Subject	**Vaccine Budget Policy**
Agenda item	**09**
Category	**For Decision**

Executive Summary

The purpose of this paper is to request that the Gavi Board approve the Vaccine Budget Policy. With Vaccine Budgets, countries are able to seek support for vaccine programmes within a set budget amount. In line with the direction of the Gavi Leap and the Gavi 6.0 strategy, the aim of the Vaccine Budgets is to make planning and budgeting more predictable for countries and to help countries prioritise and optimise their vaccine portfolio in a constrained funding environment.

In December 2025, the Gavi Board approved the scope and design of Vaccine Budgets. They include all existing commitments for routine vaccine programmes, new vaccine introductions and preventive campaigns, and are determined by dividing vaccine programmes into two budget categories: guaranteed and discretionary. Guaranteed budgets are allocated based on Gavi's financial forecast at the beginning of the strategic period. Discretionary budgets for initial self-financing countries (ISF) include a budgetary floor (ISF floor) to ensure continuity of support for existing vaccine programmes and to ensure new introductions and scale-up of malaria vaccines up to 70% in moderate-to-high transmission areas. The remaining discretionary budgets are allocated using a needs-based formula. Vaccine Budgets may not be sufficient to cover all forecasted country vaccine needs.

The Vaccine Budget Policy outlines the set of rules related to the use of guaranteed and discretionary budgets. Discretionary budgets are flexible and may be used for vaccine programmes under discretionary budgets, and in certain instances, for vaccine programmes under guaranteed budgets. The policy also outlines when, why and how Vaccine Budgets would be revised over the course of the strategic period. If overall funding is not sufficient to address additional country needs arising during the strategic period, a prioritisation logic would be applied.

The policy, which has gone through an extensive consultation process with Alliance, expanded and regional partners and countries is recommended by the Programme and Policy Committee (PPC) for approval with a request to update the prioritisation logic to place greater emphasis on ensuring continuity of existing programmes over new vaccine introductions under guaranteed budgets.

The updated prioritisation logic is currently being applied to address a funding gap. The Gavi financial forecast v23.2 projects a cost increase of Vaccine Budgets of US$ 333 million[1] across the strategic period (see Doc 07). Pending Board decision, additional Vaccine Budget resources of US$ 222 million will be made available, leaving a funding gap of approximately US$ 111 million[1]. The

[1] Within guaranteed budgets and the floor for Initial Self-Financing (ISF) countries in discretionary budgets.

Vaccine Budget policy is critical to prioritise these new resources against the cost increases, to avoid risks of stock-outs. The PPC recommended allocating the new resources to cover most of the additional country needs for the first two years of the Gavi 6.0 strategy cycle, grounded in the updated prioritisation logic. The v23.2 financial forecast confirms that new resources are sufficient to cover the needs for 2026-2028, leaving a funding gap for 2029-2030 only.

As advised by the PPC, if a **funding gap in guaranteed budgets and the Initial Self Financing (ISF) floor persists later in the strategic period, the Secretariat will conduct a holistic review of all Gavi funding envelopes to fill that gap** and bring it to the Board for decision by 2028 at the latest. The Secretariat will prioritise allocating additional resources available to Gavi (if any) to fill the funding gap pending AFC confirmation of funding availability.

Action Requested of the Board

The Gavi Alliance Programme and Policy Committee **recommends** to the Gavi Alliance Board that it:

- **Approve** the Vaccine Budget Policy attached as Annex B to Doc 09.
- **Note**:
  a) Additional resources in the financial forecast v23.2 (approximately US$ 222 million) will be allocated following the revised prioritisation logic. This would likely cover most of the additional 2026 and 2027 needs from the draft v23.2 financial forecast.
  b) If a funding gap in guaranteed budgets and the Initial Self Financing (ISF) floor persists, the Secretariat will conduct a holistic review of all Gavi funding envelopes to fill that gap and bring it to the Board for decision.
  c) The Secretariat will conduct a review of the Vaccine Budget policy in 2028 and update it as needed.

