

FINANCIAL UPDATE, INCLUDING FORECAST AND PARTNERS' ENGAGEMENT FRAMEWORK AND SECRETARIAT BUDGET 2025

BOARD MEETING

Francois Note,

4-5 December 2024, Bali, Indonesia

Key Forecast and Budget Highlights

- Strong commitment to immunisation driving significant increase in country 5.1 demand
- Repurposed COVAX AMC funds available to support higher 5.1 demand (if Board approved)
- Sufficient resources to cover Gavi 5.1 disbursements based on country demand*

GAVI Core: 2021-2025

Higher Qualifying Resources
+US\$ 172 million

Higher Programmatic
Expenditure + US\$ 144 million
(total US\$ 876 million
including US\$ 732 million
repurposing from COVAX)

Core Available Funds
US \$160 million

COVAX AMC: 2020-2025

Higher Qualifying Resources
+US\$ 344 million

Lower Current Programmatic
Expenditure -US\$ 465 million

Additional Programmatic
Repurposing +US\$ 968 million (of
which US\$ 732 million to 5.1**)

Retained AMC Funds US\$ 1.6 bn

Secretariat OPEX

2024 Forecast under budget

Stable 2025 Budget:
US\$ 199 million

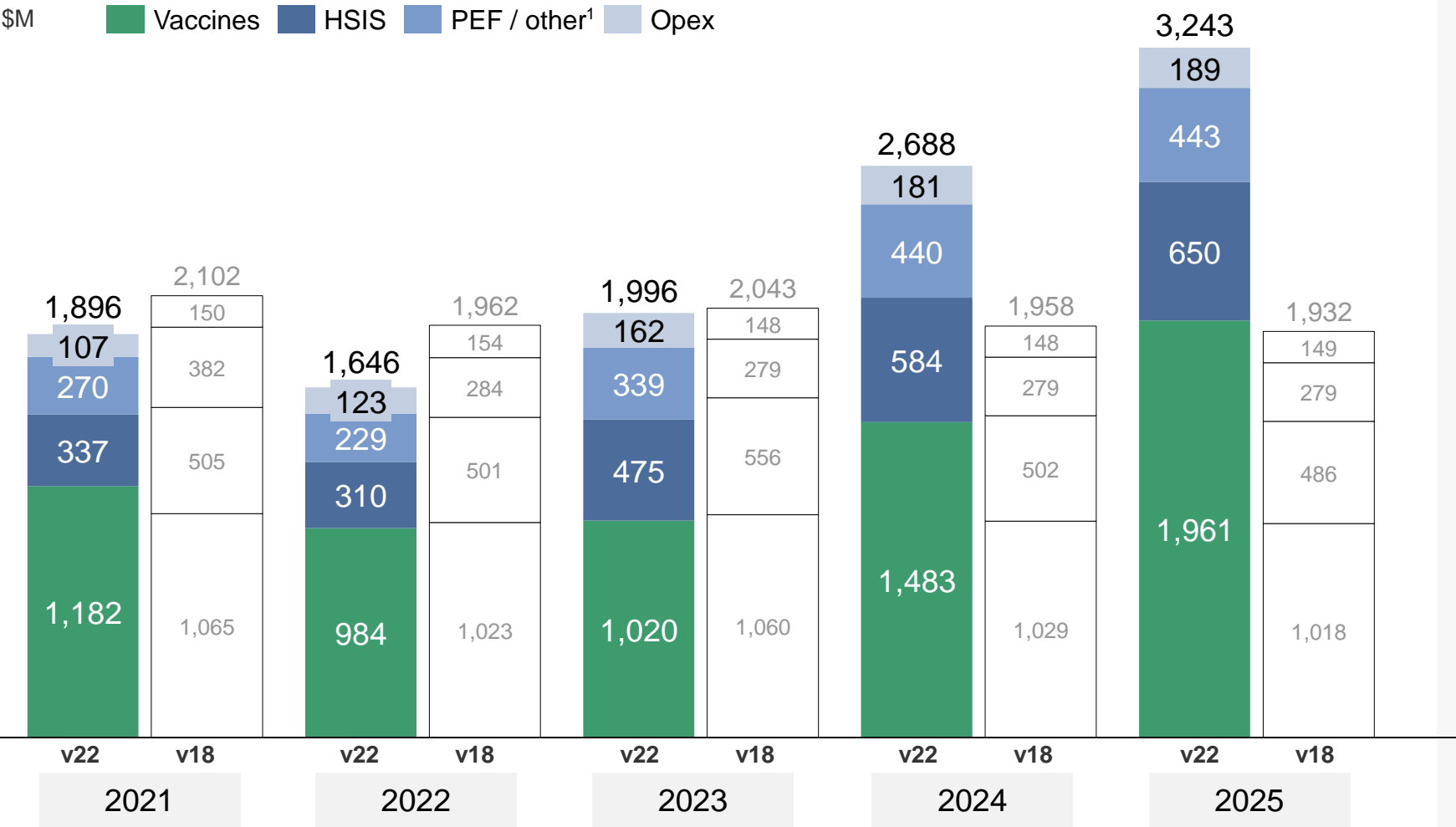
Opex ratio $\leq 5.4\%$ to support
higher programmatic spend

