



GAVI 6.0 'STRATEGIC COST ESTIMATE'

AUDIT AND FINANCE COMMITTEE MEETING

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30 May 2024, Virtual

Context & Objectives: AFC review of Gavi 6.0 Strategic Cost Estimate

Context

- Board-led process to develop Gavi 6.0 strategy over past 12 months
- Gavi Secretariat completed a strategic cost estimate of Gavi 6.0 strategy to inform the discussion
- As a result, Gavi 6.0 One Pager* will be put forward for approval to June Board, supported by strategic narrative and indicative strategic cost estimate

* - see Annex for draft Gavi 6.0 "one pager"

Objectives of the AFC discussion

- AFC to **review and provide guidance** on key assumptions and potential financial risks and opportunities which could impact delivery of Gavi 6.0 strategy
- Secretariat to provide update on source of funds status ahead of replenishment event
- Not in scope: (i) review of Gavi 6.0 strategic priorities (ii) financial impact of strategic choices not selected at April 2024 Board retreat (iii) replenishment ask to deliver the strategy

Next steps:

- Feedback to Board (via AFC Chair briefing)
- Operationalisation of Gavi 6.0 strategy, including detailed 6.0 Financial Forecast reflecting outcome of replenishment (2025 May AFC)

Executive Summary

1. **Strategic cost estimate for 6.0** (while not a full forecast and budget) builds on the underlying vaccine demand forecast
2. This latest cost estimate of US\$ 11.9 billion (US\$ 11.8-12.0 billion) is based on the latest Board and PPC guidance on strategic trade-offs required to meet an **ambitious but realistic financial envelope for Gavi 6.0**
 - a. **Funding envelope shares:** Includes US\$ 6.6 billion of vaccine costs, US\$ 2.6 billion of HSIS programmes, US\$ 1.1 billion of PEF (of which US\$ 0.9 billion PEF TA), US\$ 0.8 billion of special envelopes / other, and US\$ 0.8 billion of Opex (Secretariat and PEF).
 - b. **Efficiencies:** This includes additional efficiencies compared to those already included in the initial ambition articulated by the Board at the December 2023 Retreat. This includes further market shaping savings against the vaccine forecast (US\$ 0.3 billion), cash funding lever consolidation efficiencies (US\$ 0.3 billion), efficiencies in partner and Secretariat operations and other envelopes (US\$ 0.5 billion+)
 - c. **Trade-offs:** The strategic cost estimate incorporates trade-offs, including reductions against the initial ambition articulated by the Board at the December 2023 Retreat.
3. **Critical macro economic drivers**, including USD inflation of 2.1% p.a, have been taken into consideration. Specifically, the cost estimate assumes that inflation risks can be mitigated by market shaping activities and greater efficiency across funding envelopes.
4. There are number of **risks (and opportunities)** associated with the 6.0 strategy. These include (but are not limited to):
 - a. **Transition risks:** Co-financing and transition may be slower (or faster) than forecasted
 - b. **Programmatic risks:** Key cost drivers such as product or schedule switches may go faster or slower than expected
 - c. **Epidemiological, population and other risks** may differ from forecast (e.g. higher number of outbreaks)
5. The final cost of Gavi 6.0 will be driven by the resources mobilised through the **replenishment process** and a detailed forecasting will take place in H1 of 2025.

Basis of Preparation: Existing programmes consistent with financial forecast process & higher level strategic assumptions

Programme Scope

- In line with the guidance from the April 2024 Board retreat and from May PPC
- **Includes** programmes to be financed from the Gavi 6.0 replenishment cycle
- **Excludes** programmes with ring-fenced funding already secured (i.e. AMVA, DZF)

Vaccines

- **Volumes** reflect country birth cohorts and coverage growth & wastage assumptions
- **Introductions:** Indicative country demand (factoring in targeting, pacing & country capacity)
- **Prices** fixed near term (1-3 years), then based on expected market dynamics & exchange rates
- **Country Financing:** reflects current eligibility and transition policy* and country transition timing

HSIS Programmes

- **HSIS based on Gavi 5.0 level with additional Board trade-off choices** plus 10% efficiency from funding lever consolidation
- **VIGs/Ops** based on vaccine programme assumptions (on introductions/ campaigns)

PEF

- **PEF TA (PEF SFA, TCA, FS)** 6.0 funding linked to HSS; includes 10% efficiency
- **PEF programmes** to be further detailed in 6.0 operationalisation phase

Special Envelopes/FMRA

- **ELTRACO** funding required to introduce enhanced model (includes vaccine and cash costs)
- **MICs** funding based on 5.0/5.1 level; **FMRA** funding based on 5.0/5.1 level with 33% efficiency

Secretariat Opex

- Baseline is **OE assumptions endorsed by Board**
- Additional efficiency gains of US\$ 100 million based on April Board retreat guidance (across Alliance 'PEF/Secretariat' envelopes)

Critical Underlying Assumptions: Context to inform overall costing

10% increase in vaccinated infants (DTP3)

Vaccine volumes are calculated on a country programme basis.

Across Gavi 54 countries = 10% growth in vaccinated child populations

- 5% increase in birth cohort
- 5% increase in coverage
 - ~1 % Coverage Growth per year (capped at target by vaccine)
- DTP3 Coverage 2030: 87%

Impact 8-9m Deaths Averted

- *Vaccine volumes -> coverage & number vaccinated -> health impact modeling*
- *Assumes HSIS/PEF sufficient to deliver vaccine programmes*

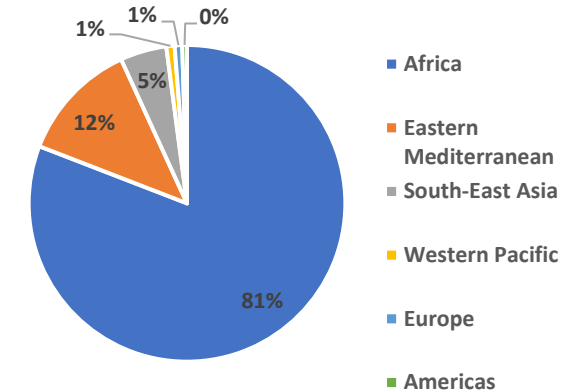
11% inflation eroding spending power of our investments

- *US Inflation Forecast:*
 - 2021-2025: 24%
 - 2026-2030: 11%
- *While Gavi disburses in USD inflation impact likely to be higher in individual countries*
- *Country/market specific inflation assumptions used where available*

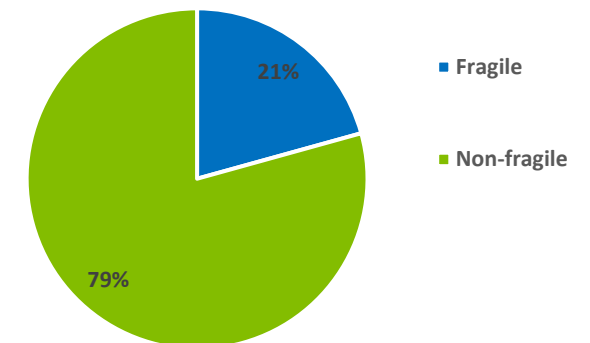
Market shaping efficiencies built in our Vaccine forecasts

- *Weighted avg price (WAP) -6% v inflation*
- *40% price reductions on launch vaccines*
- *9 new reductions on lowest price per presentation giving country opportunities to switch to lower price presentations*

80% of our volume in Africa (vaccines*)



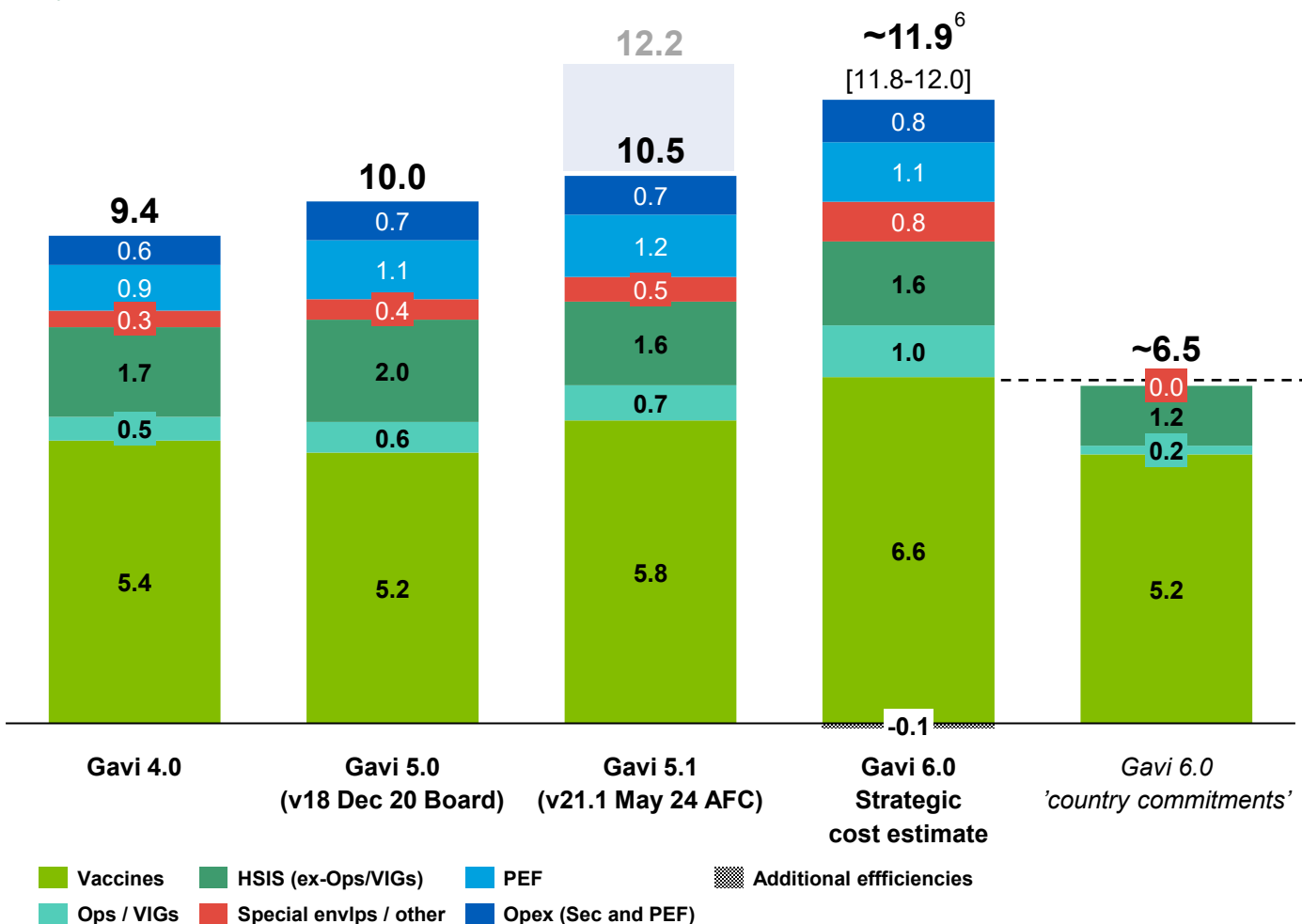
21% volume in Fragile countries (vaccines*)



