

FINANCIAL UPDATE, INCLUDING FORECAST - COVAX AMC FINANCIAL FORECAST

BOARD MEETING

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23-24 June 2021, Virtual Meeting



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GAVI “CORE”

FINANCIAL UPDATE 2016-2020 (4.0) 2021-2025 (5.0)

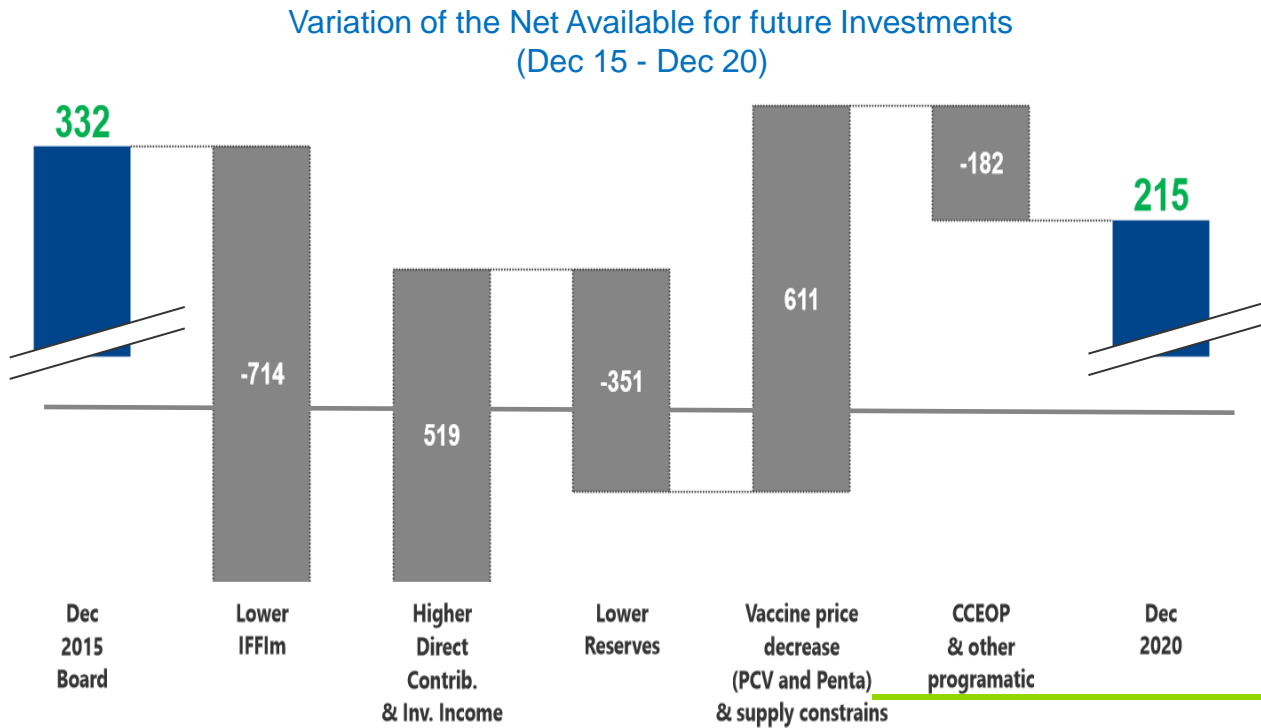
Notes:

- Figures are in US\$ millions
- Forecasts are presented on cash flow basis

Closing 4.0: 2016-2020 performance (actual vs. initial forecasts)