Key Forecast Highlights

- We are seeing an **impressive increase in country demand** for Gavi 5.1 programmes as we near the end of the strategic period
- This good news is a testament to **countries strong commitment to immunisation** and their ability to bounce back after the pandemic... specifically
 - Focus on routine immunisation
 - Renewed momentum of established vaccine programmes (primarily HPV revitalisation)
 - New vaccine programmes launched (primarily malaria)
 - Increase in outbreaks and campaigns post pandemic (cholera outbreaks and new supply; measles/MR outbreaks)
- Full **range of forecast actions** to ensure we are optimising resources available for maximum impact
 - Detailed review of programme envelopes, disbursement plans and utilisation
 - Country cash balances have been reviewed with targeted reductions
 - Additional resources primarily through repurposing of COVAX AMC interest income (subject to Board/Donor agreements)
- In parallel we are taking a prudent and proactive approach to **update the Board approved prioritisation mechanism** to ensure it is fit for purpose, noting PPC guidance that it should be applied as a last resort once available resources have been optimised and new resources explored, and once the AFC has confirmed a mismatch of resources and forecast expenditure

Gavi has bounced back since pandemic with an impressive increase in country vaccine demand

Forecast expenditure phasing, v18 (Dec 2020) to v22 (Dec 2024, including repurposing)



Gavi 5.1 forecast (December 2024) expenditure of **US\$ 11.5 bn** v ‘original’ Gavi 5.0 forecast (December 2020) v **US\$ 10.0 bn**

Driven by **US\$ 1.4 bn (+28%) higher vaccine expenditure**

Small change in HSIS, PEF and ‘Other programming’ of +US\$ 23 million (+1%)

Small change in Opex of +US\$ 13 million (+2%)