Overview: 6.0 Strategic Cost estimate of ~US\$ 11.8 billion of which US\$ 6.5 billion is 'committed to countries' (subject to funding being available)

Doc 05 - Annex D

US\$ billion



Overview

- Gavi 6.0 strategic cost estimate of ~US\$ 11.9 billion (US\$ 11.8-12.0 billion) with growth driven by increasing vaccine support
 - More children (10%)
 - New programmes (e.g Malaria/ Cholera)
 - Partly offset by price efficiencies and countries transitioning out of Gavi support)
- Slightly above Gavi 5.1 forecast of US\$ 10.5 billion
- Slightly lower than post repurpose 5.1 forecast US\$ 12.2 billion
- Vaccine share stable at c 55% (c 70% when considering country financing)
- HSIS (ex Vigs/Ops) US\$ 1.6 billion is flat v 5.1 but 20% lower than 5.0 base with inflation further eroding spending power

Gavi 6.0 commitment level (subject to funding)

- US\$ 6.5 billion of US\$ 11.8 billion cost-base is expected to be 'committed to countries' by end of Gavi 5.1

2 HSIS (ex-Ops/VIGs) includes HSS, EAF and CCEOP

3 PEF includes Targeted Country Assistance (TCA), Strategic Focus Areas (SFA), Foundational Support (FS) as well as Procurement Fees, Partnerships in Innovation and post-transition support (Gavi 5.1 only)

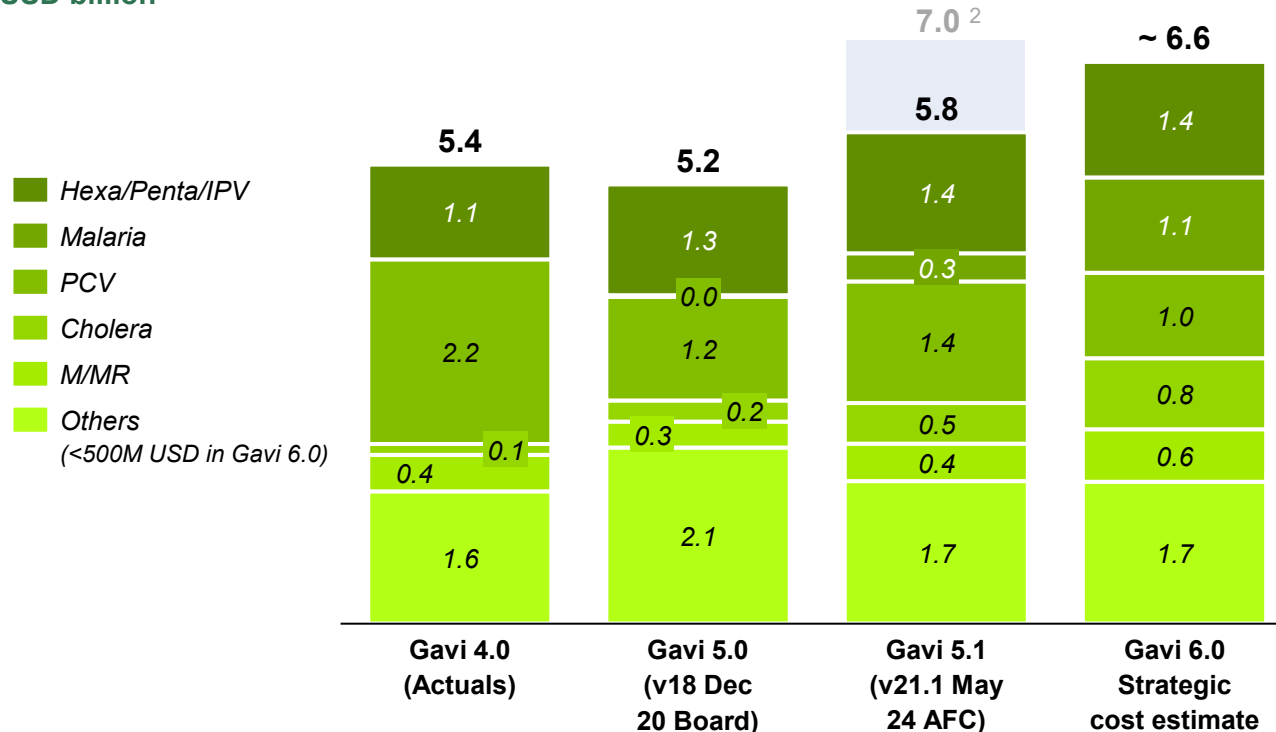
4 Special envelopes / other includes Middle Income Country support strategy and costs associated with Eligibility, Transition and Co-financing as well as FMRA, COVID-19 vaccine delivery costs, VIPS and CEPI

5 Opex includes Secretariat costs and PEF studies and evaluations | 6 \$11.9bn is net of \$100m additional efficiencies across partner cost and Opex (to be allocated)

Vaccines: Increase in children vaccinated AND new vaccines offset by market shaping efficiencies and increase in country financing

Gavi 6.0: Strategic cost estimate and Gavi 5.1, 5.0, 4.0 comparatives

USD billion



Key Assumptions

- Existing programme commitments (US\$ 5.2 billion) with increase birth cohort (5%) and coverage (5% DTP3)
- Forecasted introductions (incl. Malaria, Hexa, MMCV) and campaigns (incl. Cholera)
- Existing inflation beating market shaping & programme efficiencies (WAP -6% v inflation)
- Key forecast drivers
 - Increase in Country financing (US\$ 0.6 billion) ELTRACO
 - Vaccines paced, prioritized and targeted v underlying base country forecast (US\$ 0.7 billion)
 - Additional market shaping efficiency to be operationalised (US\$ 0.3 billion)

Key Risks

- Co finance/ self transition slower (US\$ 0-0.6 billion)
- Targeted efficiencies not achieved (US\$ 0-0.3 billion)

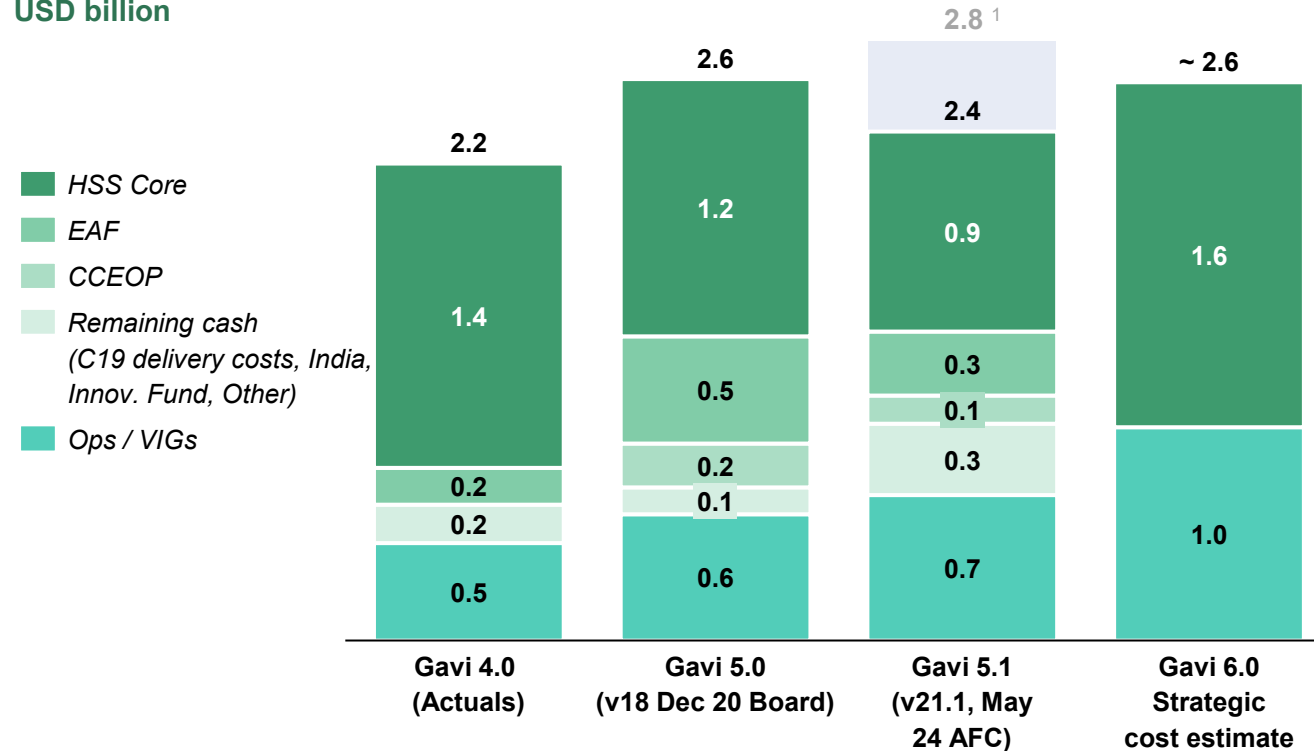
Vaccines total (\$m)	5,811	5,195	5,811	6,642
Vaccine volumes (m ds)		3,000	3,500	3,900
Impact (deaths averted)			7-8 million	8-9 million