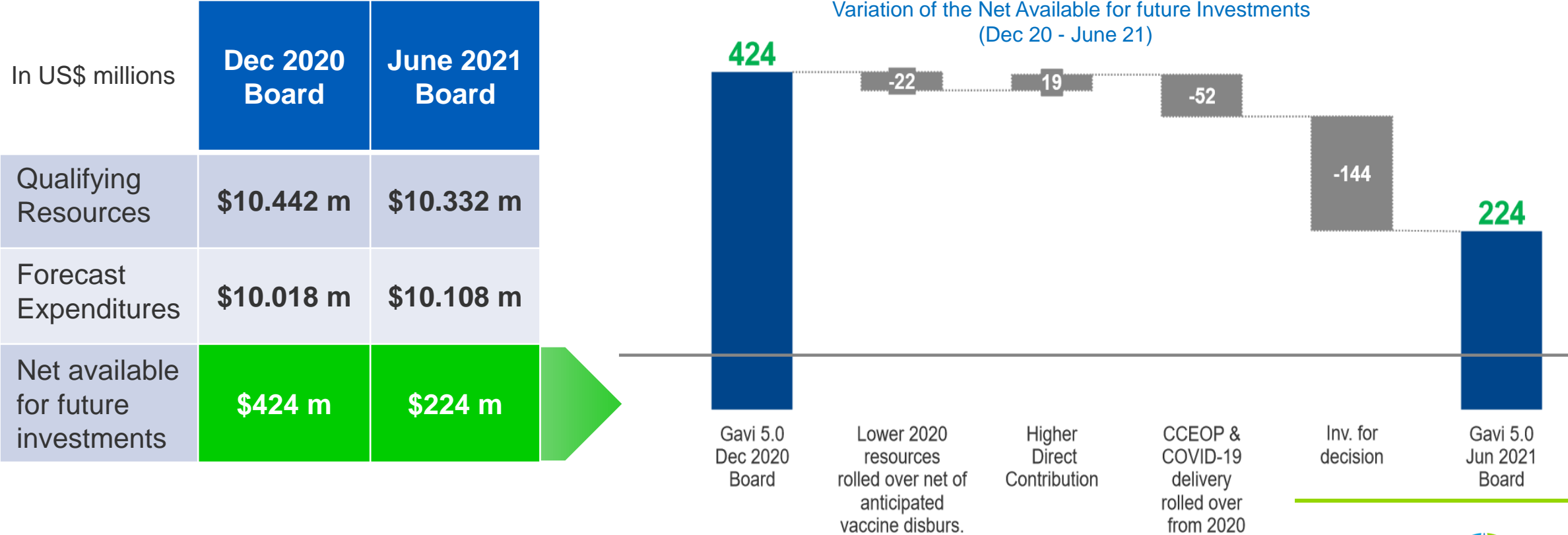
Effective use of donor resources - 2% carried forward to next strategic period

in US\$ millions	Dec 2015 Board	June 2021 Board <i>(Dec 20 data)</i>	
Qualifying Resources	\$9,850 m	\$9,575 m	98%
Forecast Expenditures	\$9,518 m	\$9,360 m	
Net available for future Investments	\$332 m	\$215 m	



Gavi 5.0 : 2021-2025 updated Financial Forecast (Dec 20- June 21)

No material changes to the Financial Forecast approved by the Board in December 2020



Financial Update : Summary

US\$ million, cash-flow basis

Assured Resources (projected)
Allow. for Further Direct Contributions
Qualifying Resources

Forecast Expenditure

Available for future investments

2016-2020			2021-2025		
Prior Forecast (v18.0) Dec 2020 Board	Variance vs Forecast	Actual end of Dec 2020	Prior Forecast (v18.0) Dec 2020 Board	Change upon updating estimates	Impact of June 2021 decisions
9,536	39	9,575	10,442	(111)	
9,536	39	9,575	10,442	(111)	
9,192	169	9,360	10,018	(55)	144
345	(130)	215	424	(56)	(144)
\$0.3 bn		\$0.2 bn	\$0.4 bn		

New Forecast (v18.2) June 2021 Board
10,332
10,332
10,108
224
\$0.2 bn



Decisions for consideration by the Board million	US\$	Already in the Forecast	Decision amount	Forecast proposed
(a) Fiduciary risk assurance costs & Financial Management		25	139	164
(b) Vaccine Innovation Priorisation Strategy		0	5	5
		25	144	169