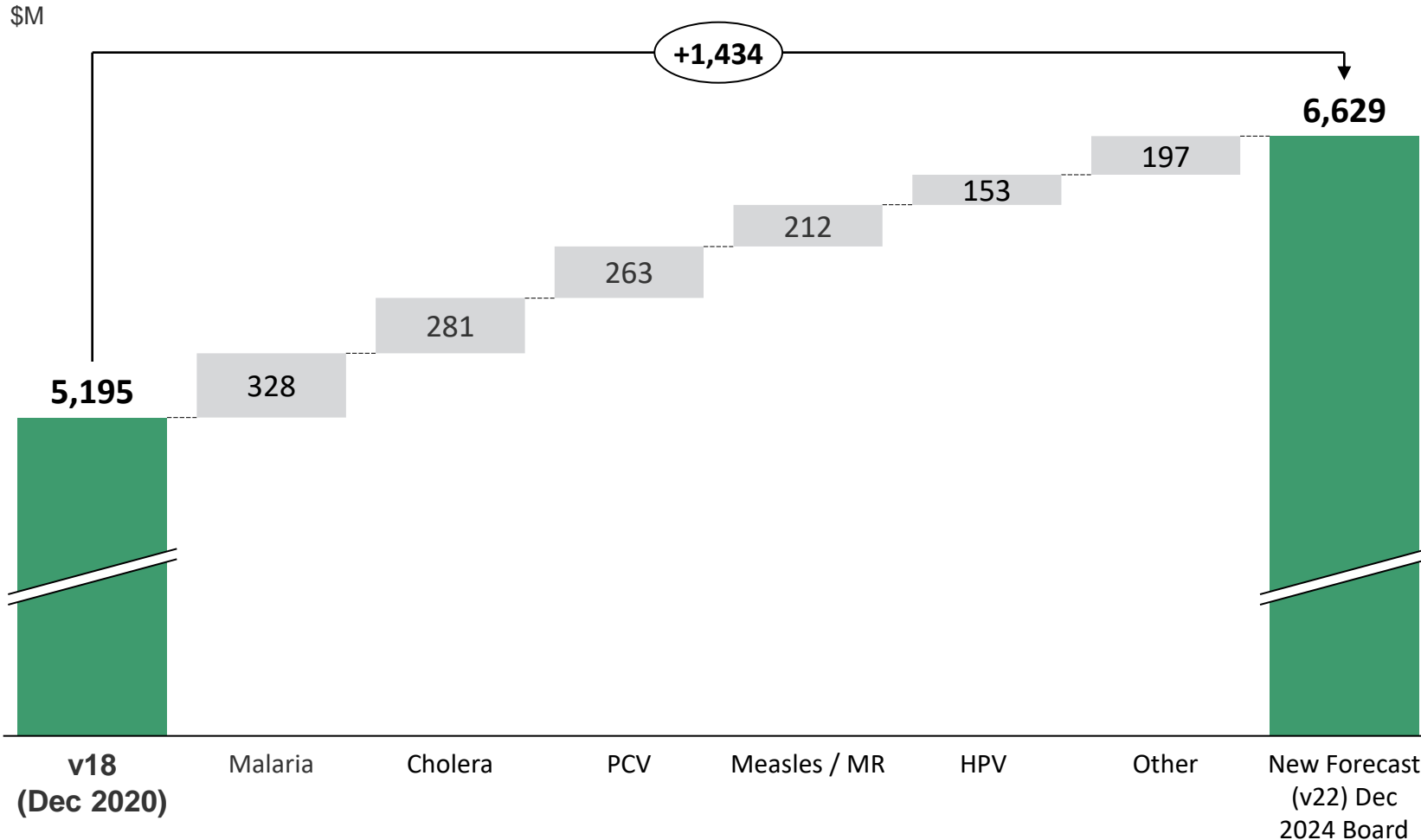
Funded from an increase in investment income/ IFFIm and COVAX AMC repurposing (subject to Board approval/ Donor agreements)

¹ Other programmatic expenditure includes Special Envelopes (MICs, FMRA), COVID 19 delivery support and VIPS/CEPI



US\$ 1.4 bn higher vaccine demand due to 5.1 Must Wins (Malaria launch, HPV revitalisation) and an increase in outbreaks

Vaccine forecast change drivers, v18 (Dec 2020) to v22 (Oct 2024, incl. repurposing)



Key Vaccines

- **Malaria launch and HPV revitalisation** testament to Alliance & country commitment to accelerate these critical 5.1 must wins
- **Cholera:** able to support higher outbreaks with increased supply
- **Measles/MR:** supporting higher outbreaks, including launching MR & catching up missed children
- **PCV:** implementation of new dose schedule delayed

Gavi 5.1 (2021-2025) : Updated Forecast

Overview of resources to meet expenditure (US\$m)

Assured Resources (projected)
Allowance for Further Direct Contributions
Qualifying Resources
Total Expenditure
Available for future investments

2021-2025		
Prior Forecast (v21.1) Jun 2024 Board	Change upon updating estimates	New Forecast (v22) Dec 2024 Board
10,339	172	10,511
300	0	300
10,639	172	10,811
\$10.6 bn		\$10.8 bn
10,508	144	10,651
\$10.5 bn		\$10.7 bn
131	29	160
\$0.1 bn		\$0.2 bn

Qualifying resources (US\$ 10.8 bn)

- US\$ 172 million increase¹**
 - US\$ 88 million investment income
 - US\$ 72 million additional IFFIm resources (not programmed)

Expenditure (US\$ 10.7 bn)

- US\$ 144 million increase (US \$875 million)**
 - Including increased vaccine spend of US\$ 109 million, driven by country demand increases (outbreaks/ campaigns and launch phasing)
 - HSIS increases, offset by repurposed COVAX AMC funding contribution (US\$ 60 million)
 - PEF overall shows a net increase of US\$ 18 million driven by PII (matched spend of US\$ 35 million)
 - Note US\$ 732 million of additional Core expenditure is funded from COVAX AMC donor repurposing (subject to Board approval)