Full vaccine cost drivers, efficiencies, and risk breakdown provided in annex

Cash Programmes (HSIS): Total cash support remains at 5.0 levels (inflation impact offset by efficiencies)

Gavi 6.0: Strategic cost estimate and Gavi 5.1, 5.0, 4.0 comparatives

USD billion



Key Assumptions

- HSS support (Core + EAF + CCEOP) largely held to 5.0 level of support (pre-efficiencies)
- No additional funding for strengthening touchpoints for non infant age groups and PHC integration
- Ops/VIGS aligned with country vaccine demand forecast
- Includes a 10% efficiency gain from all cash programme funding lever consolidation

Key Risks

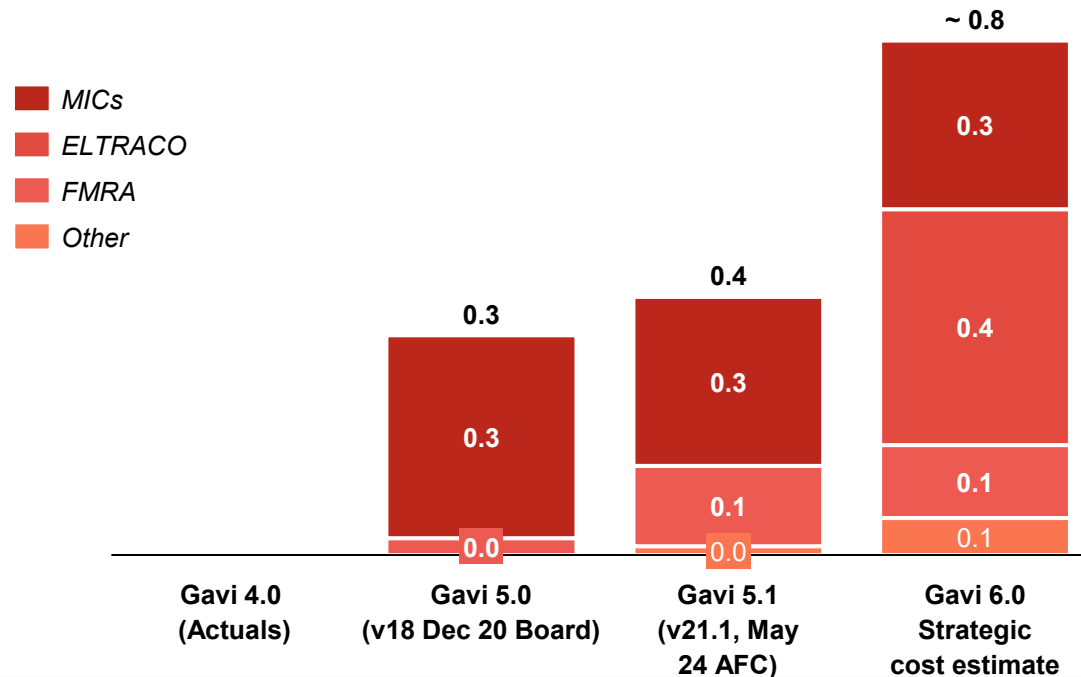
- Cash programme funding lever consolidation efficiency not achieved (0-\$303m)
- 11% 6.0 inflation impacts ability of countries to deliver vaccines (vs. 5.0 level of support)

Ops/VIGs total	456	589	679	995
HSIS (ex-Ops/VIGs) total	1,771	2,030	1,697	1,609
Total HSIS expenditure <i>Inc C-19 delivery cost</i>	2,227	2,619	2,376	2,604

Full cash cost drivers, efficiencies, and risk breakdown provided in annex

Special Envelopes: Implications of ELTRACO model changes currently held in special envelope until approved & split agreed

US\$ billion



	Gavi 4.0 (Actuals)	Gavi 5.0 (v18 Dec 20 Board)	Gavi 5.1 (v21.1, May 24 AFC)	Gavi 6.0 Strategic cost estimate
MICs	-	301	251	250
ELTRACO	-	-	-	350 [250-450]
FMRA	-	25	119	108
Other	-	-	13	55
Total expenditure	-	326	383	763

Key Board Choices and Efficiencies (included)

- Adoption of enhanced ELTRACO model, of which US\$ 295 million (range US\$ 195-395 million) Gavi funding of vaccine co-financing reductions/change of eligibility and US\$ 55 million additional cash support¹
- Adoption of 6.0 MICs approach, with no additional funding for subset of Former- and Never- Gavi-eligible countries
- FMRA 33% efficiency on latest approved 5.1 forecast (noting final evaluation of level and risk appetite is in progress/ potential synergy with GF)

Key Risks / Opportunities

- FMRA efficiencies not identified, final evaluation on envelope outstanding
- ELTRACO I – Co-financing and Self-Financing model still subject to Board approval in Dec.
- ELTRACO II – once policy is locked approval transitions can differ from projections

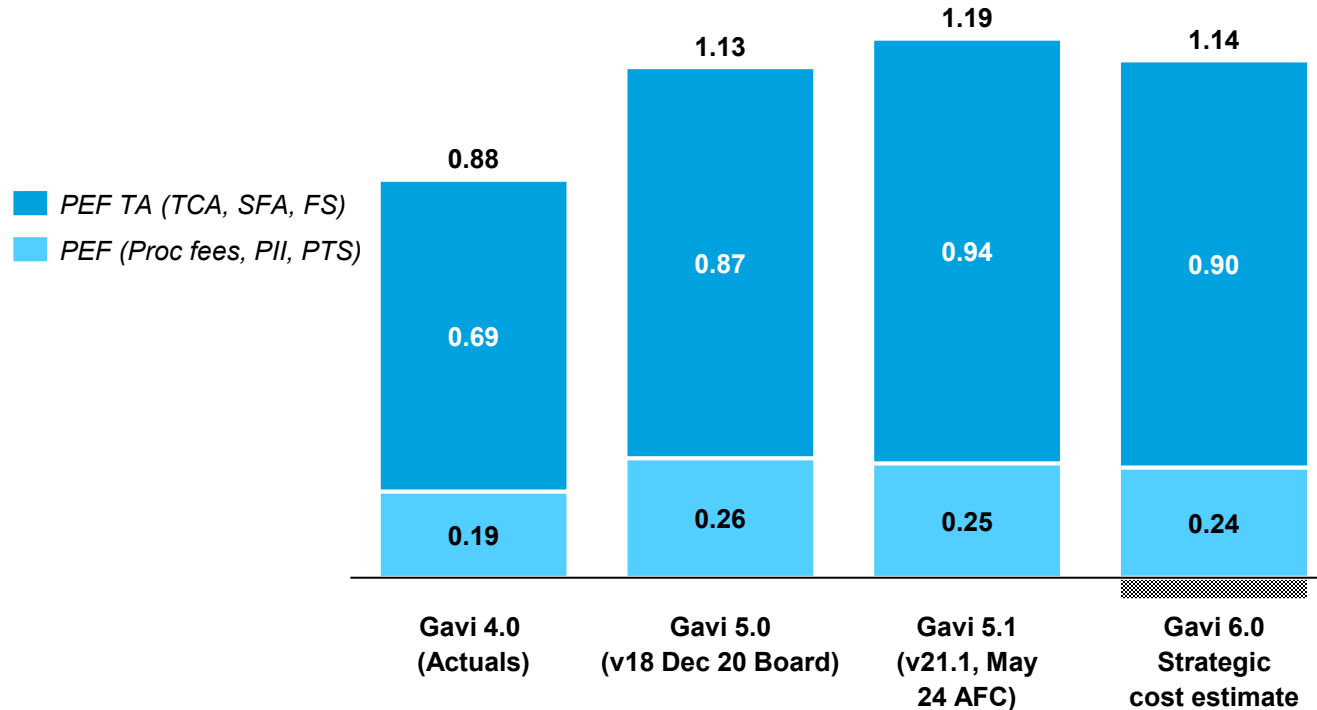
Full Special Envelope and FMRA cost drivers, efficiencies, and risk breakdown provided in annex

9 1. Eligibility threshold is updated to 2'300 GNI p.c. for the lower end of the range of the Enhanced ELTRACO model; vs. 2'500 GNI p.c. including a revision of the co-financing rule for fully self-financed programmes for countries regaining eligibility or re-entering the preparatory transition phase (for the upper end of the range of the Enhanced ELTRACO model). To be discussed by June Board and concretised during Funding Policy Review.

PEF: High level assumptions in line with HSS assumptions. Plans will be detailed in 6.0 operationalisation phase

Gavi 6.0: Strategic cost estimate and Gavi 5.1, 5.0, 4.0 comparatives

USD billion



PEF TA total	689	865	939	900
PEF (Proc, PII ¹ , PTS)	191	264	255	244
Unallocated efficiency				0-100
Total expenditure	879	1,129	1,192	1,144

Key Board Choices and Efficiencies (included)

- Assumes similar proportion of HSS to PEF costs in 6.0
- Targeted 10% efficiency (\$100m USD) in PEF
- Additional targeted efficiencies across PEF and Opex of US\$ 100 million not yet included (part of 6.0 operationalisation process)

