Long-term funding strategy

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Overview

- Lessons from first replenishment
- Priorities for long-term funding
  - Financing instruments
  - Burden sharing directions
  - Donor diversification
“Saving lives with excellent value for money”
-David Cameron
London, 13 June 2011
Lessons from first replenishment

Success factors
1) Collaborative replenishment model
2) Donor commitment & identification with GAVI mission
3) Compelling evidence
4) Political timing & adaptability
5) Lobbying & building public support
6) Leadership & coordination

Challenges
1) Underdeveloped strategy
2) Limited timeframe & operational plan
3) Leadership transitions
4) Stakeholder engagement

Recommendations
1) Deliver on promise
2) Build consensus on sustained replenishment model
3) Develop comprehensive funding strategy
4) Plan early and clarify management of process

Focus of funding strategy:
- Mix of funding mechanisms
- Sustainable burden sharing
- Consensus building process
Options for future GAVI expenditures

![Graph showing future GAVI expenditures with various categories and time periods from 2011 to 2030.](image)
GAVI’s assured resources from donors
AMC, IFFIm, Matching Fund, direct contributions

In addition to assured resources noted above, GAVI receives approximately 2% of its overall assured resources from the drawdown of cash & investments, and investment income.
Challenge of mobilising long-term funding
Building a diverse capital structure

- AMC
- IFFIm
- Long-term direct contributions

Long-term financing instruments

- AMC/financial instruments
- IFFIm
- Potential LMIC market access support

Market shaping mechanisms

- IFFIm
- GAVI Matching Fund
- Short-term direct

Donor diversification

- IFFIm
- Backstop facility
- Cash and investments

Flexible funding
Moving towards sustainable burden sharing

Diverse donor base

Firm country co-financing

Active market shaping

burden sharing
Burden sharing directions

**Illustrative burden shares (base scenario)**

- **Graduated countries**
  - 2011-15: 86%
  - 2016-20: 67%
  - 2021-25: 52%
- **Co-financing**
  - 2011-15: 6%
  - 2016-20: 12%
  - 2021-25: 17%
- **Resource gap: estimated funds from new donors**
  - 2011-15: 4%
  - 2016-20: 8%
  - 2021-25: 11%
- **Resource gap: estimated funds from current donors**
  - 2011-15: 4%
  - 2016-20: 8%
  - 2021-25: 12%
- **Assured resources**

Overview Reflection Finance Burden share Diversification Guidance
Diversifying GAVI’s donor base

GAVI total contributions and commitments: 2000-2031
as of 1 June 2012 (US$ 16 billion)

Overview  Reflection  Finance  Burden share  Diversification  Guidance
Proposed roadmap to resourcing GAVI 2016–20

Phase I
Exploring and defining GAVI 2016–20
Milestones:
1. GAVI 2016–20 options defined
2. Consensus built around predictable funding model
3. Long-term funding strategy adopted

Phase II
Illustrating GAVI's leadership in immunisation
Milestones:
1. Mid-term review successful and donors’ confidence built
2. Adjusted GAVI brand launched and advocacy networks strengthened

Phase III
Resourcing GAVI 2016–20
Milestones:
1. Evidence base released
2. XX US$ billion mobilised
3. Firm co-financing & active market-shaping progress

Phase IV
Delivering GAVI 2016–20
Milestones (2016):
1. XX US$ billion in programmes funded
2. Y number of countries graduated
3. Mid-term review 2018
Early guidance

- Funding model and capital structure
  - Long-term vs. short-term financing

- Burden sharing directions
  - Co-financing vs. donors vs. market-shaping

- Donor diversification
  - De-concentration of donor base
  - New public and private donors