Available for investments (US\$ 0.2 bn)

COVAX AMC (2020-2025) : Updated Forecast

US\$ million, cash-flow basis

COVAX AMC / C-19 (2020-2025)				
	Prior Forecast (v21.1) Jun 2024 Board	Change upon updating estimates	Decisions for consideration in Dec 2024 Board	New Forecast (v22) Dec 2024 Board
Qualifying Resources	12,831 \$12.8 bn	1 344	-	13,175 \$13.2 bn
Expenditure before repurposing	9,128	2 (465)	0	8,664
Repurposing expenditure	1,897	376	592	2,865
Total Expenditure	11,025 \$11.0 bn	(89)	592	11,529 \$11.5 bn
COVAX AMC Balance	1,806 \$1.8 bn	432	3 (592)	1,646 \$1.6 bn

Decisions for consideration by the Board (US\$m)	Decision amount
(i) COVAX AMC future interest to be utilised for Gavi 5.1 Programmes	(199)
(ii) COVAX AMC earned interest to be utilised for Gavi 5.1 Programmes, made available through donor PVP repurposing	(318)
(iii) Gavi 6.0 FOC Market Shaping	(75)

In-Kind Resources (Dose Sharing US\$ m) 6,668 - - 6,668

Qualifying resources of US\$ 13.2 bn

- 1 US\$ 344 million increase
- US\$ 307 million investment income: actuals as at July 2024 and projected to Dec 2025
 - US\$ 37 million in received donations

Expenditure of US\$ 11.5 bn

- 2 US\$ 465 million lower programmatic expenditure
- Abating C19 virus lowering demand (US\$ 428 m)
- 3 Repurposing subject to Board decision:
- US\$ 199 million of future COVAX AMC interest income to be utilised for Gavi 5.1 programmes
 - US\$ 318 million of earned COVAX AMC interest income to be utilised for Gavi 5.1 programmes
 - US\$ 75 mILLION towards Gavi 6.0 market shaping activities

COVAX AMC balance of US\$ 1.6 bn

7 ¹COVAX AMC expenditure includes Opex embedded into programme lines, supporting the COVAX Facility, the C-19 programme (inc CDS), close down activities, AVMA and PPPR. The total COVAX AMC Opex forecast remains unchanged for the strategic period. ²the Board has approved up to US\$ 1 billion for AVMA and a further US\$ 176 million has been reallocated by donors; the Board has approved up to US\$ 22 million for the PPPR Coalition and a further US\$ 3 million has been reallocated by donors. The Secretariat will not commit above the current Board-approved financial envelopes until the Board approves the additional programming. ³On 13 Sep 2024 Gavi approved drawdown of US\$ 50 million toward the mpox response. See paragraph 3.3.2 in accompanying paper for additional detail on change in repurposing expenditure



2025 Secretariat Budget Highlights

- 2024 OPEX High Forecast accuracy
- Expected carry forward to 2025 for One-off / Projects
- Stable 2025 Budget at US\$ 199 million
 - Inflation (2%) and higher technology spend (4%) offset by
 - Workforce efficiencies (6%)
- Continuing investment in technology and transformation initiatives (9% Opex & 7% HC) to drive sustainable efficiency gain
- Opex ratio $\leq 5.4\%$ to support higher programmatic spend

Secretariat and PEF Budget 2025

Secretariat Budget 2025

Accrual basis

All values in us\$m

Full year values unless otherwise stated

	2023	2024	2024	2025	2025
	Actual	Budget 5.1	Forecast 5.1	Budget 5.1	Vs. 2024
Total Workforce exc. One-offs & Spec. env.	109.2	113.3	113.5	113.1	(0%)
Total Non_Workforce expenditure	52.8	57.3	55.5	58.1	1%
Total exc. One-offs & Special Envelopes	162.0	170.6	169.0	171.2	0%
One-off & Special Envelopes	18.3	28.3	28.7	27.8	(2%)
Total Expenditure	180.2	199.0	196 -199	199.0	0%
Opex Ratio	6.0%	5.4%		4.8 - 5.4 %	
Total Exp. at constant FX rate	183.0	202.5		199.0	(2%)