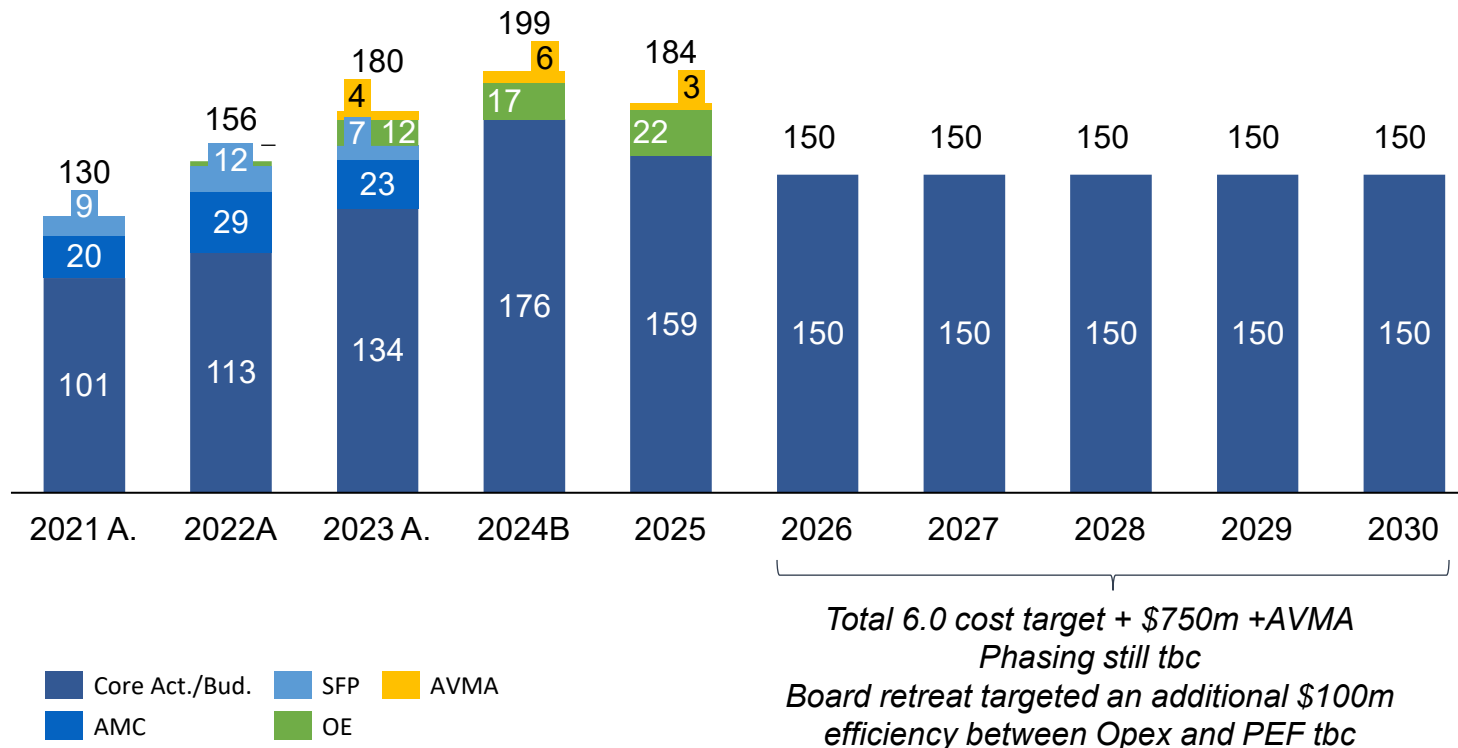
Key Risks

- PEF TA efficiency not achieved (0-\$100m+)
- Projected inflation of 2.1% p.a. impacts ability of Alliance to support vaccine delivery
- PEF programmes to be further detailed in 6.0 operationalisation phase

Secretariat Opex: Board OE savings target c30% reduction v 2024 with additional Board targeted 'Alliance' efficiency to be planned

Gavi 6.0: Strategic cost estimate and Gavi 5.1 comparatives

USD million



- PEF Opex (Studies and Evaluations) not shown
- In 5.1, US\$ 89 million of PEF Opex forecasted and US\$ 67 million of PEF Opex assumed during 6.0

Key Board Choices and Efficiencies (included)

- Target efficiency 6.25% of overall expenditure (vs. current OE target of 6.5% and in line with Gavi 5.1 Opex ratio)
- Additional targeted efficiencies across PEF and Opex of US\$ 100 million, not yet included (ratio would fall below 6% if >US\$ 36 million efficiencies allocated to Secretariat)
- AVMA not included in 6.0 forecast as already funded & spend across 6.0, 7.0 and 8.0

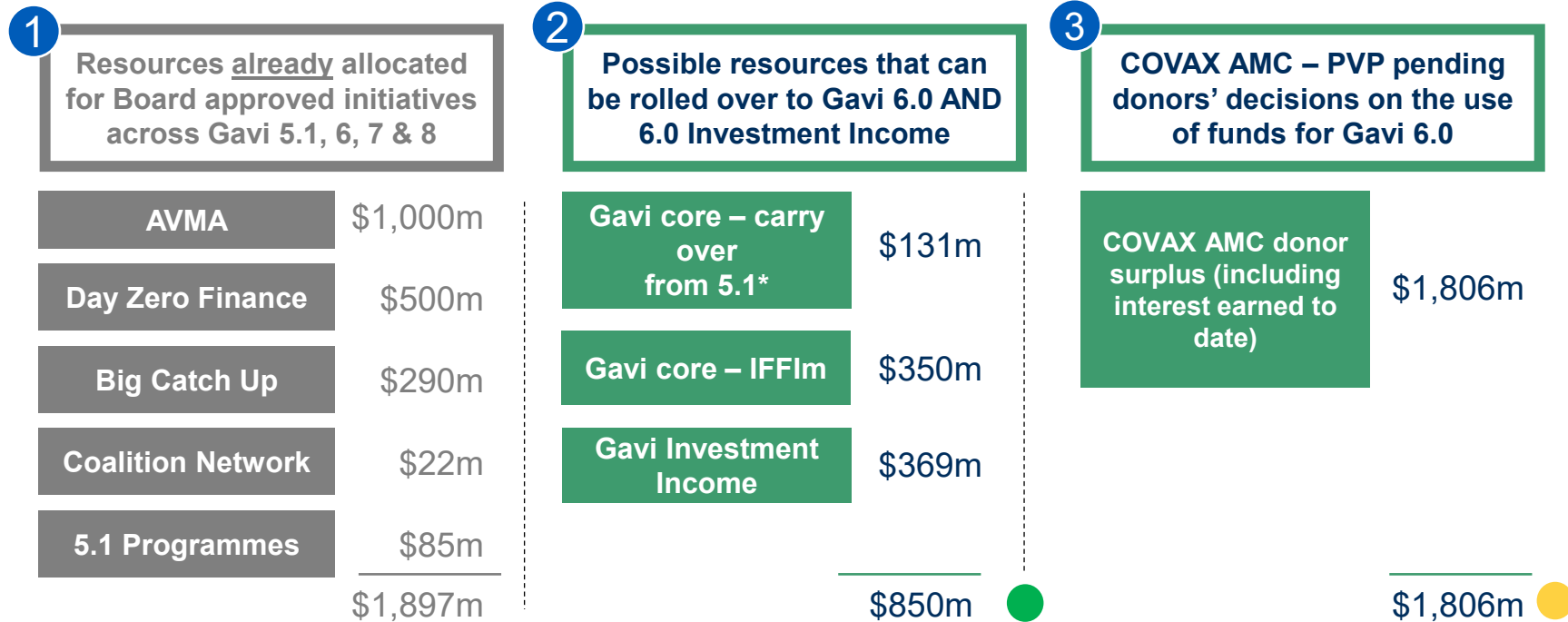
Key Risks

- Blended (CHF/USD) inflation of 1.75% p.a. impacts ability of Secretariat to deliver strategy
- Does not include any one-off initiatives for 6.0 (such as SAP in 4.0, Evolve/OE in 5.0)
- This requires full absorption of inflation by delivering a further US\$ 71 million efficiencies in Gavi 6.0 in addition to OE.

Foreign exchange: Gavi 6.0 forecast assumes CHF to USD in line with current rates – risk of change in costs following actual fx rate evolution

COVAX: The total Opex to be charged to COVAX (covering OCF, C-19, CDS, PPPR, SFP) is \$175m **2021-2025:** Opex spend is total cost of Sec, including COVAX and AVMA

Overview of Gavi's potential resources as at the End of 2025



- 1 The Board has approved AVMA, DZF BCU programmes. Donor repurposing in progress** ahead of announcements in June. Note some spend in 5.1, 6.0, 7.0, 8.0
- 2 Programmatic funding carry over from 5.1 AND World Bank IFFIm forecast for 6.0** (5.1 both numbers as per May AFC forecast). Investment income forecast as per new methodology
- 3 US\$ 1.8 billion COVAX AMC funds as May AFC.** Evaluation will allow donors to discuss the future of the instrument. **Donor consultations ongoing to potentially transfer or use funds for 6.0 activities,** with potential earmarking for some donors.
- 4 'Funding 'Risk and Ops' .** Opportunities are all future receipts (not cash in bank), **all are uncertain, currently COVAX earmarked and pending final decisions on use of funds.**
- 5 Most significant uncertainty remains repurposing of COVAX AMC funds**

'Funding' Risks and Opportunities NOT in forecast due to uncertainty (including repurposing)

Opportunities for COVAX AMC, AVMA and DZF

Risk

1. Future COVAX AMC interest (2024-25)	Market risk; donor decision use of funds	\$0-180m	●
2. Future AVMA / DZF interest (2024-25)	Market risk; donor decision use of funds	\$ 0-88m	●
3. Outstanding COVAX Donor pledges	Donor decision on pledges	\$0-129m	●
4. Future Manufacturer/NFC receipts (2024-28)	Manufacturer unable to pay; donor use of funds	\$0-400m	●
5. Lower C19 programme spend (2024-25)	Approved programme demand; donor use of funds	\$0-100m	●
6. Holistic treasury investment review (2026-30)	Lower investment returns; donor use of funds	\$0-373m	●
7. IFFIm forecast (World Bank update ongoing tbc)	World Bank forecast now US\$ 655m (under review)	\$0-305m	●

Level of certainty: HIGH ● MEDIUM ● LOW ● Overall risk is combination of risk of not materializing x risk of not being repurposed

Assumption: No change in Programme Funding Policy Cash/Investment reserve requirements (9 months), est \$1,56bn.

Gavi 6.0: Strategic Cost Estimate 'Financial Risks & Opportunities'

Opportunities (choices) / lower cost

Resources

US\$ million

- **Gavi 6.0 resources** subject to replenishment

Expenditures at 'risk' (many efficiency savings need to be operationalised with partners & countries)

- Co Finance/Transition lower or slower 0 - 600
- Additional Market Shaping efficiencies not deliverable 0 - 300
- Risks in Underlying Programmes/Efficiency plans
 - Country **not** moving to lower cost vaccine presentations (lower weighted cost) 0 - 125
 - PCV 3 to 2 dose not approved/delayed 0 - 150
- Cash programmes
 - HSIS efficiency (funding lever consolidation) 0 - 303
- PEF /Sec efficiencies 0 - 200
- Inflation adjusted envelopes impact ability of Alliance to deliver vaccines 421
- Accelerated TB launch (tbc) (will require fundraising)

Risks of up to US\$ 2.1 billion

Resources

US\$ million

- **Gavi 6.0 resources** subject to replenishment

If risks materialise (e.g. efficiencies not delivered) expenditure choices will need to be made including reassessing the vaccine demand priorities agreed at the Board retreat

Vaccine launches that could be further prioritised, targeted and paced include: Hexa (up to US\$ 230 million), Men A/MMCV (up to US\$ 330 million), Typhoid (up to US\$ 343 million), Measles (mostly campaigns up to US\$ 513 million), Cholera (mostly campaigns) (up to US\$ 295 million) and VIS 18/VIS24 up to US\$ 90 million.