The Gavi Secretariat **requests** the Gavi Alliance Board to note that additional donor resources available to Gavi (if any) will be allocated to fill the remaining funding gap in guaranteed budgets and the Initial Self-Financing floor pending AFC confirmation of funding availability.

Next steps/timeline

Pending approval of the Vaccine Budget Policy and the financial forecast v23.2 by the Board in July 2026, countries may receive updated Vaccine Budget allocations.

Previous Board Committee or Board deliberations related to this topic

In May 2026 PPC meeting book: Doc 06a *Vaccine Budget Policy*

In December 2025 Board meeting book: Doc 05b *2026-2030 Strategy: Country Vaccine Budgets (including Portfolio Optimisation and Prioritisation)*

Report

1. Purpose & policy development process

1.1 **This paper presents the Vaccine Budget Policy to the Board for approval.** It outlines the Vaccine Budget objectives, principles, scope and methodology approved by the Gavi Board in December 2025. It also defines how the policy will be applied, its implications, the proposed approach to review Vaccine Budget allocations, prioritise and update them, all of which have been developed since December.

1.2 **Vaccine budgets represent a significant shift in approach. In Gavi 6.0, countries can only seek support for vaccine programmes within a set Vaccine Budget amount agreed at the start of the strategic period.** This aims to improve predictability and support countries to prioritise and optimise their vaccine portfolios in a constrained funding environment. Previously, countries could request support for any eligible programme at any time, subject to implementation feasibility and ability to co-finance, which, under current funding constraints, would risk a first-come, first-served allocation of funds.

1.3 **In December 2025, the Gavi Board approved the design parameters of Vaccine Budgets, enabling their implementation from the start of Gavi 6.0.** The Board also approved an amount of US$ 5.3 billion for Vaccine Budgets in Gavi 6.0. In March 2026, countries were notified of their indicative Vaccine Budget allocations so that they can start planning and make prioritisation decisions for the 6.0 strategic period.

1.4 **The policy has gone through an extensive consultation process with Alliance partners** and implementing countries, including during the 'Leap into Gavi 6.0 Readiness workshop' in Rwanda in April 2026.

2. Vaccine Budget components and allocation

2.1 **The objectives of the policy are aligned with Gavi 6.0 Strategic Goals (SGs).** They are also grounded in three cross-cutting principles – flexibility for countries, simplicity, and continuity of support. The Vaccine Budget scope includes all existing commitments for routine vaccine programmes, new vaccine introductions (including new Vaccine Investment Strategy (VIS) vaccines), and preventive campaigns (e.g. Measles /Measles Rubella follow-up and catch-up campaigns).[2]

2.2 **Vaccine budgets are determined by dividing vaccine programmes into two budget categories: guaranteed and discretionary[3].** The rationale for grouping vaccine programmes under the guaranteed budget was prioritisation of vaccine programmes with the highest value for money (health impact and

[2] Outbreak response vaccines (e.g. International Coordinating Group on Vaccine Provision (ICG) stockpiles) and diagnostics are supported through a different funding mechanism.
[3] See sections 3.2.1 and 3.4.1 of the policy for the list of vaccines under guaranteed and discretionary budgets.

cost per life saved), global relevance (e.g. polio agenda), continuity of support, and inter-country equity[4].

2.3 **Guaranteed budgets are allocated based on Gavi's financial forecast at the beginning of the strategy period.** Guaranteed budgets aim to provide sustained funding for a core set of vaccines irrespective of whether they have been introduced or not.

2.4 **Discretionary budgets represent additional funding that countries can allocate flexibly**, based on national priorities and public health needs. Discretionary Vaccine Budgets for initial self-financing countries (ISF) include a budgetary floor to ensure continuity of support for existing vaccine programmes that fall under the discretionary budget and to enable malaria vaccine programme continuity, scale-up or new vaccine introductions in up to 70% of moderate- to high-transmission areas ('ISF floor'). The remaining discretionary budgets are allocated across all countries using a needs-based formula[5]. Discretionary budgets may not be sufficient to cover all forecasted country vaccine needs under this budget.

