

# **INNOVATIVE DEVELOPMENT INSTRUMENTS: DAY ZERO FINANCING FACILITY – FIRST RESPONSE FUND AND AFRICAN VACCINE MANUFACTURING ACCELERATOR (AVMA)**

**BOARD MEETING**

**Augustin Flory**

6-7 June 2024, Geneva, Switzerland

# AVMA and FRF - core pillars of Gavi's PPPR support

## ① The African Vaccine Manufacturing Accelerator (AVMA)

### **Africa remains vulnerable to supply insecurity**

Africa accounts for <0.1% of global vaccine production; 30+ projects, yet most will fail to reach long-term viability

**African manufacturers may be unviable in early years** Capital, labour and operating costs up to 50% higher for new entrants in Africa, highlighting the need for substantial downstream support, until economies of scale are reached

### **AVMA would offer up to US\$ 1 billion in support: Priming the industry for long-term sustainability**

De-risking investments and bolstering sustainability will support Africa's vaccine sovereignty, pandemic preparedness whilst building a substantial biotech sector



## ② First Response Fund (FRF)

**~50% gap in the estimated ~US\$ 4 billion required for rapid response financing** for outbreaks and pandemics

### **Contingency funds are needed immediately**

This could reduce deaths by up to 74%, and economic costs by up to 95%

### **The First Response Fund pre-positions up to US\$ 500 million of at-risk surge financing -**

available within the first 50 days of an emergency, for vaccine procurement and other urgent uses in core Gavi-eligible countries. The Fund complements other Pandemic Prevention Preparedness and Response (PPPR) financing mechanisms in the global architecture

# ① AVMA is ready for launch on 20 June 2024

AVMA will provide incentives to support sustainable vaccine manufacturing on the African continent through two payments

## Milestone Payment

- For an AVMA priority vaccine or priority platform at WHO PQ
- **Between US\$ 10 and US\$ 25 million**

**~ US\$ 250 million**  
in total for Milestone Payments



## Accelerator Payment

- Top-up per dose following award in UNICEF tender
- **Between US\$ 0.30 and US\$ 0.50 per dose**

**~ US\$ 750 million**  
in total for Accelerator Payments



## AVMA key targets

**At least 4**

Vaccine  
manufacturers

**>0.8 billion**

Doses  
supported

**3 or more**

technologies

**>0.7 billion**

of capacity in  
a pandemic

The following have been reviewed by AFC, PPC or Governance Committee as appropriate:

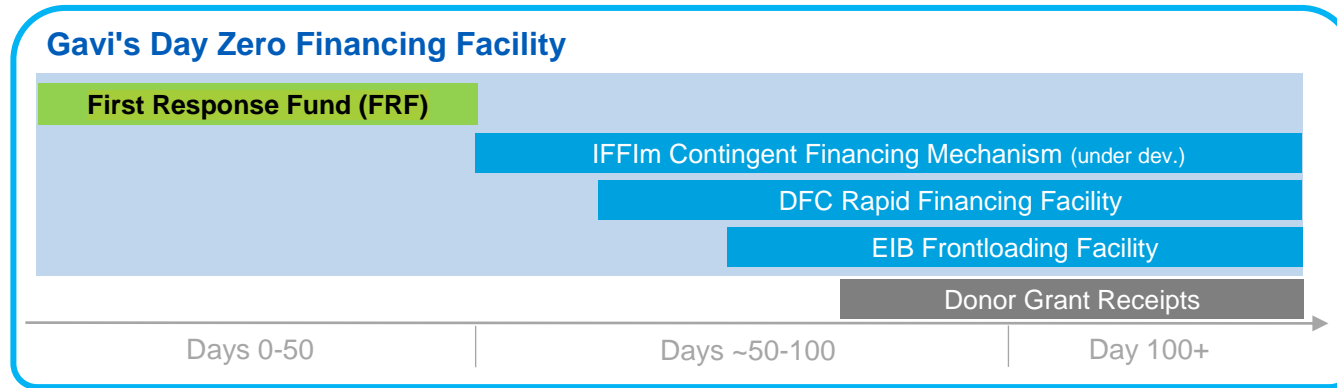
- Amended terms, including eligibility
- Monitoring, Evaluation and Learning Framework
- Risk Management Framework
- Governance arrangements
- An Interim Treasury arrangement
- A mapping of AVMA key dependencies

The Board is asked to...

- > Approve the amendments to key terms
- > Approve the interim treasury arrangements
- > Note the MEL framework, key dependencies and that the Gavi Secretariat will recommend long-term treasury in H2 2024

## ② FRF will be operational in H2 2024

FRF is a critical element of Gavi's Day Zero Financing Facility



### Key Programmatic Parameters of the First Response Fund

<b>Duration</b>	Initially for 7 years, until end December 2030
<b>Geographic Scope</b>	Core Gavi-eligible countries
<b>Eligibility Criteria</b>	A two-stage eligibility process based on i) WHO grading of the public health emergency and ii) a technical assessment <ul style="list-style-type: none"><li>• Rapid vaccine access including procurement of doses</li><li>• Accelerate the delivery of vaccines</li><li>• Targeted support to maintain routine immunisation and protect healthcare workers</li></ul>
<b>Use of Funds</b>	

The following have been reviewed by the AFC, PPC and Governance Committee:

- **Interim Treasury arrangement**
- **Programmatic parameters** developed in consultation with Alliance partners, other partners, and donors
- **Governance arrangements** leveraging existing Gavi governance
- **Disbursement process** in line with Board-approved Delegation of Authority Policy

### The Board is asked to...

- > Approve the interim treasury arrangements
- > Approve the programmatic parameters
- > Note the disbursement process will follow Board-approved DOA policy

# Recommendation (1/2)

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

- a) **Approve** the amendments to the key terms of AVMA as set out in Annex A to Doc 11b;
- b) **Note** the AVMA MEL framework, including proposals for periodic course correction as set out in Annex B to Doc 11b; and.
- c) **Note** the key dependencies as set out in Annex C to Doc 11b.

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

- a) **Approve** the Gavi Secretariat as interim treasury manager of the African Vaccine Manufacturing Accelerator (AVMA) until 31 December 2024; and
- b) **Note** that the Gavi Secretariat will recommend a long-term treasury management arrangement for AVMA and make a proposal on the use of interest income to the AFC, in the second half of 2024.

# Recommendation (2/2)

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

- a) **Approve** the specifications of the programmatic design of the First Response Fund of the Day Zero Financing Facility for Pandemics, including the Fund's programmatic parameters and eligibility criteria, as set out in Annex A to Doc 11a.

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

- a) **Approve** the Gavi Secretariat as interim treasury manager of the Day Zero Financing Facility – First Response Fund until 31 December 2024;
- b) **Note** that the delegation of authority for release of funds will follow the existing Board-approved Delegation of Authority (DOA) Policy;
- c) **Note** that the Secretariat will recommend a long-term treasury management arrangement for the Fund and a proposal on the use of interest income to the AFC in the second half of 2024.

# Thank you