Opportunities (Choices) of US\$ 1.8 billion



Guidance Requested from AFC

The AFC is requested to **review and provide guidance** on the Gavi 6.0 strategic cost estimate, in particular, the underlying key assumptions and potential financial risks and opportunities which could impact delivery of Gavi 6.0 strategy

APPENDICES

i) Key Financial Tables

Key milestones until launch of Gavi 6.0 in 2026

Gavi 6.0 approval

- **May 6 Board call:** Input on 6.0 'one-pager'
- **May 16-17 PPC:** Guidance on key technical 6.0 topics (ELTRACO/ MICs, Health Systems Strategy, climate change) & 6.0 operationalisation approach
- **May 30 AFC:** Review 6.0 indicative, strategic cost estimate
- **June Board:**
 - Approval of new 'one pager', supported by narrative, indicative cost estimate, 6.0 operationalisation approach
 - Guidance on ELTRACO/MICs, Health Systems Strategy
 - Decision on VIS 2024

Gavi 6.0 operationalisation (pending PPC/Board guidance)

- **Development of Gavi 6.0 theory of change and measurement framework** (*milestones until end 2025*)
- **Finalisation of key sub-strategies:** Incl. Health Systems strategy, Fragile/ Humanitarian/ Conflict settings approach, Climate Change approach (*second half of 2024 & first half of 2025*)
- **Updates of Gavi's programmatic policies:** Hardwire the evolution of Gavi's support into its funding policies (*second half of 2024*)
- **Evolution of the Alliance partnership approach:** incl. enabling the Partner Engagement Framework (PEF), set up new partnerships at global and regional level, drive collaboration with other Global Health Funds (Lusaka Agenda) (*2024-2025*)
- **Update of the Secretariat operating model (incl. through the Operational Excellence agenda),** e.g. update to vaccine and programme guidelines, reprogramming of cash support, EVOLVE implementation, integration of 6.0 shifts into other OE initiatives (*2024-2025*)
- *Work closely linked to detailed 6.0 financial forecasting (first half of 2025)*

Resource
Mobilisation
process

Drafting of Investment opportunity

June '24 Board
Inv. Opp. launch

Public campaign

Dec. '24 Board
Replenishment

Dec. '25 Board

FX Rates, Interest Rates & Inflation

FX Rates: Direct Contributions

Methodology

- Gavi 5.1: FX SPOT rates (SAP/ Refinitiv) at 29 Feb 2024, unless hedged
- Gavi 6.0: Average of Bloomberg FORWARD FX rates, at 29 Feb 2024
(*for DKK amount shown is for 2025)

Yearly Rates

Currency	Gavi 5.1	Gavi 6.0					
		2026	2027	2028	2029	2030	AVG*
AUD	N/A (fully hedged)	0.7300	0.7700	n/a	n/a	n/a	0.7500
CAD	N/A (fully hedged)	0.7900	0.7800	0.7800	n/a	n/a	0.7833
CHF	1.1305	1.1600	1.1400	1.1200	n/a	n/a	1.1400
DKK	0.1450	n/a	n/a	n/a	n/a	n/a	0.1600
EUR	1.0805	1.1500	1.1800	1.1700	n/a	n/a	1.1667
GBP	1.2625	1.3500	1.3800	1.4000	n/a	n/a	1.3767
NOK	0.0942	0.1100	0.1200	n/a	n/a	n/a	0.1150
SEK	0.0964	0.1083	0.1130	n/a	n/a	n/a	0.1107

Interest Rates: Interest Income

Methodology

- 2024-25: Bloomberg avg forecast rates
- Q1-Q2 26: Bloomberg avg forecast rates
- Q3 26 - Q4 27: continuous softened decline rate
- Y28 - Y30: Interest 2.5% at equilibrium, 50bps above target inflation of 2%
- Apply to AVERAGE cash balances

Yearly Rates

Gavi 5.1		Gavi 6.0				
2024	2025	2026	2027	2028	2029	2030
5.04%	3.70%	3.05%	2.65%	2.50%	2.50%	2.50%

Inflation (Expenditure Impact)

- Procurement-lead inflation: considered in market-specific vaccine price modelling
- Secretariat: forecast assumes increase of 1.75% - 2.0% p.a.
- Other expenditure (HSIS / PEF): inflation may erode purchase power, to the extent not absorbed by efficiency gains

	Gavi 5.1			Gavi 6.0				
	2021-2023 average	2024	2025 forecast -->	2026	2027	2028	2029	2030
IMF US inflation fcast	5.6%	2.9%	2.0%	2.1%	2.1%	2.1%	2.1%	2.1%
Inflation over strategic period	24%			11%				

Summary 'Strategic Cost Estimate' 6.0 ~US\$ 11.9 billion v 5.1 US\$ 10.5 billion 5.1 Core forecast as 7 May AFC (excluding C19, CDS & BCU)

Gavi 6.0 Strategic Cost Estimate

US\$ million

	Gavi 5.1 forecast (May 2023 AFC)	Change Gavi 5.1 to Gavi 6.0	Gavi 6.0 Strategic cost estimate
Assured Resources (projected)	10,339		
Allowance for Further Direct Contributions	300		
Qualifying Resources	10,639		TBD
	\$10.6 bn		
Vaccine programmes	5,811	831	6,642
Ops / VIGs	679	316	995
HSIS programmes (ex Ops/VIGs)	1,603	6	1,609
C-19 delivery costs	94	(94)	-
HSIS inc C19 delivery costs	2,376	228	2,604
Special envelopes / other ²	382	381	763
PEF ³	1,192	(48)	1,144
Programmatic Expenditure	9,761	1,391	11,152
Secretariat - OpEx	657	93	750
PEF - Operating Expenditure	89	(22)	67
Operating Expenditure	746	71	817
Additional efficiencies (PEF/Opex)		(100)	(100)
Total Expenditure	10,508	1,362	11,869
	\$10.5 bn		\$11.9 bn
Available for future investments	131		TBD
	\$0.1 bn		

Qualifying resources

Assumed sufficient to deliver costed strategy

- No assumption made about specific Gavi 6.0 resource levels while replenishment is ongoing

Expenditure (US\$ ~11.9 billion)

US\$ 1.2 billion increase v Gavi 5.1 if you exclude the 'exceptional' C19, CDS roll over and Big Catch Up

- Increased vaccine spend of US\$ 831 million
 - Increases driven by growth in the Malaria & Cholera programmes and Measles Rubella introductions.
- Ops & VIGs increase driven by introduction and campaign assumptions (with 10% efficiency)
- Cash based programmes reflects Board trade offs and 10% efficiency, noting overall lower Gavi 6.0 cash funding availability (incl. US\$ 1 billion CDS for 2021-2025) to countries vs. Gavi 5.0 funding
- PEF reduction from expected efficiency gains
- Special envelopes include MICs and ELTRACO, increase is driven by increase in ELTRACO
- Additional efficiencies of US\$ 100 million to be identified across PEF/Opex support costs

Summary 'Strategic Cost Estimate': 6.0 ~US\$ 11.9 billion v 5.1 US\$ 12.2 billion 5.1 Core forecast (including C19, CDS & BCU)

Gavi 6.0 Costed Strategy US\$ million	Gavi 5.1 forecast (restated)*	Change Gavi 5.1 to Gavi 6.0	Gavi 6.0 Strategic cost estimate
Assured Resources (projected)	12,004		
Allowance for Further Direct Contributions	300		
Qualifying Resources	12,304 \$12.3 bn		TBD
Vaccine programmes (inc C-19 in 2024/24)	6,993	(351)	6,642
Ops / VIGs	679	316	995
HSIS programmes (ex Ops/VIGs)	1,603	6	1,609
CDS (2024/25) and C-19 delivery costs	501	(501)	-
HSIS inc CDS & C19	2,783	(179)	2,604
Special envelopes / other ²	383	380	763
PEF ³	1,201	(57)	1,144
Programmatic Expenditure	11,360	(208)	11,152
Secretariat - OpEx	724	26	750
PEF - Operating Expenditure	89	(22)	67
Operating Expenditure	813	4	817
Additional efficiencies (PEF/Opex)		(100)	(100)
Total Expenditure	12,173 \$12.2 bn	(304)	11,869 \$11.9 bn
Available for future investments	131 \$0.1 bn		TBD

Qualifying resources

Assumed sufficient to deliver costed strategy

- No assumption made about specific Gavi 6.0 resource levels while replenishment is ongoing

Expenditure (US\$ ~11.9 billion)

US\$ 0.3 billion decrease compared to Gavi 5.1

- Lower vaccine spend of US\$ 351 million
 - Increases driven by growth in the Malaria & Cholera programmes as well as campaigns supporting MR offset by country-finance evolution and C-19
- Ops & VIGs increase driven by introduction and campaign assumptions
- Cash based programmes reflects Board trade offs and 10% efficiency, noting overall lower Gavi 6.0 cash funding availability (note US\$ 1bn CDS for 2021-2025) to countries vs. Gavi5.0 funding
- PEF reduction from expected efficiency gains
- Other / special envelopes driven by MICs + increased ELTRACO support
- Additional efficiencies of US\$ 100 million to be identified across PEF/Opex support costs

* Gavi 5.1 May AFC forecast restated to include ongoing Board-approved programmes (including C-19, CDS, Big Catch Up and Gavi 5.1 initial expenditure for AVMA and PPPR initiatives)

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¹ HSIS includes HSS, EAF, CCEOP, Ops / VIGs, CDS (2024/25) and COVID-19 vaccine delivery costs