Board meeting
23-24 June 2021

Future Opportunities & Risks

- Future Directs Contributions
- Foreign exchange fluctuations
- Additional Investments
 - Strategic Partnership with India,
 - Gavi 5.0 Innovation Strategy,
 - Vaccine-preventable disease (VPD) surveillance
 - Potential Malaria programme
- Covid19 Impact

Recommendation

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 has reviewed the financial implications of the recommendations made by the Programme and Policy Committee at its meeting on 19-20 May 2021 as set out in Figure 2 of Doc 04a and concluded that these recommendations could be approved by the Board in accordance with the Programme Funding Policy;
- b) **Note** that except for reflecting the financial implications for Gavi 5.0 of the recommendations made by the Programme and Policy Committee, no changes have been made to the Finance Forecast approved by the Audit and Finance Committee on 4 May 2021; and
- c) **Approve** the Financial Forecast for the Gavi 5.0 (2021-2025) Strategic Period as set out in Section B of Doc 04a.

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COVAX

FINANCIAL UPDATE 2020-2022

Notes:

- Forecasts are presented on cash flow basis

COVAX AMC Financial Forecast

- This reports the COVAX Financial Forecast for the Gavi COVAX AMC economies for the period 2020-2022, including procurement and delivery of COVID-19 vaccines
- This forecast is only for the COVAX AMC and **does not include** self financing participants' resources and expenditures
- Effective from the next forecast cycle, the Secretariat will include the COVAX facility in the regular forecast process and present a consolidated view

COVAX AMC forecast resources of US\$ 10.6 bn (including delivery) with forecast expenditure of US\$ 10.4 bn and US\$ 248 m for future investments

Figure 1: Overview of resources to meet expenditure

US\$ million, cash-flow basis		2020-22
		Total Forecast
A	Qualifying Cash Resources	10,603 \$10.6 bn
B	Forecast Expenditure	10,355 \$10.4 bn
C=A-B	Available for future investments	247.8 \$0.2 bn
Non-Cash Resources (Dose Donations)*		

**Value of Dose Donations subject to multiple stakeholders review*

COVAX AMC forecast resources of US\$ 10.6 bn consisting of US£ 9.7 bn for vaccines and US\$ 0.9 bn for delivery

US\$ million, cash-flow basis

	2020	2021	2020-21	2021	2020-21	2022	2020-22
	Actuals	Budget Dec '20	Cumulative Budget	Latest Forecast (Jun '21)	Cumulative Forecast	Latest Forecast (Jun '21)	Total Forecast
Resources Available							
Direct contributions - Vaccines (projected)	323	5,795	6,118	7,145	7,469	1,053	8,522
IFFIm Proceeds (projected)	-	882	882	1,156	1,156	-	1,156
Subtotal Vaccines (projected)	323	6,677	7,000	8,302	8,625	1,053	9,678
Direct contributions - Delivery (projected)		56	56	775	775	-	775
Gavi Core Contribution - Delivery (projected)	150	-	150	-	150	-	150
Subtotal Delivery (projected)	150	56	206	775	925	-	925
EIB Loan Proceeds	-	293	293	537	537	-	537
BMGF Loan Proceeds	300	-	300	-	300	-	300
Investment Income, etc.	-	-	-	0	0	-	0
Total Inflows	773	7,026	7,799	9,614	10,387	1,053	11,440
EIB Loan Repayment		(293)	(293)	(293)	(293)	(244)	(537)
BMGF Loan Repayment		(300)	(300)	(300)	(300)	-	(300)
Qualifying Cash Resources (US\$)	773	6,433	7,206	9,021	9,794	809	10,603
	\$0.8 bn	\$6.4 bn	\$7.2 bn	\$9.0 bn	\$9.8 bn	\$0.8 bn	\$10.6 bn

