

COVAX: KEY STRATEGIC ISSUES

BOARD MEETING

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28 September 2021, Virtual Meeting



Agenda

- | | |
|----|------------------------------------------|
| 1. | COVAX Update and 2022 Vision |
| 2. | Update on Brokerage, Resell and Exchange |
| 3. | Update on SFP2.0 |
| 4. | COVAX Delivery Update |
| 5. | COVAX Resource Mobilisation Update |
| 6. | Discussion |

1

COVAX Update and 2022 Vision

Where does COVAX stand in September 2021?

>US\$ 10B
pledged for
COVAX AMC

Announced
500M donated
doses by end of
2021

The immediate priority for the COVAX Pillar is to make rapid progress in increasing coverage to AMC and fulfill the remaining SFP commitments:

- Getting **timely access to doses from APAs and donated doses**
- Ensuring **fair and equitable allocation of the available supply**
- Supporting **in-country delivery for AMC92**

11 vaccine
candidates
signed

~2.6B doses
expected by
end of Q1 2022

312M doses
supplied to
143
participants

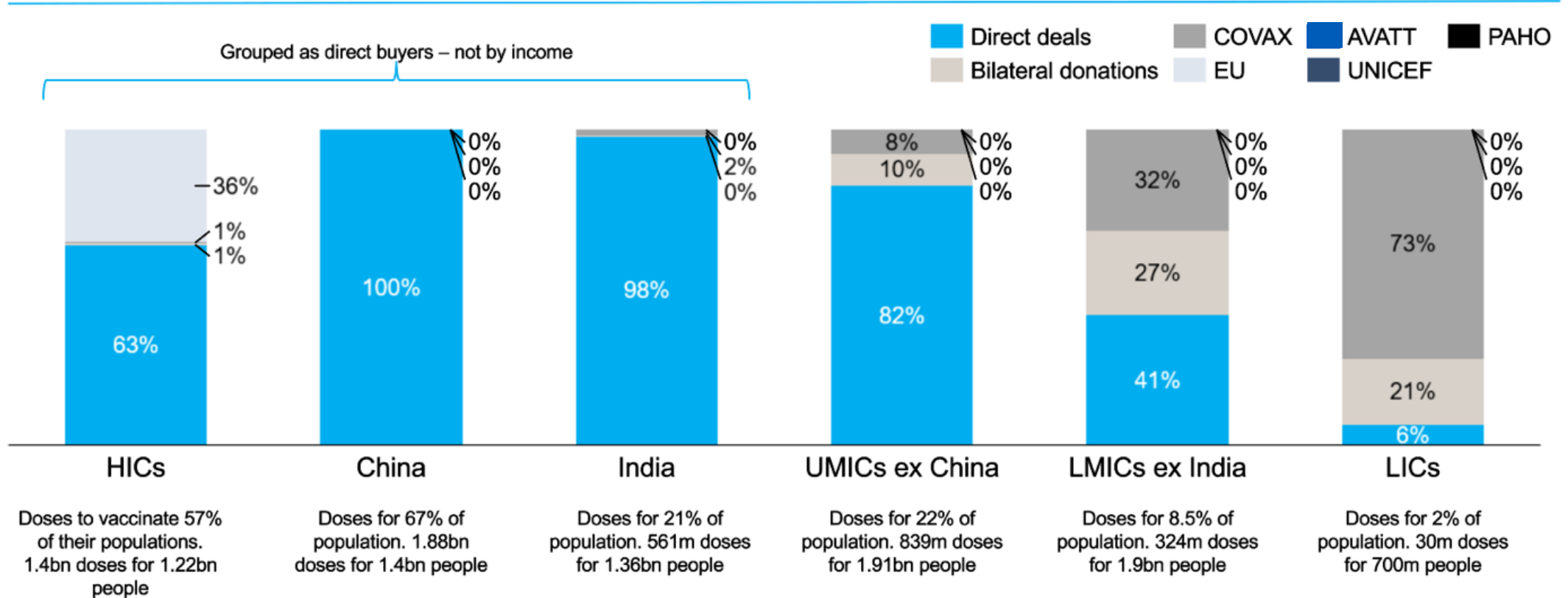
~US\$ 1B in
delivery support

Donor pledges and dose donations to date allow the COVAX Facility to supply vaccines enough to **fully vaccinate 37% of the AMC population**¹. SFPs can also order doses through the Facility.

¹ Average excl. India, which gets 20% of APA doses

COVAX is the primary source of COVID-19 vaccines for LICs and an important source for LMICs

Delivered doses to date by market channel, %



Note: 58% of doses delivered as unknown, 2.9bn. All HIC, China and India unknown designated as bilateral deals, totaling 2.6bn. Of the remaining 303m: UMIC: 80% of unknown designated as bilateral deal, LMIC: 80% of unknown designated as donated doses, LIC: 100% of unknown designated as donated doses. Source: UNICEF COVID-19 Vaccine Market Dashboard



WHO calls for 70% global COVID-19 coverage, recognising need for country-specific flexibilities

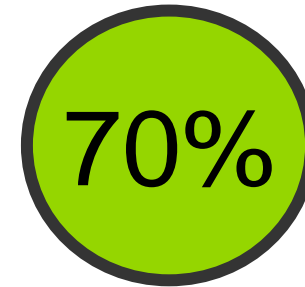
The WHO global vaccination strategic vision outlines the following scenarios

- Older high-risk (15%),
Adult (60%),
Universal (70%)

With additional variables:

- No booster
- Booster for high-risk population
- Booster for all

The consultation process is expected to result in a **coverage goal of**



**total
population**

recognising country-specific flexibilities resulting from age demographics are needed

COVAX Facility Coverage objective for 2022: Principles

- > COVAX to **contribute to the vaccination coverage goals countries set for themselves** towards the 70% WHO global vaccination goal
- > COVAX Facility supply to be complemented by **bilateral / multilateral supply**; COVAX to collaborate with the Africa Union's African Vaccine Acquisition Trust (AVAT)
- > **Pursue flexibility in the face of uncertainty** by (1) **continuing to invest in increased coverage** and (2) **establishing a contingency pool** to manage risk (e.g., boosters, pediatric vaccination, emergence of variants)

2

Brokerage, Resell and Exchange

Draft recommendation on mechanisms to access doses through the COVAX Facility

Advance Purchase Agreements (APA)

Agreements (APA)

COVAX allocates doses from manufacturer base
For AMC participants, doses are initially donor-funded, additional doses offered through cost-sharing

Dose donation

Countries donate doses through COVAX to participants of the COVAX Facility, with **focus on AMC participants**

Resell to Facility

Countries resell doses from their bilateral deals to the COVAX Facility

Brokerage

Countries resell doses from their bilateral deals to each other (doses against cash)

Exchange

COVAX participants exchange allocated doses (doses against doses)

Draft recommendation

Evaluate deals on a case by case basis

Do not pursue further in a leading role at this point in time

Adjust allocation and post-allocation mechanisms to capture the benefits

Existing mechanisms

Mechanisms under consideration / in development

3

SFP 2.0

A revised participation model for Self-Financing Participants (SFP) as a targeted solution

Need for a revised model for SFPs

- Some **SFPs** rely on **COVAX** as a supply source
- Many SFPs are looking to support the Facility and show commitment **for global solidarity** (*independent of procurement*)
- The Board tasked the Facility with **designing a new model for SFP engagement** in 2022 based on the following principles:



Simplifying the operations of the Facility



Mitigating the financial risk to Gavi



Inclusivity

Expected demand from SFPs in 2022

- Currently, **demand** from SFPs that wish to procure from the COVAX Facility in 2022 is **fluid**
- There are two key factors impacting SFP demand for 2022:
 - ✓ COVAX Facility's **ability to deliver** on 1.0 commitments
 - ✓ **Vaccine portfolio** for SFP 2.0
- Thus, SFP size of demand can only be **confirmed towards the end of 2021** with operationalisation of SFP 2.0

Revised model consists of several different elements

SFPs do not need to procure doses in order to participate in the Facility in 2022

Access to briefings and workshops



- Regular updates, newsletters, briefings and written communication
- Dialogue, idea generation, and best practices at subject-specific workshops

Governance role



- Existing governance arrangements continue through 2021
- Shareholders Council to be consulted on any new proposals for 2022. Revisions to current Terms of Reference to be approved by Gavi Board

Participation in COVAX mechanisms



- Access to dose-sharing and any new future mechanisms

Procurement Offer **



- Revised terms and conditions
- Requires signing of Framework Agreement
- SFPs can join procurement element at any time

** Optional

The SFP 2.0 model is designed to simplify the operations of the Facility and mitigate the financial risks to Gavi

Simplifying the operations of the Facility

Single Purchase Model

- SFP procurement participation consolidated into a single model
- Ability of participants to select which products to procure.