Total Exp. at constant FX rate

PEF Budget 2025¹

Accrual basis

All values in us\$m

Full year values unless otherwise stated

	2023	2024	2024	2025	2025
	Actual	Approved Budget	Latest Forecast/ Request	Budget 5.1	Variance
Procurement Fees	32.6	33.1	33.1	32.7	(1%)
Partners in Innovation	21.9	20.0	27.8	48.0	140%
Post Transition Support	-1.3	0.0	2.0	2.0	-
PEF Programmatic Expenditure	53.2	53.1	62.9	82.7	56%
Studies and Evaluations	12.3	22.0	20.3	31.6	44%
PEF Operating Expenditure	12.3	22.0	20.3	31.6	44%
Total Expenditure	65.5	75.1	83.2	114.3	52%
Requested c/fwd from 2023			8.4		

2025 Secretariat Budget stable vs 2024

- Reflects benefits of Secretariat transformation (headwinds offset by efficiencies)
- Investment in new and augmented priorities
- Board closed session to consider **Gavi 6.0 “Fit for Purpose”**
- Opex ratio <5.4% reflecting higher programmatic activity delivered by Secretariat in 2025

2025 PEF Budget +52% vs 2024

- 5.1 expenditure in line with initial envelope
- Partners in Innovation** (funded by matching funds) accelerating in line with strategy
- Studies and Evaluations** catch-up on VIS18 learning agenda; Malaria learning agenda

Decision 1

The Gavi Alliance Audit and Finance Committee reviewed the Financial Forecasts, confirmed that sufficient funding is available in the current strategic period, and **recommends** to the Gavi Alliance Board that it:

- a) **Approve** the updated Financial Forecast for the Gavi 5.1 (2021-2025) Strategic Period of Qualifying Resources of US\$ 10.8 billion and Forecast Expenditure of US\$ 10.7 billion;
- b) **Approve** the updated Financial Forecast for the COVAX AMC and ongoing Board-approved programmes of Qualifying Resources of US\$ 13.2 billion and Forecast Expenditure of US\$ 11.5 billion, with a COVAX AMC retained balance of US\$ 1.6 billion;
- c) **Note** US\$ 199 million of future COVAX AMC interest and US\$ 318 million of earned interest (subject to expected completion of COVAX AMC donor repurposing agreement) are included in the forecast and are made available for Gavi 5.1 Board approved programmes and (ii) the planned market shaping firm order commitment to be presented to the Market-Sensitive Decisions Committee in due course has been reflected in the financial forecast and can be funded from the forecast resources available;

Decision 1 (continued)

- d) **Note** that the Board has approved up to US\$ 1 billion for the African Vaccine Manufacturing Accelerator (AVMA) and a further US\$ 176 million has been reallocated by donors; the Board has approved up to US\$ 22 million for the Pandemic Prevention, Preparedness and Response (PPPR) Coalition and a further US\$ 3 million has been reallocated by donors. The Secretariat will not commit above the current Board-approved envelopes until the Board approves the additional programming;
- e) **Note** that the Board has approved up to US\$ 500 million for Day Zero First Response Fund and a further US\$ 49 million has been reallocated by donors; the Board has approved up to US\$ 290 million for the Big Catch Up and a further US\$ 8 million has been reallocated by donors. The Secretariat will not commit above the current Board-approved envelopes until the Board approves the additional programming;
- f) **Note** that the Financial Forecast reflects a detailed review of programme expenditures, cash balances in country and other sources of funding to ensure that resources that could be used in Gavi 6.0 and are being used in Gavi 5.1 are necessary to meet higher demand; and
- g) **Note** that there are no financial implications to consider in this updated financial forecast for the Gavi 5.1 strategic period arising from the recommendations being asked of the Programme and Policy Committee.

Decision 2

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

- a) **Approve** US\$ 199 million for the Secretariat Operating budget in 2025, noting that the Gavi Secretariat will present an approach to the Gavi Alliance Board in December 2024 setting out how it will ensure the Gavi Secretariat is fit for purpose for the Gavi 6.0 strategic period;
- b) **Approve** US\$ 1 million for Capital Expenditure budget in 2025;
- c) **Approve** US\$ 8.4 million carry forward of the Partners' Engagement Framework budget from 2023 to 2024; and
- d) **Approve** US\$ 114.3 million for the Partners' Engagement Framework budget in 2025.

Thank You