Nil Impact

Non-Cash Resources (Dose Donations)*

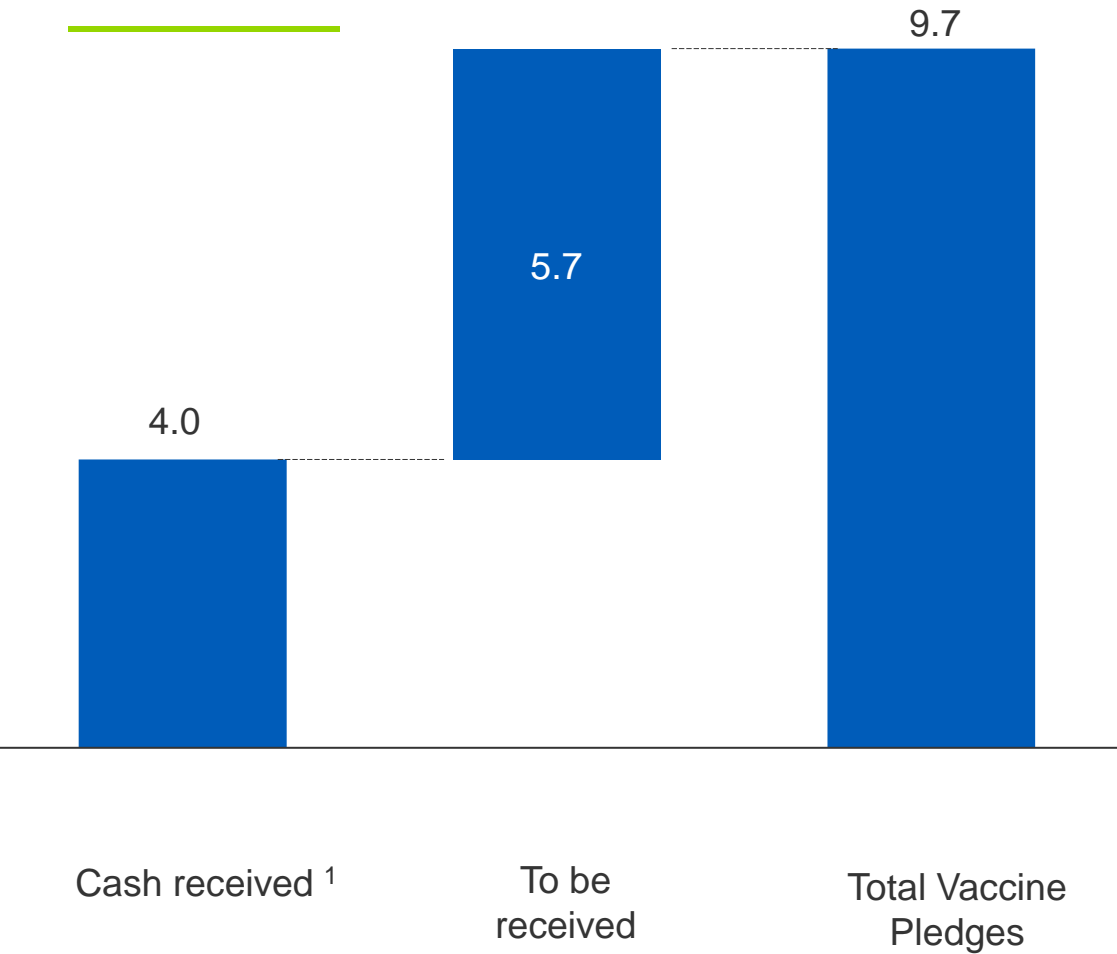
*Value of Dose Donations subject to multiple stakeholders review

Forecasts : Risks Identified

- The COVAX **supply** schedule is subject to change by manufacturers (& other factors including regulatory approval timing & export controls), some volumes may not materialise (e.g. if there is a regulatory issue) or be rescheduled into 2022
- The anticipated phasing of **receipts** of the donor pledges is expected in advance of disbursement. In line with the risk management framework agreed by the AFC, COVAX will not enter into any financial commitments not supported by assured resources resulting in donor receipts now critical to assure supply (refer cash flow forecasts in next slide)
- Donated doses create **ancillary costs** to be incurred in cash (such as syringes, freight and NFC) and donors are encouraged to cover the costs
- As COVAX supply increases, the **absorptive capacity** of AMC92 countries to deliver the vaccines to populations will be put under pressure
- Rapidly changing context and ramp up of volumes is increasing the **complexity of the operating model**.