3. Use of Vaccine Budgets

3.1 **The Vaccine Budget Policy (Annex B) outlines a set of rules related to the use of guaranteed and discretionary budgets.** Vaccine budgets are not fungible with health systems strengthening support, also referred to as the "Cash Budget" (see Doc 10), and cannot be used to contribute to a countries' co-financing obligations, and vice-versa.

3.2 **As part of their five-year Gavi single application, countries may choose to self-finance part of a vaccine programme**. If they do so within their guaranteed budget, they can retain and reallocate the corresponding Gavi funds across other eligible vaccine programmes, including within the discretionary budget. This aims to incentivise domestic financing and allow countries to redirect limited Gavi support to priority needs, with potential financing sources including other funders, loans, or the MDB multiplier (see Doc 07).

4. Market shaping considerations

4.1 Given funding constraints, countries **may elect to switch to lower cost products to generate savings for their Vaccine Budget and their co-financing obligations.** However, to maintain supply security in certain markets Gavi will need to maintain several active manufacturers in its supplier base, which may require incentivising countries to maintain higher-priced products. Accordingly, and in line with target market shaping savings and weighted average pricing by antigen, US$ 291 million has been set aside within the Vaccine Budget for this use case, initially focusing on PCV, HPV and malaria

[4] These groupings are not based on WHO guidance or national priorities.
[5] Inverse GNI p.c. scaled to under-5 mortality, meaning that countries with high under-5 deaths and low GNI per capita get more funding

vaccines. Countries that are requested to retain more expensive products would receive a top-up to their Vaccine Budget. In addition, US$ 100 million has been set aside as a vaccine procurement contingency to manage unexpected price increases, as well as fluctuations in transport costs, foreign exchange, etc.

5. Review of Vaccine Budget allocations

5.1 **An annual Gavi Secretariat-led review of country-specific guaranteed budgets and the ISF floor will take place to address changes in country vaccine funding needs or changes in Gavi resources[6].** The objective is to ensure no funds are left idle and countries can deliver on their plans.

5.2 **Overall, countries are expected to manage their vaccine programmes within their existing Vaccine Budget.** They will only be updated under specific circumstances, outlined as 'triggers' in section 7.5 in the Policy. 'Triggers' that could lead to prioritisation are, for example, vaccine price changes, a country discontinuing a vaccine programme under guaranteed budgets, changes as a result of Gavi's programmatic policies such as country eligibility phase changes, or more or less Gavi resourcing for Vaccine Budgets available.

5.3 New country funding needs for guaranteed budgets resulting from triggers **('upwards change')** are noted on a **'standby list'** to be fulfilled through a prioritisation process if funding becomes available. Triggers resulting in funding being freed up in a country's Vaccine Budget **('downwards change')** are allocated against the 'standby list' in that prioritisation process alongside any other new Gavi resources mobilised for Vaccine Budgets.

6. Prioritisation of new country funding needs

6.1 **The order of the prioritisation logic to allocate available resources against country needs on the 'standby list' (see section 5.3) was updated at the PPC meeting to reflect constituent feedback.** Annex C provides a marked-up version of the Policy with updates post-PPC. The updated prioritisation hierarchy places greater emphasis on ensuring continuity of existing vaccine programmes:

[6] The process will be linked to Gavi's standard financial forecasting update cycles.

Table 1: Order in which country funding needs from the 'standby list' will be fulfilled

1a.	Maintain continuity of existing vaccine programmes in guaranteed budgets.
1b.	Maintain continuity of existing programmes in discretionary budgets (ISF Floor only).
2a.	Support coverage expansion across existing vaccine programmes in guaranteed budgets.
2b.	Support coverage expansion across existing vaccine programmes in discretionary budgets (ISF Floor only).
3.	Support new introductions and campaigns in guaranteed budgets and ISF Floor.
4.	Support Vaccine programmes in discretionary budgets outside ISF floor (i.e. new introductions and campaigns in all countries and continuity of existing vaccine programmes in PT and AT countries)[7].