Single Decision Window

- Single decision window for SFPs to commit to buy a *specific vaccine* at a *specific price* for delivery in a *specified timeframe*

Opt-In

- Participants **actively “opt-in”** to a deal, rather than the current model of actively “opting-out”

Optimised Legal Contract Sequencing

- Signed **Framework Agreement** confirms interest in procuring doses in 2022
- At each supply offering, Participants **submit a** legally and financially binding **Confirmation Agreement** detailing number of doses and full payment required
- SFPs provide **financial commitment** with signed Confirmation Agreement

Mitigating the financial risk to Gavi



1. Letter of Credit

As the **first option**, participants will be required to provide a Letter of Credit, from a **Gavi selected group of approved banks**, with the signed Confirmation Agreement for each supply offering.



2. Cash in Escrow / Cash to Gavi

If the participant is not able to provide a Letter of Credit, then the **second option** is to provide a **full cash payment into an Escrow account**, managed by a **Gavi identified third-party provider**, or a full payment to a Gavi account.

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COVAX Delivery Update

We are providing support to mitigate delivery risk from allocation to administration

Details in next slides

Allocation and shipment

In-country logistics

Service Delivery and administration

Cross-cutting enablers and considerations

Monitoring and intelligence

Matching allocation and absorption at country level

Dynamic country level intelligence to inform delivery support and allocation

Operational and delivery support

UCC/CCE capacity and expansion

Stock management capacity and readiness (including eLMIS)

Delivery capacity expansion/scale up (including HCW, Vx site readiness, etc)

Delivery innovation (including microplanning, vx status verific. etc)

Demand generation and vaccine confidence

Program management and leadership capacity

Reporting and surveillance (incl. performance monitoring, AEFI reporting, etc)

Delivery funding (required for all delivery processes and enablers)

Partner coordination and collaboration (required for all delivery processes and enablers)

COVAX partners are actively mitigating delivery risks through weekly 'implementation monitoring review'

Monitor across IMR primary risks

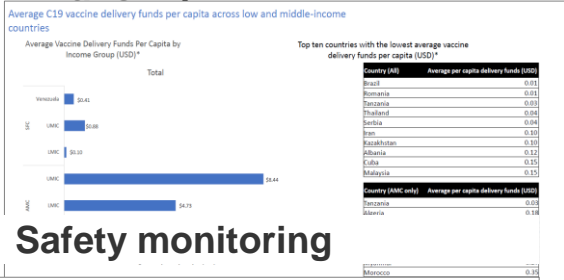


Triage via IMR watchlist



Follow up actions and outputs

Delivery Costing and financing



Safety monitoring

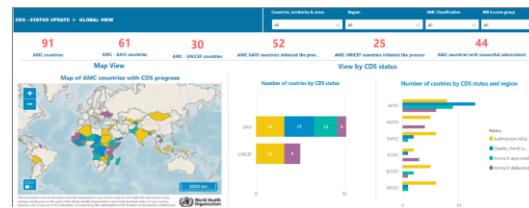


Uptake/absorption

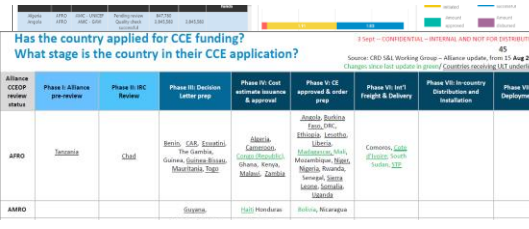
COVAX Doses discarded due to expiry

Country	Region	S&L COVAX doses expired	S&L Product doses expired	S&L expired doses comments
Benin	AFRO	54,056	AZ	Expired 23 Aug 21 (8% of shipment)
Cameroun	AFRO	9,170	AZ	Expired 27 Aug
DRC	AFRO	196,740	AZ	Low consumption, many issues; 68% AZ doses redeployed; 10% of AZ doses wasted/expired. Small allocation of 250,000 Pfizer doses being shipped in Sept.
Guinea-Bissau	AFRO	2,710	AZ	Expired 29 July 21
Madagascar	AFRO	38,220	AZ	Redeployed doses from DRC with short shelf life.
Niger	AFRO	3,530	AZ	Expired 29 July 21
Egypt	EMRO	10,000	AZ	Product wastage
Somalia	EMRO	20,000	AZ	Expired in July
Sudan	EMRO	17,388	AZ	Expired in July
Yemen	EMRO	5,050	AZ	Expired in July

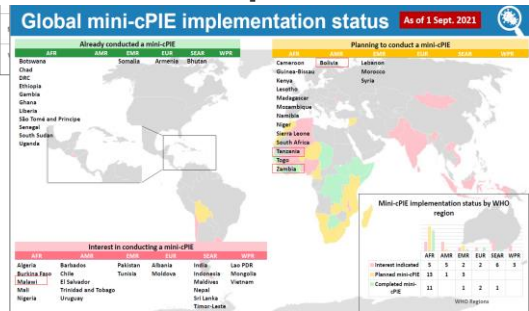
NDVP and CDS applications



CCE/UCC Roll out



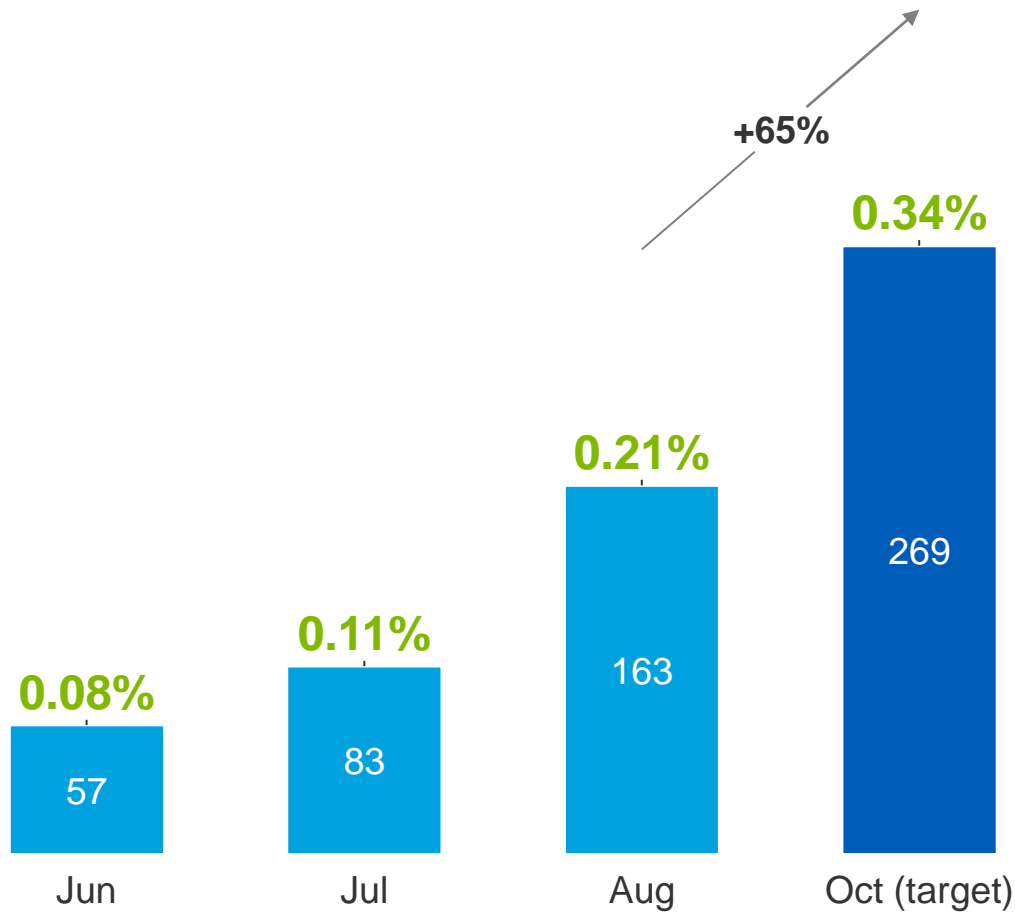
Mini c-PIE implementation



- Accelerate access to funding for delivery when gaps
- Adjust future dose shipments based on absorption
- Inform next allocation with product preference
- Consider redeployment of doses within or outside country
- Provide specific technical assistance based on country implementation gaps