² Special envelopes / other – includes Middle Income Country support strategy and costs associated with Eligibility, Transition and Co-financing as well as FMRA, VIPS and CEPI

³ PEF includes Targeted Country Assistance (TCA), Strategic Focus Areas (SFA), Foundational Support (FS) as well as Procurement Fees, Partnerships in Innovation and post-transition support (Gavi 5.1 only)

Vaccines | Breakdown by antigen 1/4

\$M, cashflow basis	Gavi 5.1 v21.1, May AFC	Binding commitments	Gavi 6.0 Costed Strategy
PCV	1,437	998	1,013
Pentavalent	516	313	313
IPV	888	693	693
Rota	548	387	393
Hexavalent	26	124	504
Reduction: Hexa/Penta/IPV	0	0	(150)
Established programs	3,415	2,516	2,767

Assumptions

- Countries transitioning out from Gavi support (\$294M)
 - 18 countries switch 3-dose to 2-dose schedule from 2026 (\$123M)
 - Introductions in last 2 remaining countries (DPRK, Comoros)
 - Weighted average price stable as prices by presentation are fixed by tender until 2030. Switch to lower priced products (NGA, UGA, GHA) offset by price increase
- UPSIDE (LOWER COST):** Broader faster switch
- DOWNSIDE (RISK):**
- Slower switch from 3-dose to 2-dose (delayed approval/ operationalization)
 - In a baseline scenario a 2-dose schedule assumed based on an upcoming SAGE recommendation (Oct 2024) with rapid country adoption. Risk of increased costs if these do not materialize
- No new introductions in 6.0
 - 24 countries switching to Hexa (lower volumes) \$107M
 - Countries transitioning out from Gavi support (\$126M)
 - Weighted average price increasing by +8%; No new introductions
- UPSIDE / DOWNSIDE (RISK):** Mainly linked to larger /slower roll out of Hexa
- No new introductions in 6.0, but considering switches to Hexa
- New introductions (4 countries)
 - Countries transitioning out from Gavi support (\$146M)
 - Price decrease mainly driven by switch to Rotarix's blow-fill-seal presentation
 - Some countries switched out of Rotarix during 5.0 which adds a dose in the schedule, increasing volumes
- UPSIDE /DOWNSIDE:** Mainly linked to switch uncertainties to blow-fill-seal presentation (+30 countries impacted)
- Includes a saving of ~\$150M (range: \$100M to \$150M) from slowing the switch to Hexa following Board steer and revised design of programme is in progress, to reflect the minimum viable programme - to be updated during May.. Note the magnitude of the Hexa slowdown will impact the Penta and IPV costs.

Vaccines | Breakdown by antigen 2/4

\$M, cashflow basis	Gavi 5.1 v21.1, May AFC	Binding commitments	Gavi 6.0 Costed Strategy
HPV	506	155	232
Malaria	334	1,237	1,127
Strategic Priorities	840	1,392	1,359
RSV			26
HepB Birth Dose	2	7	18
DTP Booster	1	5	6
Rabies PEP	1		27
VIS 2018	5	12	77

Assumptions

- Gavi 5.0 revitalizationn in 2024-2025 with catch-up of missed cohorts and missed girls.
 - Gavi 6.0: Assume continuation of HPV programme support w/ HPV2 and HPV4 – HPV9 tbd
 - 6.0 cost is mainly driven by the demand for the routine programme as the MAC support is expected to significantly reduce, i.e., most of the launches are expected to take place by 2025.
- DOWNSIDE (RISK):**
- Supply issues in 5.0 could delay revitalisations into 6.0 (increase cost)
 - Assumed countries that are still on 2 dose by end 2025, switch to 1 dose early in 6.0
- UPSIDE:** could occur if countries switch to 1 dose earlier than forecasted
- Includes efficiency -\$200M (under refinement)
Excludes low transmission areas – \$600M reduction.
- Baseline scenario already limits scope and excludes low transmission areas
 - ~ 70% of countries in Africa approved for initial introduction in 5.1, remaining intros and scale up in moderate to high transmission areas
 - Nigeria (~25% of global demand) currently analyzing planned vaccine introduction approach and financing.

Launch in Gavi 6.0 with cross functional team assumptions driving forecast

- DOWNSIDE (RISK):**
- There is a possibility that CTC qualified presentations come to market which will increase coverage assumptions since countries can then more easily reach out-of-facility births.

Most countries introducing in Gavi 6.0 with cross functional team assumptions driving forecast

Vaccines | Breakdown by antigen 3/4

\$M, cashflow basis	Gavi 5.1 v21.1, May AFC	Binding commitments	Gavi 6.0 Costed Strategy
Yellow Fever	451	294	317
MenA	76	28	128
MMCV	112	32	262
Typhoid	221	52	394
M/MR	443	108	621
OCV	359	300	595
JE		1	31
Stockpiles / others	262	367	454
Programs w/ campaign	1,924	1,181	2,802

Assumptions
<ul style="list-style-type: none">Remaining high risk countries completing mass campaigns in 6.0. DOWNSIDE (RISK) <ul style="list-style-type: none">Potential additional cost if approved support on catch up interventions to reduce immunity gaps (~\$100M)
<ul style="list-style-type: none">Cost linked to MMCV program. If MMCV reduced (low scenario), cost of MenA increases. DOWNSIDE (RISK) <ul style="list-style-type: none">Delays in routine introduction increase cost of associated catch up campaigns (additional cohorts to cover)
Includes MMCV repacing trade-off <ul style="list-style-type: none">Sub-national targeting for the Nigeria campaignIntros in Chad and Ghana shifted to Gavi 7.0
<ul style="list-style-type: none">Volume driven New launches (15 new introductions - 30 launches - in 6.0 e.g. DRC, NGA, ETH)Increase in co financing (\$53M). (6-18%)Pre-trade-off, includes 15 new introductions
<ul style="list-style-type: none">Continue to support launch of MR program (with catch-up) in continue funding follow-up campaigns:Cost increase driven by 2 big MR intros in 6.0 (Ethiopia, DRC);Countries transition from measles to pricier MR;Countries switching from 1-dose to 2-dose routine Potential financial Implication from upcoming SAGE recommendations regarding RCV introduction and expanded age group for m/mr SIAs
Driven primarily by volume thanks to improved supply availability allowing more preventive campaigns in 6.0 vs 5.0.
Most countries introducing in Gavi 6.0 with cross functional team assumptions driving forecast
Increase in 6.0 driven by expected increased outbreaks, shifts in supply availability with higher OCV stockpile

Notes:
- OCV does not include OCV stockpiles (included in Stockpiles row)

Vaccines | Breakdown by antigen 4/4

\$M, cashflow basis	Gavi 5.1 v21.1, May AFC	Binding commitments	Gavi 6.0 Costed Strategy
Mpox			24
Dengue			7
GBS			
HepE			1
Tuberculosis			
Shigella			
Covid-19			
VIS 2024	0	0	32
India 5.0 strategy	53	73	0
All other ⁴	30	0	26
Others	83	73	26
Target vaccine efficiencies			(300)
Pace selected programmes			(100)
Financial adjustments	(456)	(12)	(21)
Total Vaccine Cost	5,811	5,163	6,642

Assumptions
Vaccine cross functional team assumptions driving forecast
Vaccine cross functional team assumptions driving forecast
GBS costs not included in 6.0 given likely longer timelines if P4 implementation studies are needed
TB costs not included in 6.0 due to high uncertainty as to whether the vaccine will be available in 6.0
Shigella: only available after Gavi 6.0
Assumes no support for C19 for 6.0
Assumes \$300M efficiency possible. Of which \$200M targeted efficiencies pre-Board retreat and \$100M additional as per Board request during the retreat.
Assumes an additional \$100M of vaccine repacing not yet allocated to antigens following Board steer at its April retreat

Notes:
- HepE and Mpox are stockpile vaccines as well as part of VIS24. They have been included in VIS24 only to avoid double counting but could also be included in the “stockpiles” number.

Expenditure

lion, cash-flow basis

	Gavi 4.0 - Gavi 6.0				
	Gavi 4.0 Actual (2016-2020)	Gavi 5.0 v18 forecast (Dec 20 Board)	Gavi 5.1 v21.1 forecast (May 24 AFC)	Gavi 5.1 v21.1 forecast (Restated) ¹	Gavi 6.0 Strategic cost estimate (Apr 24 Board)
Vaccine expenditure	5,428	5,195	5,811	6,993	6,642
Ops / VIGs	455	589	679	679	995
HSS Core	1,419	1,200	933	933	
HSS India / Innov. Fund	-	-	173	173	
EAF	-	500	298	298	
CCEOP	172	205	131	131	
CDS (2024/25)				407	
COVID 19 delivery costs	51	70	94	94	
Other	128	55	66	66	
HS + CDS / C19 (ex-Ops/VIGs)	1,770	2,030	1,696	2,103	1,609
MICs	-	301	251	251	250
ELTRACO					350
Other	267	-	13	13	55
Special envelopes / other costs	267	301	264	264	655
PEF TA (TCA, SFA, FS)	689	865	939	948	900
PEF (Proc fees, PII, PTS)	191	264	253	253	244
PEF Total	880	1,129	1,192	1,201	1,144
SEC Opex	493	648	657	724	750
PEF Opex (studies & evaluations)	68	102	89	89	67
Opex Total	560	749	746	813	817
FMRA	-	25	119	119	108
Total support expenditure	1,440	1,903	2,057	2,133	2,069
<i>Additional efficiencies (PEF / Opex)</i>					<i>(100)</i>
Total Expenditure	9,360	10,018	10,508	12,173	11,869

Key assumptions

HSIS:

- **Gavi 6.0 cash funding availability to countries is significantly lower than Gavi 5.0 approved cash support (2.0 to 1.6bn)**
- **For countries impact will be larger considering full impact of CDS with additional reduction of US\$ 1 billion CDS (that led to lower HSS disbursements due to capacity and prioritisation in countries)**
- **Note 5.1 restated includes US\$ 407 million CDS (2024-2025 portion) and US\$ 94 million COVID19 Delivery cost from core resources.**
- **6.0 strategic cost estimate** reflects Board trade off decisions and includes a 10% efficiency target - dependent on funding lever consolidation (HSS, EAF and CCEOP).