AFC has approved deals based upon donor pledges.

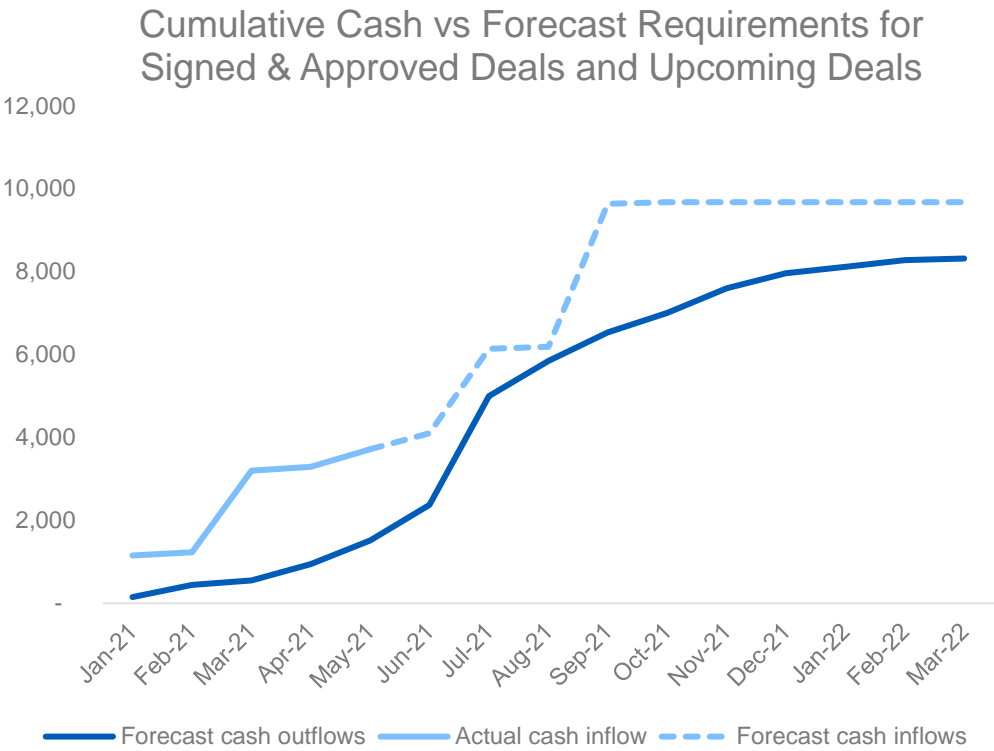
US\$ 5.7 bn of pledge cash to be received to meet cash flow forecast



Cash Situation as of 15 June 2021

¹ Total cash received from pledges (excluding loans)

Cash Forecast View



Reliance on receiving forecast AMC-92 cash by September 2021 to cover expected payments for committed deals



Recommendation

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

- a) **Note** that the Audit and Finance Committee reviewed the financial implications of the recommendations from the Programme and Policy Committee as set out in Figure 3 of Doc 04b (COVAX AMC Financial Forecast) and concluded that these recommendations could be approved by the Gavi Alliance Board in accordance with the Programme Funding Policy; and
- b) **Approve** the 2021-2022 COVAX AMC Financial Forecast as presented in Section B of Doc 04b, noting that this has been amended for the June 2021 Gavi Alliance Board meeting to reflect recent developments as discussed by the AFC at its 3 June 2021 meeting. The AFC requested that the revised forecast be discussed at the 21 June 2021 AFC meeting.

THANK YOU



Reach every child
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