While absorption across AMC 92 is improving, constraints are dynamic and highly country specific

Aggregate absorption AMC 91 (excl. India),
% pop. vaccinated per day / M doses per month



Commentary

Since June, average absorption across portfolio has increased >2.5X from 0.08% per day to 0.21%

Absorption is highly heterogenous:

- **16 countries** reporting absorption rates > **0.5%** per day with **10 countries exceeding 0.8%** per day monthly average
- **~20 lowest absorptive countries** still reporting rates <0.1% per day

Takeaways

Ensuring delivery capacity across countries requires:

- Continued focus on 'highest risk' countries and developing bespoke country specific delivery enhancement plans
- Ensuring predictable, high quality, scaled supply that take country preferences and context into account

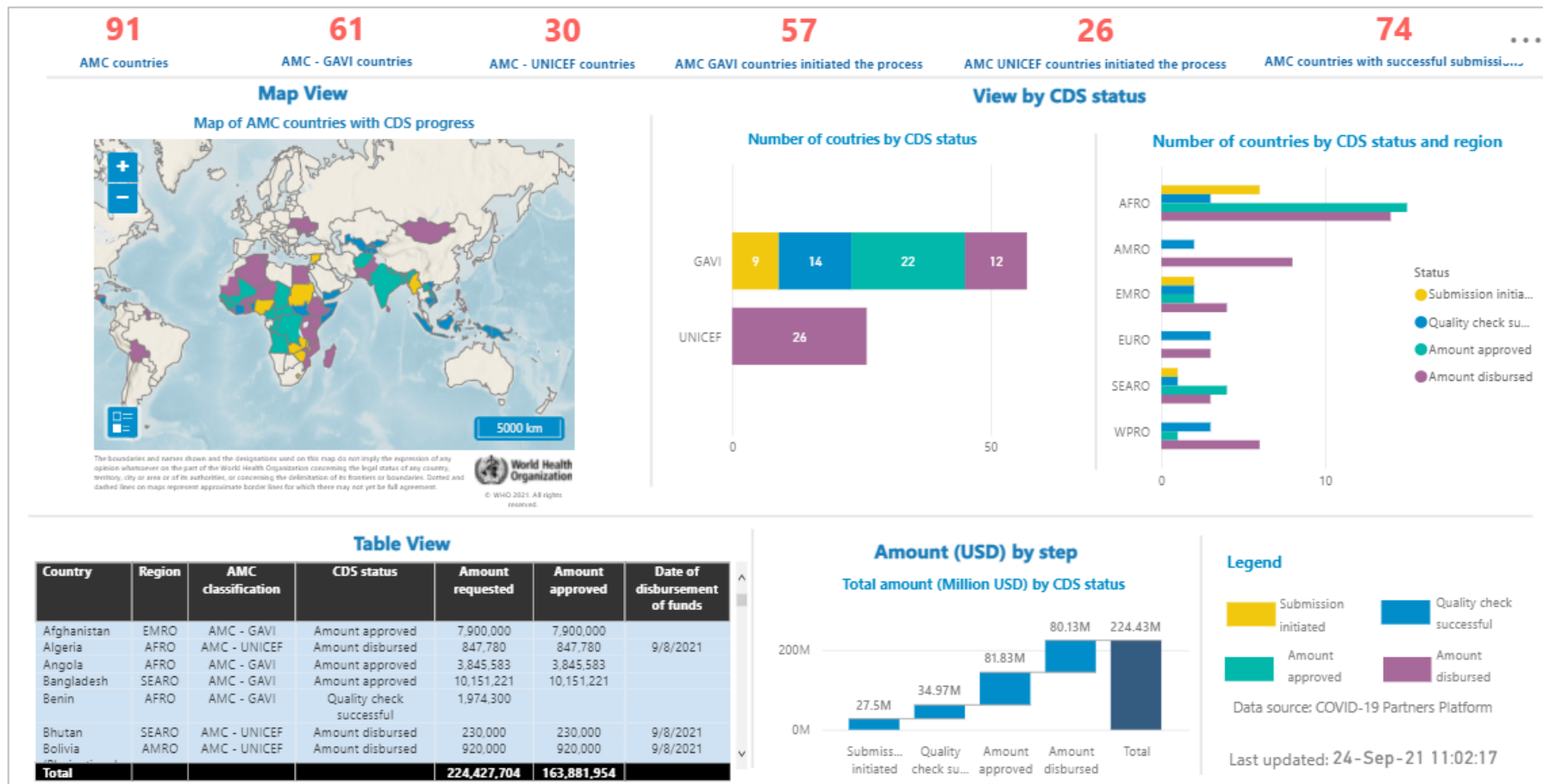
Recap: Gavi making available nearly ~US\$ 1 billion in delivery support to countries

	Timing	Description
US\$150M from core Gavi resources for CCE TA	<ul style="list-style-type: none">Board approved funding September 2020Most TA / CCE supported through funding now deployed at country level	<ul style="list-style-type: none">Funding to countries for two long lead time investments:<ul style="list-style-type: none">Scale up TA for planning for COVAX introduction: >400 in-country positionsProcure and deploy CCE to fill critical gaps in cold chain
US\$799M of COVAX funding for broader delivery support	<ul style="list-style-type: none">Board approved funding approach June 2021Designed in collaboration with CDS donors and Alliance partnersEarly access funding window launched 5th July	<ul style="list-style-type: none">~\$600M in unearmarked funding for countries to programme based on needs via COVID Delivery Support (CDS) funding~\$80M of surge support to countries in priority areas~\$85M of “cross-cutting” investments

Update on COVID-19 Delivery Support (CDS) rollout on next page

Rollout of COVID-19 Delivery Support early access near complete with 83 applications received for US\$ 224 m

CDS dashboard – overview as of 24/09/2021



As of 24/09/2021:

- **83 applications received:** 57 out of 59 directly through Gavi and 26 out of 31 eligible through UNICEF
- Applications amount for **~\$224m** of which **\$163m** has already been approved and **\$80m** disbursed
- Most application received in second part of August, disbursements started to peak in last few days