6.2 **If the country funding needs noted on the 'standby list' exceed the funding available,** including utilising relevant Gavi contingency funding mechanisms (see Section 4.1), these needs will be fulfilled in the order of the prioritisation hierarchy. **If less resourcing for Vaccine Budgets is available, funding will be removed in the opposite direction.**

6.3 **Following prioritisation, country-specific Vaccine Budgets will be updated accordingly.** The updated Vaccine Budget allocations are approved by the Gavi Secretariat. The risks of the proposed approach to review, prioritise and update Vaccine Budget allocations are laid out in Annex A.

7. Rebasing and prioritisation of Vaccine Budgets in 2026

7.1 **Indicative Vaccine Budget allocations were shared with countries in March 2026, based on the available forecast at that time. Since then, both additional funding needs and additional resources have been identified.** As per the financial forecast v23.2 (see Doc 07) the additional needs total US$ 333 million in the guaranteed Vaccine Budgets and the ISF floor. At the same time, additional resources amounting to US$ 222 million are expected to become available for Vaccine Budgets, subject to Board approval. This includes US$ 139 million of the US$ 189 million in additional African Vaccine Manufacturing Accelerator (AVMA) pledges, proposed to support the full purchase of African-manufactured vaccines through the AVMA+ buy-down mechanism (see Doc 06b)[8].

7.2 **As total additional needs exceed the available resources, the updated prioritisation logic outlined above has been applied to the additional country funding needs as per PPC recommendation**. This results in the allocation of US$ 184 million to countries' guaranteed Vaccine Budgets and the ISF floor, fully covering new needs for 2026-2028, in line with the PPC's recommendation to cover new funding needs in the first years of the Gavi 6.0 strategy cycle in priority. Remaining needs for 2029-2030, forecasted at US$ 149 million, remain on the 'standby list'. US$ 38 million of newly available

[7] Funding allocated using the allocation formula for discretionary budgets as defined in sections 4.3 and 4.4 of the policy.
[8] Supply credit for Gavi 5.1 makes up remaining US$83 million of new resources.

resources will be allocated at a later stage as part of the annual Vaccine Budget reviews.

7.3 **The remaining funding gap of US$ 111 million[9] for 2029-2030 creates a risk to achieving Gavi's 6.0 strategic goals and targets, including the ambition on reducing zero dose children** (see Doc 14). PPC members advised that new donor resources and variability of the financial forecast (i.e. vaccine volume and price decreases) may close the funding gap for the outer years. Gavi Secretariat will prioritise allocating additional donor resources available to Gavi (if any) to fill the remaining funding gap in guaranteed budgets and the Initial Self-Financing floor pending AFC confirmation of funding availability. Therefore, it was not advised to reallocate funding from other Gavi funding streams (e.g. cash budget) at this time. As advised by the PPC, if the funding gap in guaranteed budgets and ISF floor persists later in the strategic period, the Secretariat will conduct a holistic review of all Gavi funding envelopes to fill that gap and bring to the Board for decision by 2028 at the latest.

8. Monitoring & Evaluation

8.1 **A theory of change has been developed** alongside a set of learning questions (see Annex C). The impact of the policy will be tracked within the Gavi Leap Master Dashboard, and relevant indicators will be included in the overarching 6.0 Gavi Execution Framework. **The PPC has requested a review of the Vaccine Budget Policy in 2028 and to update the policy as needed.**

Annexes

Annex A: Risks and risk mitigation of proposed policy

Annex B: Vaccine Budget Policy (clean version)

Annex C: Vaccine Budget Policy (marked-up from PPC version)

Annex D: Theory of Change and Learning questions

[9] US$ 149 million for 2029-2030 less US$ 38 million of available contingency. In guaranteed Vaccine Budget and ISF floor.