020), vaccine launches were forecast at approximately 10% higher in the Gavi 5.0 period compared with the current forecast. While the Secretariat aims to resume VIS as soon as feasible, the earliest launch is now assumed to be in 2024 resulting in a decrease of US\$ 14 million in VIS forecast expenditure across vaccines and operational costs. Vaccine introductions and campaigns in 2021 were in line with expectations (13 vaccine introductions completed as planned, and 26 campaigns conducted).
- b) **HPV (US\$ 38 million increase)** driven by a softening of the supply constraints thereby allowing an additional 15 million doses to be included in the forecast. As discussed at the recent Board Retreat in April, the HPV programme requires a full review in order to effectively support countries to introduce HPV vaccine programmes, scale-up and maintain coverage, as well as navigate a potential switch to a one-dose schedule (given the recent WHO Strategic Advisory Group of Experts on Immunisation (SAGE) advice). The Secretariat will return to the PPC in October with a proposal on the strategic shifts required for the HPV programme. It is currently too early to reflect any changes in the forecast, although it is anticipated that savings from countries changing from a two-dose to one-dose schedule could be leveraged to fund targeted support to countries to accelerate uptake of vaccines.
- c) **Measles-Rubella (US\$ 23 million decrease)** driven by a 13% reduction in forecast volume driven by latest expected country demand including the rephasing of Ethiopia's introduction to 2026 (-US\$ 42 million), partly offset by the earlier implementation & delivery of doses for the Pakistan routine immunisation programme, following the campaign in Q4 2021 (+US\$ 15 million). The Ethiopia MR catch-up campaign is replaced by a Measles follow-up campaign in 2023 (+US\$ 14 million). *(note: Measles is shown under 'other vaccines' in figure 2, above)*
- d) **Rota (US\$ 15 million decrease)** driven by lower average pricing as a result of exchange rate fluctuations (the primary supplier invoices in Euros) and lower weighted average prices as countries accelerate switching from the primary supplier to lower cost suppliers to mitigate supply shortage. This is partly offset by increased volume assumptions due to the earlier introduction by Nigeria (now forecast in 2022). While the Alliance continues to experience supply shortages during the first half of 2022, the financial forecast assumes this unwinds within the calendar year with no volume impact from supply constraints across the strategic period.
- e) **IPV (US\$ 7 million increase)** driven by a delay to 2026 in the assumed start of co-financing to reflect the latest SAGE discussions (+US\$ 18 million: IPV programme has been exempted from co-financing obligation until the withdrawal of bOPV), partly offset by lower volume from rephased

introductions and cashflow phasing changes (-US\$ 11 million). Weighted pricing also benefits from foreign exchange rate movements.

- f) **Malaria (US\$ 5 million decrease)** driven by a reduction in the cost-share mechanism as the guarantee is no longer required as the Board has now approved the programme. Overall average cost per dose remains broadly unchanged from the prior forecast after reflecting latest pricing assumptions and anticipated donated doses which will support the 2023 introduction. The Malaria tender is underway and the outcome will inform the next update of the financial forecast.
 - g) **Co-financing waiver (US\$ 42 million decrease)** driven by the waiver approvals granted for the 2021 programme year being below previously forecast levels. While the co-financing waiver programme relates solely to 2020 and 2021 programme years, US\$ 16 million is forecast to be disbursed in 2022. The forecast continues to assume that the standard co-financing rules will apply from 2022 however fiscal constraints associated with COVID-19 related economic shocks are expected to increase and may have an impact on Governments' capacity to pay going forward. This is therefore an area of increased focus for the Alliance, and at the recent Board Retreat it was noted that continued advocacy would be required to protect domestic financing for health and immunisation. Further, the Secretariat will consider any impact of proposed changes to the co-financing policy being presented to the December 2022 Board in the next forecast cycle.
- 2.1 **The Health Systems Strengthening ("HSS")** forecast has been adjusted to incorporate the Innovation Approach funding proposal and the HSS component of the Strategic Partnership with India (both ring-fenced) with a total programme budget of US\$ 1.883 billion (US\$ 1.2 billion for Core HSS, US\$ 133 million ring-fenced for India, US\$ 50 million ring-fenced for Innovation Approach and US\$ 500 million for the Equity Accelerator Fund ("EAF")). In addition to allotting US\$ 24 million from the US\$ 100 million allocated within the EAF envelope for multi-country partnerships with humanitarian agencies, the Secretariat anticipates up to 40 EAF country applications will be submitted in 2022.
 - 2.2 **The Partners Engagement Framework ("PEF")** forecast for TCA, SFA and FS programmes governed by the Programme Funding Policy remains unchanged with 2021 underspend rephased. The PEF elements of the Malaria and Diagnostics programmes approved by the Board in December 2021 are now presented within the PEF forecast (although the funding remains ring-fenced).
 - 2.3 The forecast for the remaining PEF programmes is slightly lower as a result of crystallised underspend in 2021, in particular from Studies & Evaluations. Further detail on 2021 performance compared with the Board approved budget can be found in the Appendices to this Board Paper.