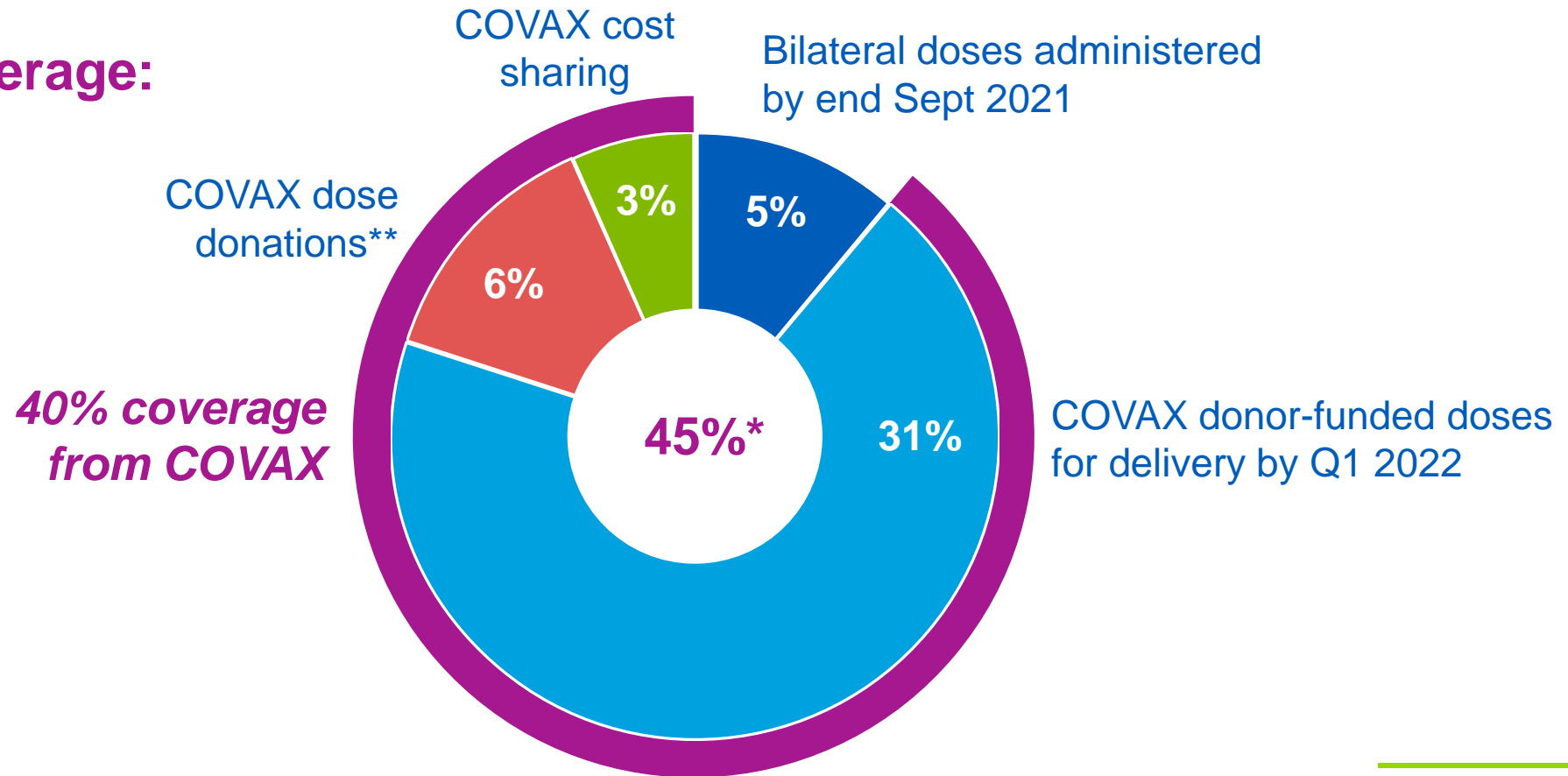
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COVAX Resource Mobilisation update

Board meeting
28 September 2021

Current trajectory of COVID-19 vaccine coverage in AMC 91 by Q1 2022

AMC 91 coverage:

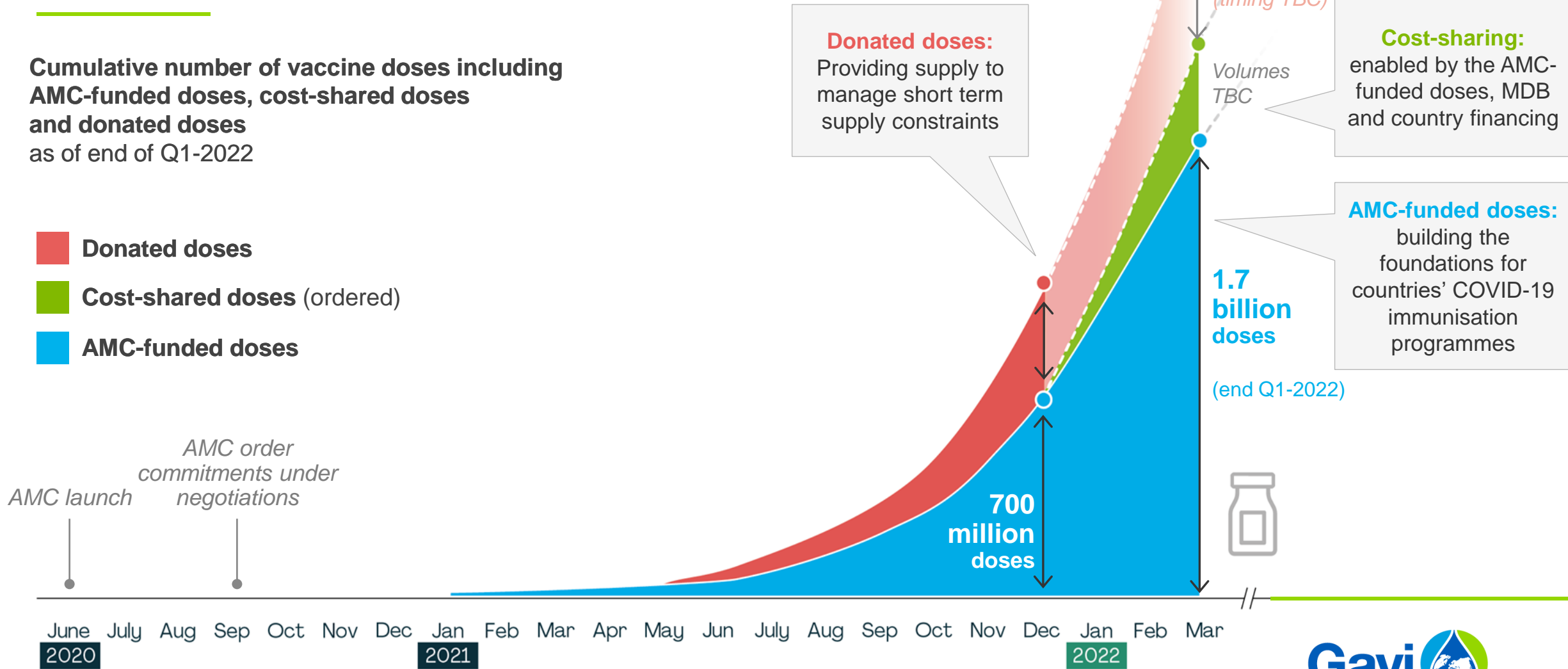


40% coverage from COVAX

* Includes 5% wastage assumption
** assumes 400m doses delivered by Q1 2022

The AMC: accelerating access by pooling resources

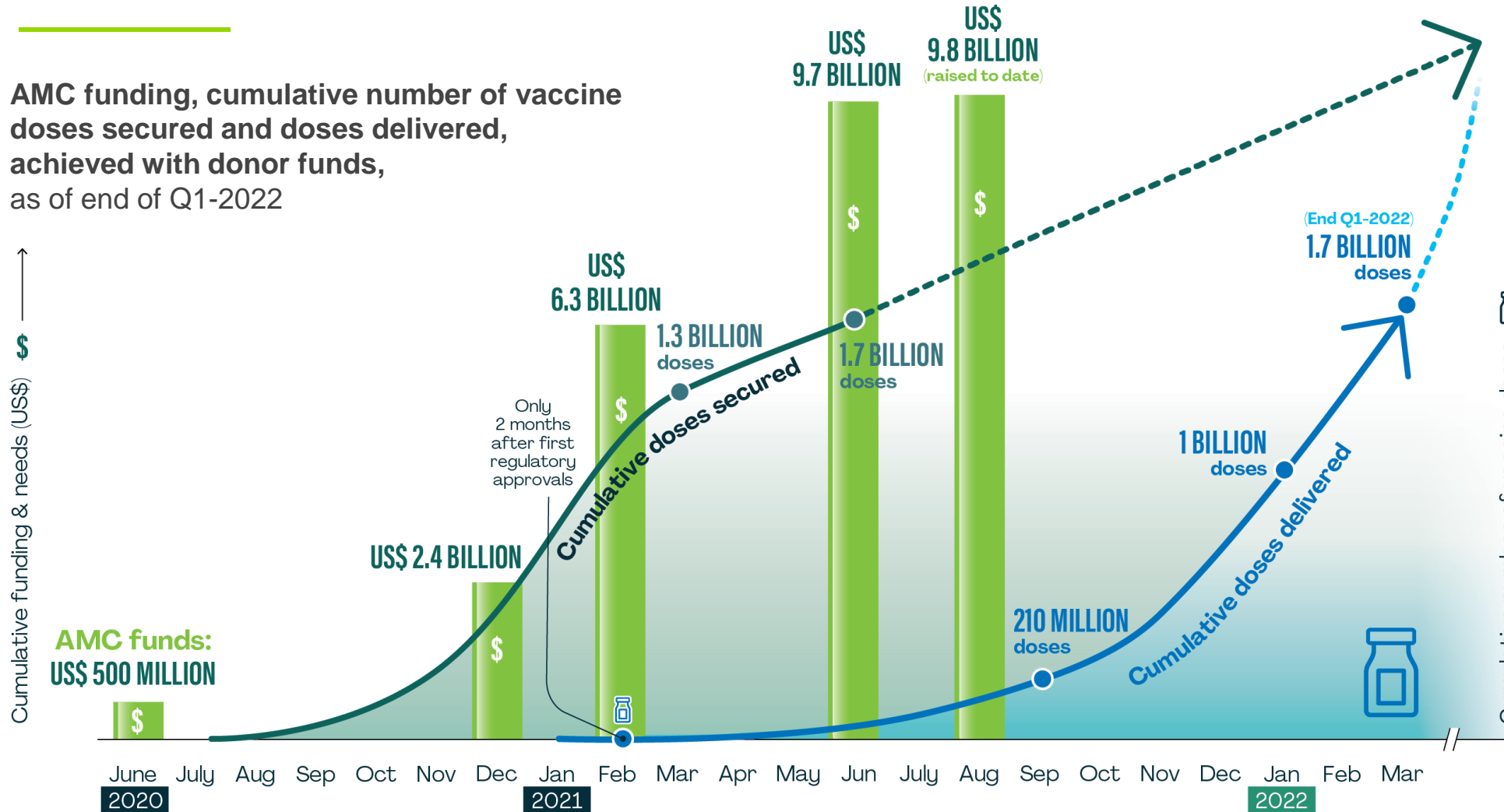
Cumulative number of vaccine doses including AMC-funded doses, cost-shared doses and donated doses as of end of Q1-2022



