Subject	**Amendment and utilisation of the European Investment Bank (EIB) Frontloading Facility**
Agenda item	**06a**
Category	**For Decision**

Executive Summary

The purpose of this paper is to request that the Gavi Board ratify the amendment to the European Investment Bank (EIB) Frontloading Facility executed in December 2025 and approve the potential utilisation of up to EUR 500 million under the Facility. The Facility is a core pillar of Gavi's innovative finance toolkit, enabling the Alliance to convert donor commitments into immediate impact and protecting programme delivery in a period of heightened fiscal uncertainty. Building on a strong track record, including a EUR 600 million facility deployed in 2022 and repaid, the instrument provides predictable, just-in-time liquidity to support market shaping, safeguard core programmes, and ensure rapid response capacity for health emergencies. The December 2025 amendment extends the availability of the Facility through 2026 with limited technical changes, preserving access to this proven financing tool at a critical time. The proposed drawdown authorisation of up to EUR 500 million provides flexibility to respond to evolving liquidity needs, with utilisation phased based on operational requirements. These proposals were reviewed by the Audit and Finance Committee at its May 2026 meeting, which recommended approval to the Board.

Action Requested of the Board

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

a) **Approve** the ratification of the amendment to the European Investment Bank (EIB) Frontloading Facility executed by the Chief Executive Officer in December 2025 as set out in Annex B to Doc 06a; and

b) **Approve** the utilisation of the EIB Frontloading Facility through drawdowns of up to EUR 500 million, subject to satisfaction of all conditions precedent.

Next steps/timeline

Subject to Board approval and satisfaction of all conditions precedent, the Secretariat will operationalise the Facility and execute drawdowns as required based on liquidity needs.

Previous Board Committee or Board deliberations related to this topic

In December 2023 AFC meeting book: Doc 04.ii Amendment to the European Investment Bank Frontloading Facility Agreement Recommendation to the Board to approve amendments to the Facility, including increase in size to EUR 1 billion and expanded donor eligibility.

In December 2023 Board: Approval of the amended terms of the Facility.

In May 2026 AFC meeting book: Doc 08 Amendment and utilisation of the European Investment Bank (EIB) Frontloading Facility.

Report

1. Facts and Data

1.1. Gavi has a long-standing relationship with the European Investment Bank (EIB), stemming from its collaboration with the European Commission during the COVID-19 response. In 2022, EIB provided EUR 600 million to support urgent programme needs ahead of donor funding, enabling Gavi to access financing unconstrained by donor timelines. All obligations under this facility were subsequently repaid, establishing a strong operational precedent.

1.2. The current Facility, expanded to EUR 1 billion in 2023, remains a core element of Gavi's liquidity framework and a key source of contingent liquidity to manage donor funding volatility and support programme delivery. It is also a central component of Gavi's Day Zero Financing Facility, supporting the Alliance's ability to mobilise and deploy resources rapidly to sustain immunisation programmes and respond to emerging health threats.

1.3. In December 2025, Gavi and the EIB agreed to an amendment to the Facility, extending the availability period through December 2026. As the initial waiver of the non-utilisation fee under the original Facility expired, a concessional non-utilisation fee per annum applies. All other key terms, including facility size, collateral structure and use of proceeds, remain unchanged (see **Annex B**).

1.4. Following Secretariat assessment in line with the Gavi Delegation of Authority Policy, the amendment was authorised by the Chief Executive Officer. Gavi's Swiss legal counsel, Lenz & Staehelin, has advised that, to minimise assumptions and qualifications in their legal opinion, the Board should ratify the execution of the amendment.

1.5. Given the scenarios emerging from Gavi's liquidity forecast (Agenda item 07, Financial Update, including forecast), the Secretariat is seeking approval for drawdowns of up to EUR 500 million. Any utilisation would be phased based on operational need, secured against assigned donor grant agreements, and subject to satisfaction of all conditions precedent.

1.6. Access to the Facility enables Gavi to maintain continuity of programme financing in periods of funding volatility, enter into market shaping transactions, and ensure rapid access to liquidity in the event of health emergencies.

2. Rationale and Risk Considerations

2.1. Extending the Facility ensures continuity of access to a proven financing instrument at a time of heightened fiscal uncertainty and liquidity risk, and provides flexibility in managing the timing mismatch between donor commitments and programme expenditure.

2.2. The Secretariat's assessment (**Annex A**) is that the amendment does not materially change Gavi's risk exposure compared to previously approved arrangements. Absent the Facility, Gavi would face increased exposure to donor funding volatility, liquidity constraints affecting programme delivery, and reduced ability to respond to emerging health needs.

3. Governance and Implementation

3.1. In accordance with Gavi's Delegation of Authority Policy, transactions under which Gavi assumes liabilities above US$ 50 million require prior recommendation by the Audit and Finance Committee and approval by the Board. The proposed decision provides the necessary authority for utilisation of the Facility up to EUR 500 million.

3.2. Operationalisation of the Facility remains subject to execution of security arrangements, provision of legal opinions, and completion of procedural requirements. Drawdowns will be executed by the Secretariat based on operational requirements and within the authorised limit. Consistent with standard practice, the AFC Chair will be notified of proposed utilisation of the Facility in advance.

Annexes

Annex A: Implications/Anticipated impact

Annex B: Summary of key terms