VIGs/Ops cost:

- Aligned with and dependent on Board guidance on introduction & campaign phasing

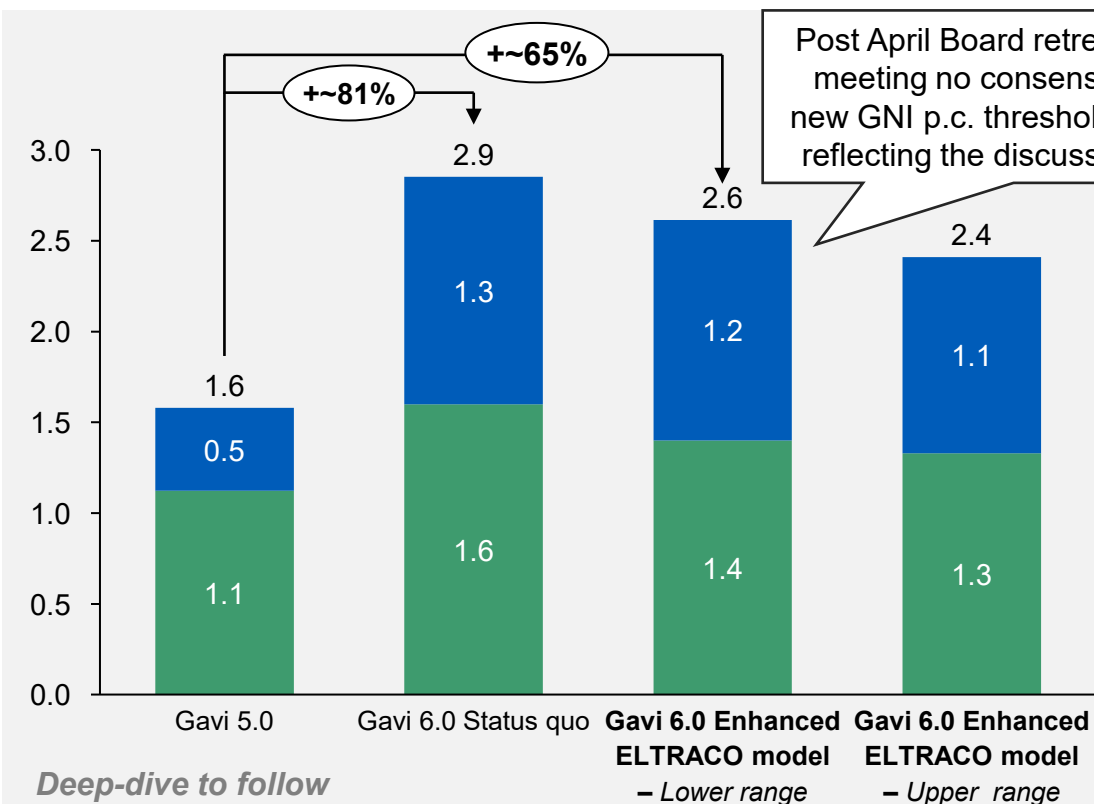
APPENDICES

ii) Key Assumptions Details

- **Gavi's eligibility, transition and co-financing model (ELTRACO) has worked well** so far to drive financial and programmatic sustainability
- **However, the model is facing challenges** driven by a deteriorating macro-economic outlook, rapidly increasing country financing levels, limited programmatic readiness for transition on the part of a subset of countries and growing inequities in access to immunisation
- The Board **requested Gavi's ELTRACO model to be enhanced** to mitigate risks of unsustainable transition, and of countries defaulting on their financing obligations in Gavi 6.0
- As part of the enhanced ELTRACO model, **six shifts are considered to slow down the increase in country financing** and foster successful transition in 6.0.
- Post April Board retreat and May PPC meeting, **there is as yet no consensus on the exact updated GNI p.c. threshold**, with some Board and PPC members expressing comfort with a US\$ 2,300 GNI p.c. and other advocating for US\$ 2,500 GNI p.c., and on **whether to revise co-financing rules for formerly fully self-financed programmes for a subset of countries, .**
- **Strategic Cost Estimate assumes the mid point of the range US\$ 2.5 billion** total country financing and a total ELTRACO adjustment of 350 million (US\$ 295 million + US\$ 55 million cash support) v current policy (shown in Special Envelopes breakout)

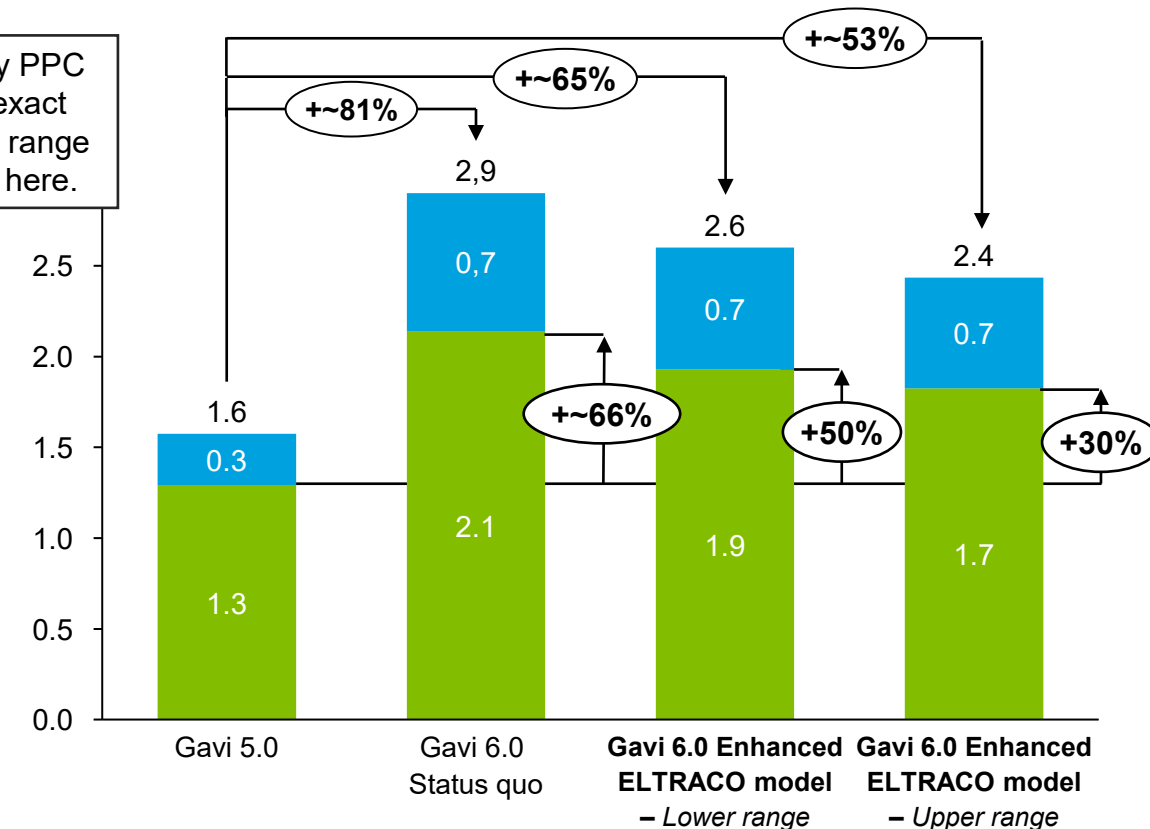
Country's financing of vaccines can be defined by programme or country eligibility status

- Fully self-financed Gavi vaccine programmes by Gavi-eligible and Former Gavi countries
- Co-financed Gavi vaccine programmes by Gavi-eligible and Former Gavi countries



Country financing, by country eligibility status, “ELTRACO cut”, excl. India, USD billion

- Fully self-financed Gavi vaccine programmes by countries having transitioned out of Gavi support
- Co-financed and fully self-financed Gavi vaccines programmes by Gavi eligible countries

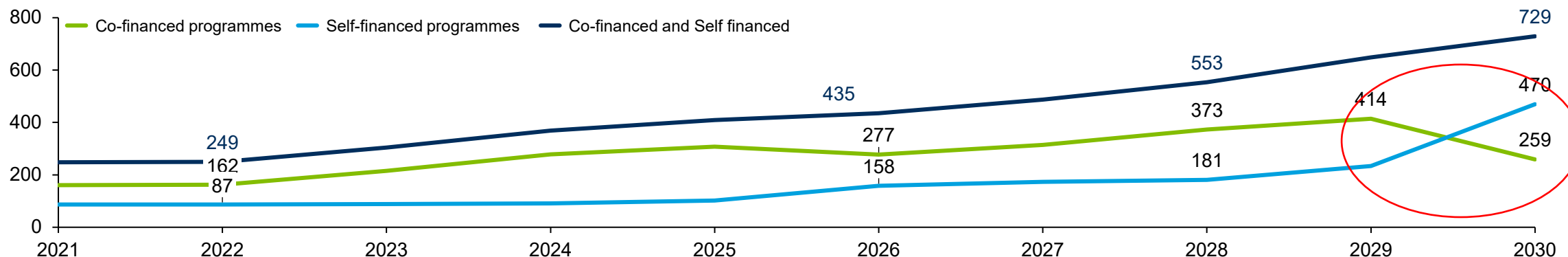




Country financing increases in 6.0 for all sources significantly reduced by Board and PPC guidance to enhance the ELTRACO model

Overview of evolution of country financing per financing source in the absence of policy change, 2021-2030, US \$Mn

Nigeria, Ghana, CIV, Bangladesh to transition out of Gavi support by 2030 under status quo



Financing source	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Gavi 5.0	Gavi 6.0 (no policy change)	Gavi 6.0 Enhanced ELTRACO model – Lower range	Gavi 6.0 Enhanced model ELTRACO – Higher range
Co-financed programmes	161	162	216	278	307	277	314	373	414	259	1124	1637	1400	1300
Self-financed programmes	87	87	89	91	102	158	173	181	234	470	456	1215	1200	1100
Co financed and self-financed programmes	248	249	304	369	409	435	487	553	648	729	1580	2852	2600	2400