AMC achievements to date & immediate needs for continued impact






















AMC funding, cumulative number of vaccine doses secured and doses delivered, achieved with donor funds, as of end of Q1-2022



Cumulative number of vaccine doses

Dose donations pledged to COVAX and delivered (in millions)

Donor	Total announced for 2021-2022	Total donated	Total delivered
 Team Europe	200 (+300) ¹	58	21.6
 France	54 (+60) ²	28.6	8.9
 Germany	100 ¹	9.6	3.6
 Italy	45 ¹	6.2	1
 Spain	30	7.4	5
 Portugal	5%+ of domestic ³	0.3	
 Norway	5	1.1	0.9
 Belgium	4	1.6	0.6
 Sweden	At least 6	2.4	1.3
 Denmark	6 ¹	0.7	0.4
 Netherlands	20		
 Ireland	1.3 ¹		
<i>Others</i>	0.2	0.1	
 USA	290 (+500) ⁴	91	81.4
 Japan	60 ⁵	11.3	11.3
 Switzerland	4	0.1	
 New Zealand	1.6	0.9	0.2
 UK	80	6.2	5.9
 UAE	1		
 Canada	40.7	4.1	2.1
5 Total	~680+³	171.5	122.5

Note: Total donated and delivered might not add up exactly due to rounding;
 1. Primarily through COVAX., final amount tbc. Additional 300m for LICs and LMICs, final amount through COVAX tbc.
 2. First 54m through COVAX; additional 60m for LICs and LMICs, final amount through COVAX tbc;
 3. Final amount through COVAX tbc;
 4. US support has allowed COVAX to secure an additional 1bn Pfizer doses. These include a donation of 200m doses which are reflected in the total here. Proportion through COVAX tbc.
 5. Mainly through COVAX, final amount tbc

Cost sharing offers countries the opportunity to boost vaccine coverage by leveraging MDB vaccine financing – 3% boosted to date

Financing secured

\$102m



\$640m



\$355m*

* Not yet deployed



\$28m

Domestic

Total \$1.1bn

- **Gavi offers countries vaccines through regular Supply Offers**
 - Only licensed/EUL vaccines being offered
 - Moderna, Sinopharm and Sinovac offered so far
 - J&J, Covovax* and Clover* expected (* subject to regulatory approval)
- **Pre-negotiated deals with MDBs to access vaccine financing**
 - Countries can use MDB financing in place of domestic financing
 - MDBs review COVAX APAs in advance
 - Alternatively countries can use domestic resources
- **Cost sharing helps improve discovery of demand for vaccines**



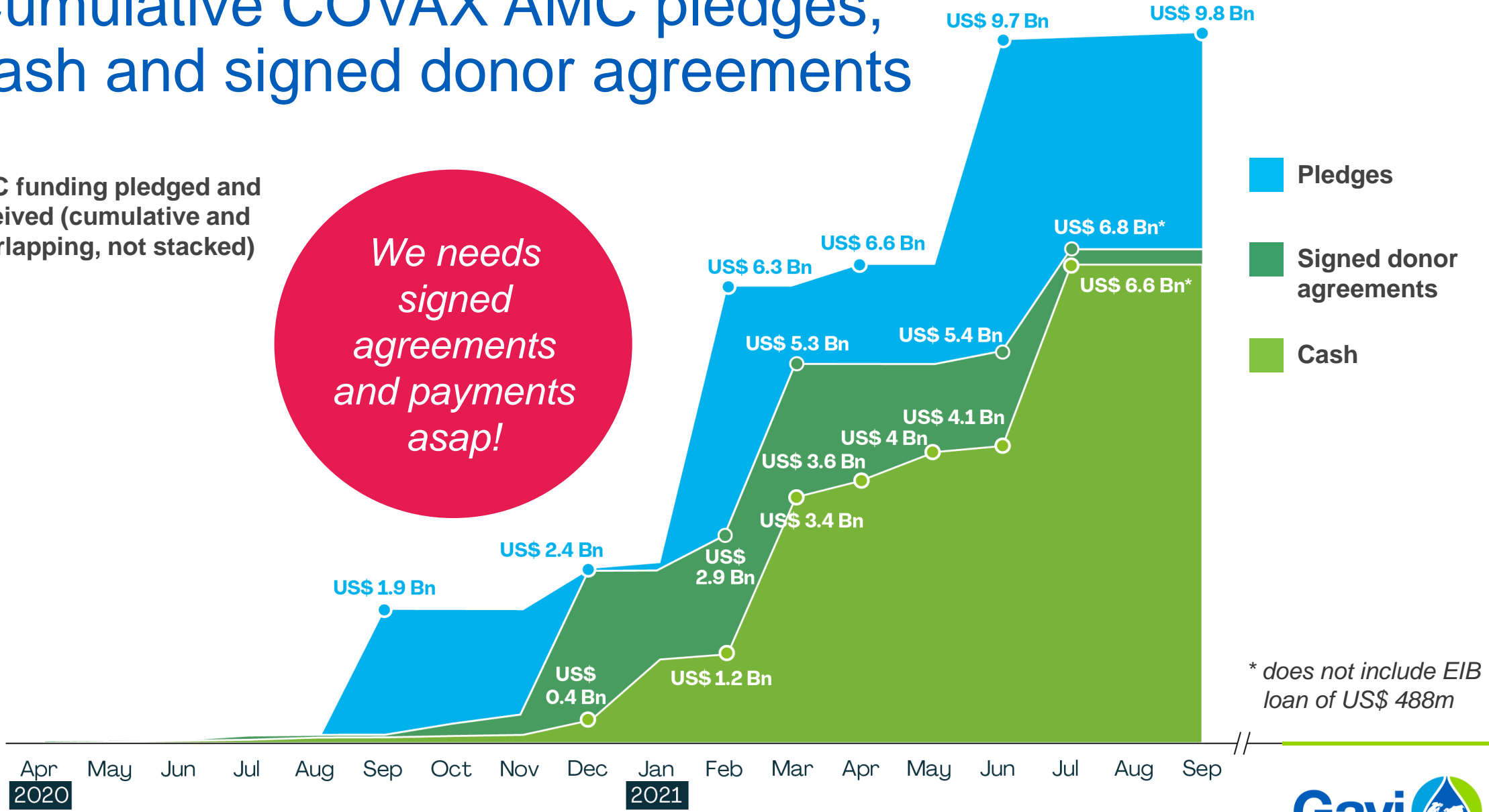
12 countries have signed binding agreements with Gavi
133 million doses
~3% coverage boost across AMC 91

Cumulative COVAX AMC pledges, cash and signed donor agreements

AMC funding pledged and received (cumulative and overlapping, not stacked)

We need signed agreements and payments asap!