Figure 3: Projected expenditure to meet demand: 2021-2025 (v19.1, by year)

Expenditure estimate (v19.1)	2021	2022	2023	2024	2025	TOTAL
2021-2025						
Cash flow basis, US\$ million						
Pneumo (incl. AMC)	304	288	240	214	191	1,237
IPV	214	148	148	164	153	827
Rota	221	101	99	98	90	609
HPV	75	63	64	116	145	463
Penta	96	81	88	79	69	414
Yellow Fever	63	77	85	92	85	402
Typhoid	25	15	61	43	46	191
Malaria	3	31	24	20	102	180
<i>Malaria (cost-share mechanism)</i>	3	31	24	-	-	58
<i>Malaria vaccine programme</i>	-	-	-	20	102	122
Measles-Rubella	14	19	61	27	30	152
VIS - vaccines	-	-	33	43	69	145
Cholera	42	44	11	9	9	114
Men A	20	9	10	32	25	96
Other vaccines	93	38	54	44	125	355
<i>Other vaccines</i>	93	32	42	22	67	257
<i>Other vaccines - India</i>	-	-	5	13	48	66
<i>Other vaccines - Diagnostics</i>	-	6	8	9	10	32
Co-financing waiver	12	16				28
Vaccine Programmes	1,181	929	980	982	1,142	5,214
Health systems strengthening	176	247	319	319	322	1,383
<i>HSS - Core</i>	176	240	260	260	264	1,200
<i>HSS - India</i>			44	44	44	133
<i>HSS - Innovation Approach</i>		7	14	14	14	50
Equity Accelerator Funding		85	140	140	135	500
CCEOP	30	20	60	60	55	226
Campaign operational costs	127	64	80	63	74	408
Vaccine Introduction Grants	7	18	18	25	32	100
VIS - op costs	-	-	17	22	34	72
All other cash (ISS, INS, CSO, Switch Grant etc)	(2)	18	13	9	(1)	36
HSIS Programmes	338	452	646	637	651	2,725
Total Programmes	1,520	1,381	1,626	1,619	1,793	7,939
PEF (TCA, SFA and FS)	136	181	187	194	198	895
PEF (Proc. fees, PII, Post-transition Support)	50	58	53	53	53	267
Institutionalising post-transition support & exploring MICS (incl. prev. of backsliding)	-	82	79	66	73	301
Fiduciary risk assurance costs & Fin. Mgmt.	13	29	40	42	41	164
COVID delivery costs	60	39				99
Vaccine Innovation Prioritization Strategy	0	4	3			7
CEPI	6					6
Programmatic expenditure	1,785	1,773	1,989	1,974	2,158	9,678
Secretariat - OPEX	98	124	143	143	145	653
<i>Secretariat</i>	98	123	142	142	143	648
<i>Secretariat - Malaria</i>		1	1	1	1	3
<i>Secretariat - Diagnostics</i>		1	1	1	1	2
PEF - OPEX	9	19	23	26	27	103
<i>PEF</i>	9	19	22	22	22	93
<i>Learning - Malaria</i>			1	4	5	10
Operating expenditure	107	143	166	169	171	756
Total Expenditure	1,892	1,915	2,155	2,143	2,329	10,434