← High-level estimates →

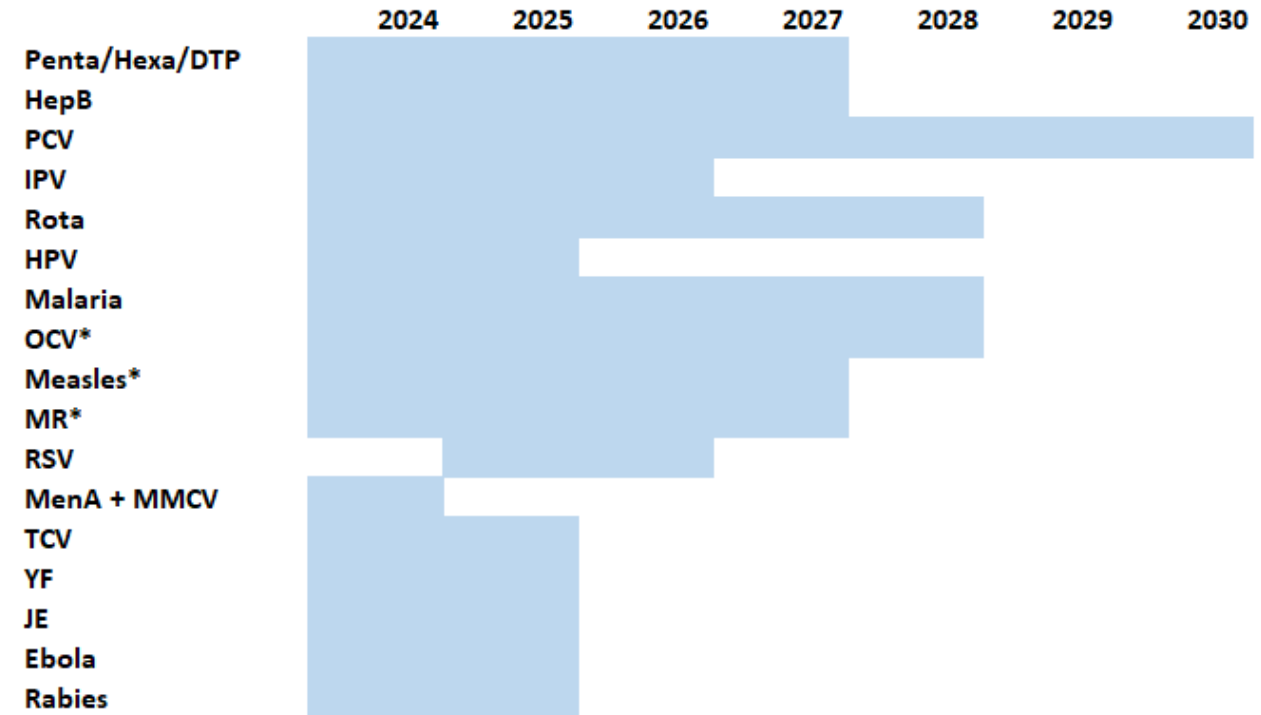
PPC/Board requested Gavi's ELTRACO model to be significantly enhanced to mitigate risks of unsustainable transition, and of countries defaulting on their financing obligations. The enhanced ELTRACO model will slow down the increase in country financing for Gavi eligible countries in 6.0, the total reduction depending on the level set for the updated eligibility threshold (2'300 vs. 2'500 GNI p.c.) and decision to revise co-financing rules for self-financed programmes

2

Gavi 6.0 'Strategic cost estimate' vaccine price assumptions

- **Prices projection** informed by existing Unicef tender and agreement prices, as well as assumptions on market dynamics, inflation, and exchange rates
- **Within tender period:** prices are based on agreements between Unicef and suppliers and can include price increase clauses & tiered volume discounts (that can change)
- **After tender period:** Price projections beyond tender period are based on Market Shaping assumptions. Price assumptions consider inflation and market dynamics.
- **Vaccine prices denominated in €** (Sanofi, GSK..) updated as per latest FX rate projections
- WAP are influenced by product choice assumptions that Gavi (and Co Financing policy) influences (decision with country)

v21.1
Tender durations



Notes:

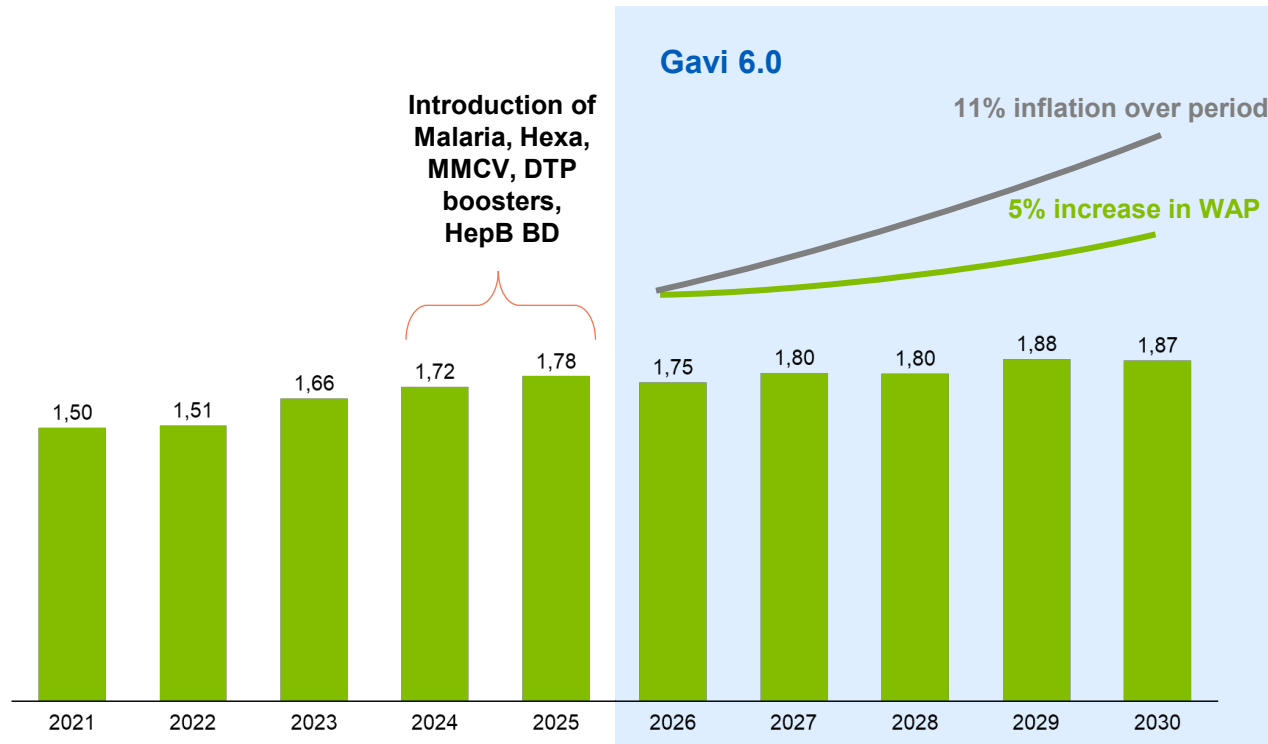
- PCV-10 GSK is only until 2028

- OCV, Measles and MR* - New tender about to be finalized in 2024

Market shaping | Forecast incorporates accumulated market shaping efficiencies²; weighted average price per dose stable

Weighted Average Price Per Dose – full portfolio (USD)

% change in WAP significantly below inflation (2025 baseline)



Excludes India. 2021-2023 actuals are estimated from the UNICEF SD MOU reports. Projected WAP derived for Gavi supported programmes only, i.e. excludes projected transitioned programmes. Cost in PY – v21.1. Does not include stockpiles, Covid-19, BCU, Rabies, RSV, VIS2024, and financial adjustments.

Overall portfolio weighted average **price per dose will remain relatively stable (max +5%)**, despite increasing share of more expensive vaccine programmes and **below forecasted USD inflation of approx. 11%** (2.1% pa)¹

-40%

Market shaping-driven 40% reduction in the weighted average price per dose for new programmes over 6.0³ – see following slide

Further decreases in the lowest available price expected for 9 vaccine presentations during 6.0. New ELTRACO model will **increase country price sensitivity** - could lead to broader adoption of lowest price presentations

30 1. Cumulative projection of USD inflation for 6.0 period (using IMF forecast for US for 2026 to 2028 - 2.1% per annum 2. Overall WAP impacted by country product preferences and uptake assumptions, which may not allow all MS efficiencies to be realized. 3. Introductions in 5.0/5.1 as per restatement of December 2023 Board approved forecast; introduction dates in 6.0 as per updated 6.0 costing for April Board Retreat. The change in weighted average price of DTP booster, HepB birth dose, Malaria, Hexavalent, and Multivalent Meningococcal Conjugate vaccines compared against 2025 baseline

APPENDICES

iii) Resource opportunity assumptions

Opportunities for COVAX AMC, AVMA, DZF, IFFIm: Drivers of Uncertainty

Opportunity	Range	Drivers of Uncertainty
Future COVAX AMC interest (2024-25)	\$0 - \$180m	Dependent on market conditions, AMC balances, and donor repurposing
Future AVMA / DZF interest (2024-25)	\$0 - \$88m	Dependent on market conditions, AVMA/DZF balances, permitted use (Gavi 6.0 vs AVMA/DZF programme only), & donor repurposing
Outstanding COVAX Donor pledges	\$0 - \$129m	Dependent on donors fulfilling pledge & grant payments, & donor repurposing
Future Manufacturer/NFC receipts (2024-28)	\$0 - \$400m	Dependent on Novavax settlement repaying Gavi until 2029 under a going concern risk (per Novavax 2023 10K Annual Rpt); No Fault Compensation scheme not maxed out by claims by mid 2027; & donor repurposing
Lower C19 programme spend (2024-25)	\$0 - \$100m	Dependent on C19 supply/demand, procurement pricing, & donor repurposing
Holistic treasury investment review (2026-30)	\$0 - \$373m	Dependent on market conditions, AVMA/DZF balances, permitted use (Gavi 6.0 vs AVMA/DZF programme only), & donor repurposing
IFFIm forecast (World Bank update ongoing tbc)	\$0 - \$305m	Dependent on market conditions, World Bank analysis (tbd)