Cumulative funding \$



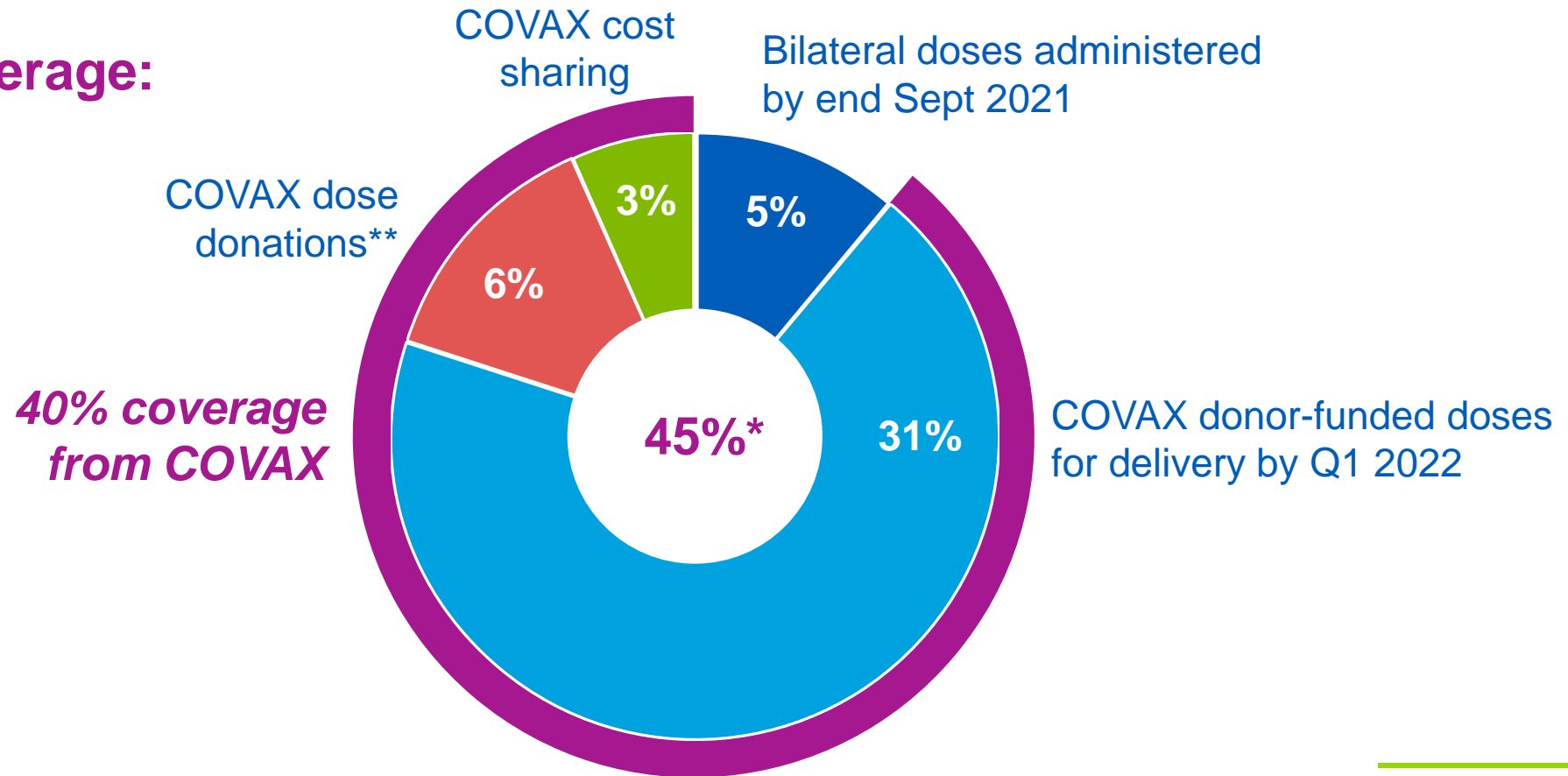
* does not include EIB loan of US\$ 488m

Board meeting
28 September 2021



Current trajectory of COVID-19 vaccine coverage in AMC 91 by Q1 2022

AMC 91 coverage:

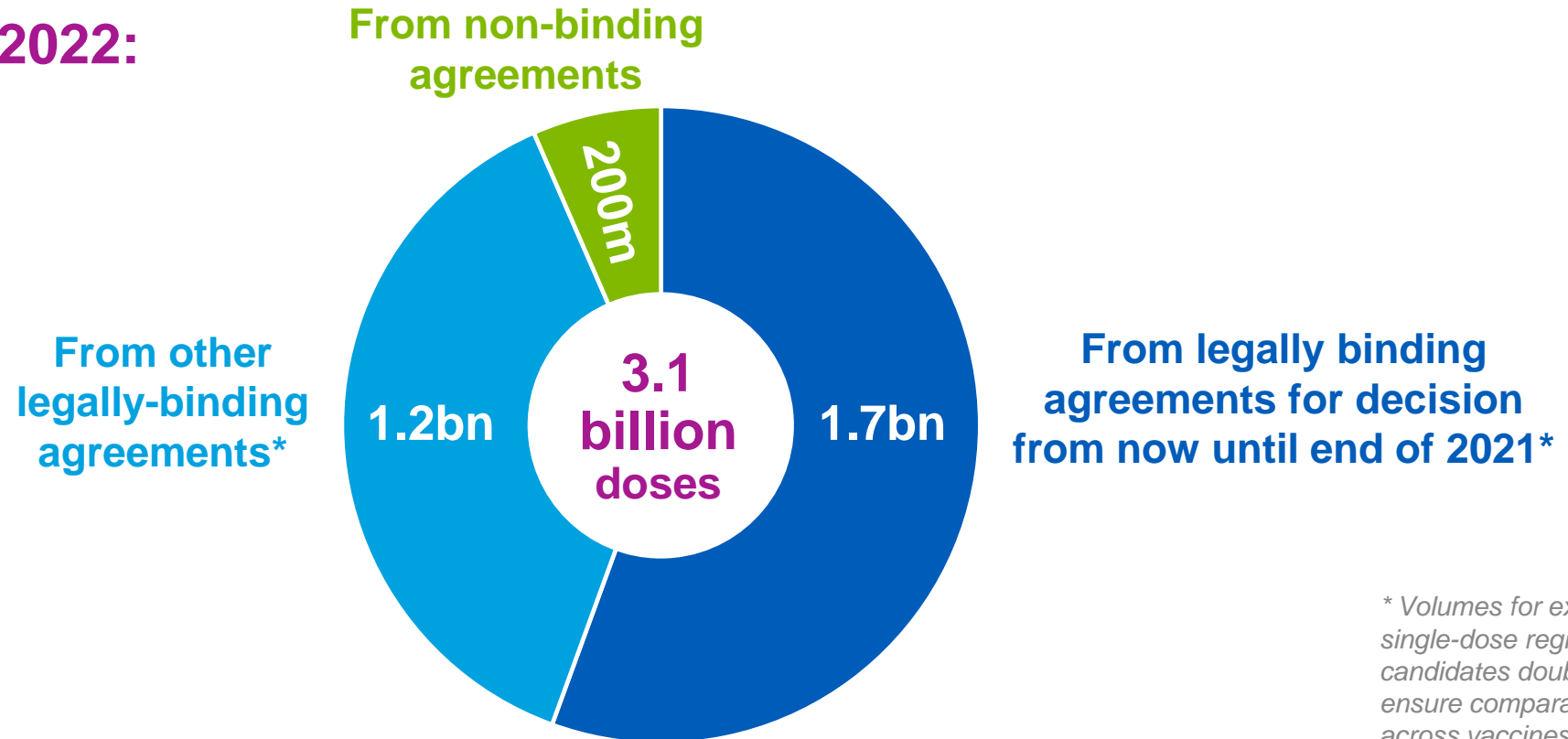


40% coverage from COVAX

* Includes 5% wastage assumption
**assumes 400m doses delivered by Q1 2022

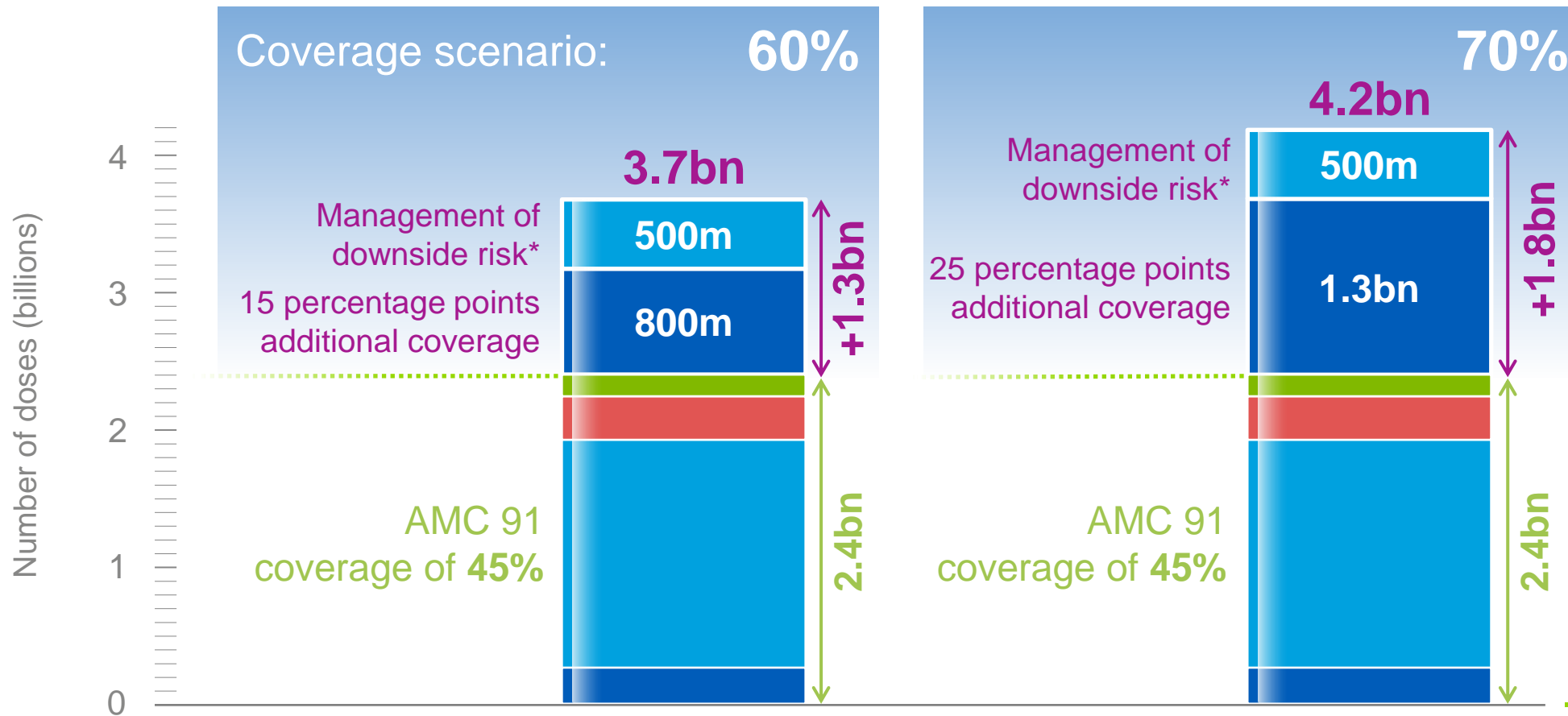
Doses potentially available in 2022 for the AMC in addition to doses already financed

AMC doses in 2022:



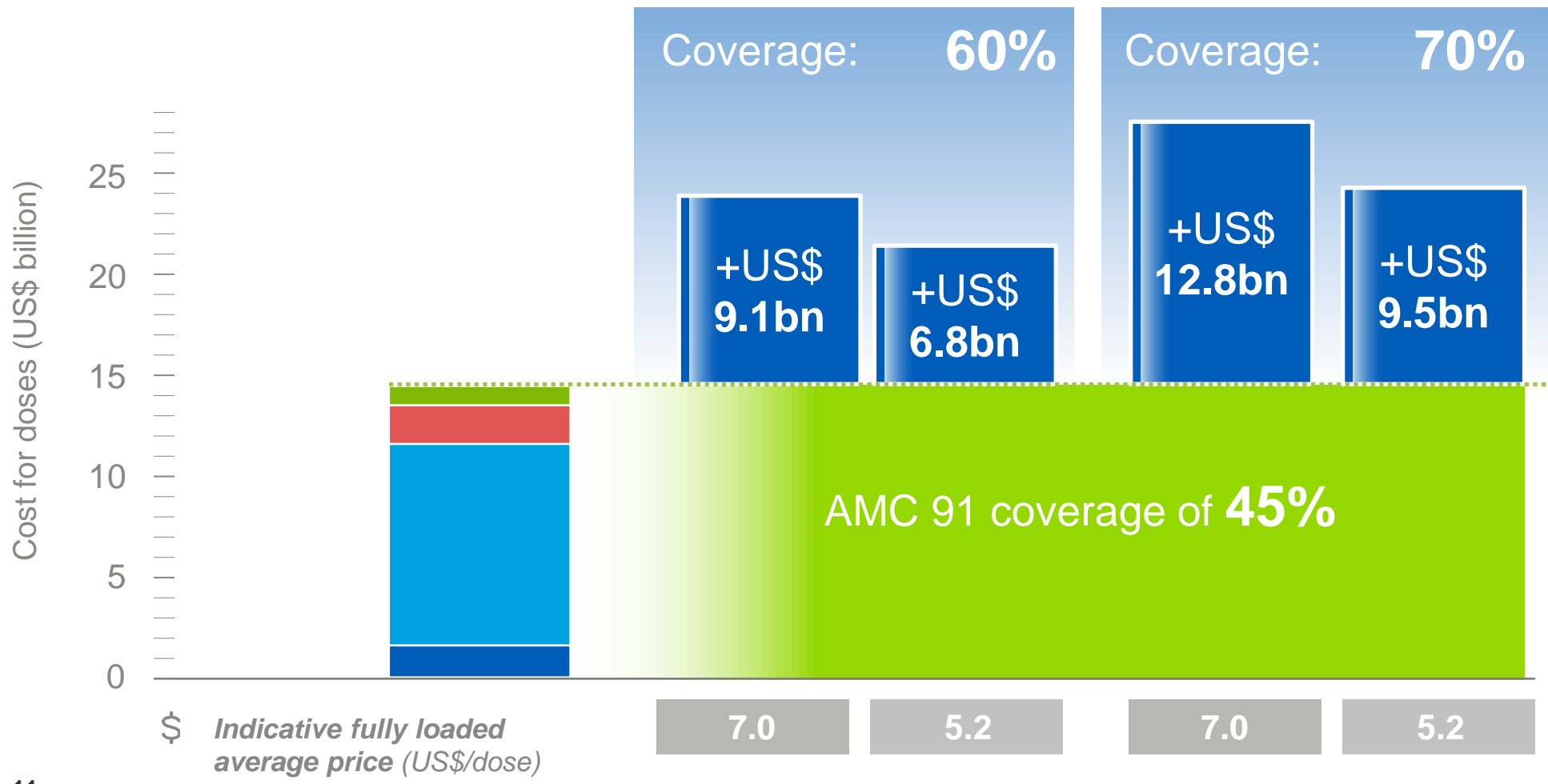
* Volumes for expected single-dose regimen candidates doubled to ensure comparability across vaccines.

Additional doses required to reach 60% or 70% coverage and manage downside risk

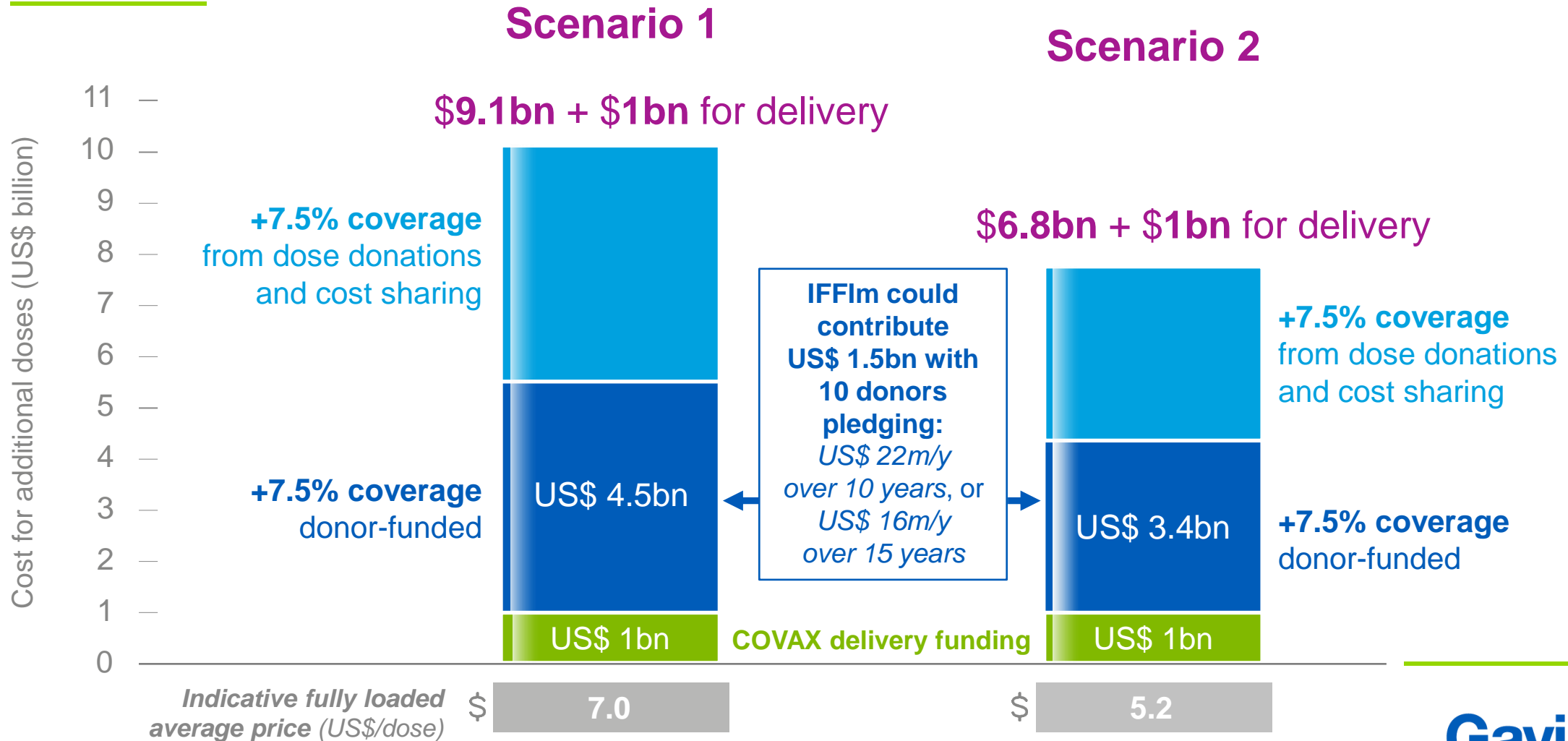


* Potentially for use to extend or boost protection for high risk populations, and/or address new variants

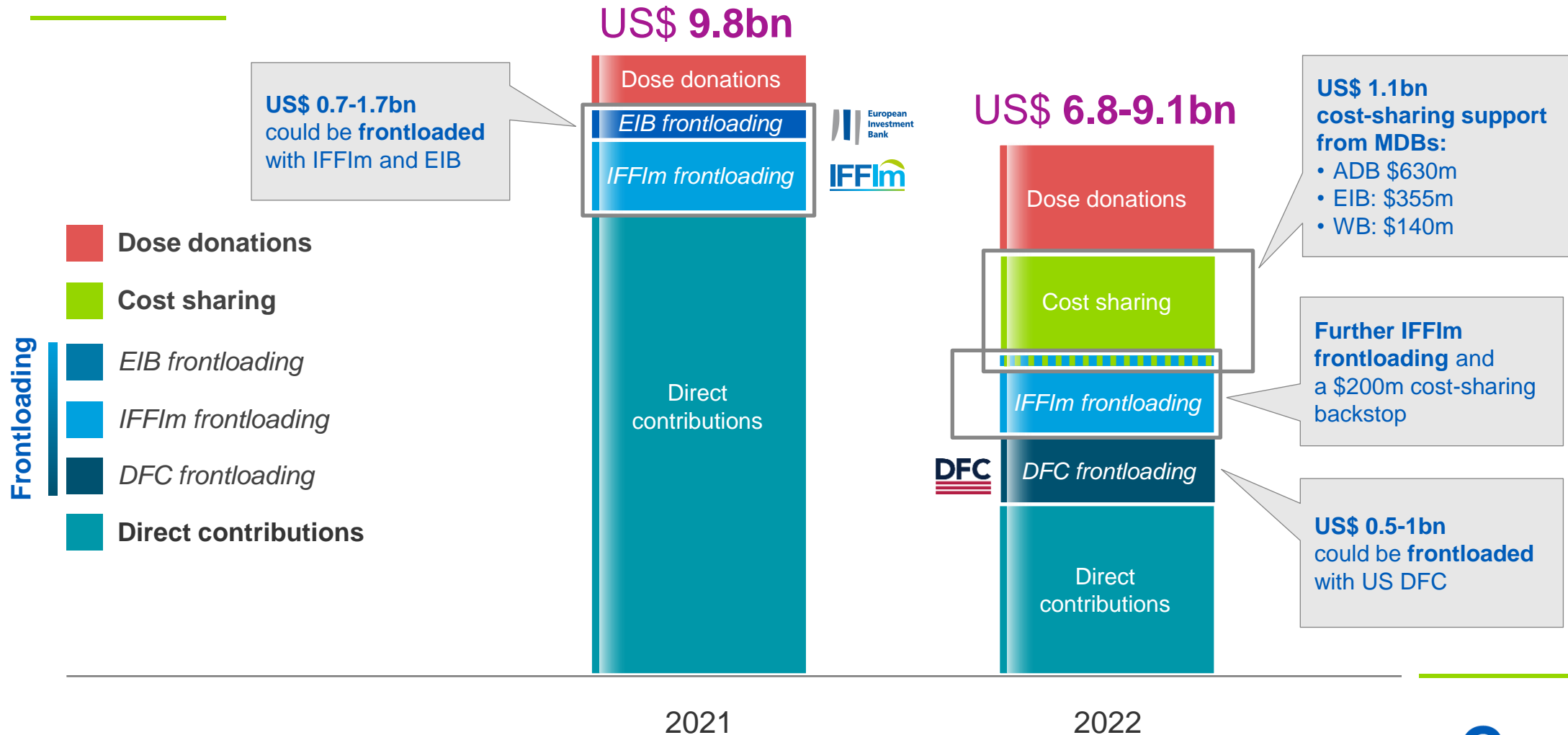
Cost if additional doses purchased to reach 60% or 70% coverage



Scenarios for additional 1.3bn doses to reach 60% coverage in AMC91



Mobilising funding and managing risk through a range of instruments



Various Gavi frontloading instruments allow donors to spread their contributions to COVAX over time

IFFIm



Capital markets-based frontloading:

long-term grants are made to IFFIm and are used to back bond issuances, which proceeds are transferred to Gavi.

- Capacity: no restrictions
- Legal restriction: legally binding pledge
- Frontloading capacity: ca. 70% of the grant amount
- Eligibility: sovereign donors able to make legally binding long-term pledges
- Cost: market based (AA rated debt)

EIB



Loan-based frontloading:

COVAX pledges paid between 2022 and 2025 are assigned to EIB for frontloading by a specific clause in the grant agreement.

- Capacity: ca. US\$ 520 million
- Legal restriction: pledge assignment to EIB
- Frontloading capacity: 66% of the value of signed grant agreements
- Eligibility: any sovereign donor with payment schedule stretching 2022-25
- Cost: zero cost

US DFC



Loan-based frontloading:

COVAX pledges announced by certain donors can be frontloaded directly through this instrument.

- Capacity: up to US\$ 1bn
- Legal restriction: under negotiation
- Frontloading capacity: 50-66% of the value of publicly announced pledges
- Eligibility: sovereign & private sector donors
- Cost: cost of capital + margin

Next steps

- **Progress analysis of sources of supply which are complementary to COVAX**
- **Refine illustrative scenarios based upon feedback**
- **Finalise COVAX AMC contribution and ask**

6

Discussion



Reach every child

www.gavi.org