FINANCIAL FORECAST & PROGRAMME FUNDING ENVELOPES

BOARD MEETING
Barry Greene
7-8 December 2016, Abidjan, Côte d’Ivoire
1

Financial Forecast
Expenditure will peak during 2016-20 ...
... as countries transition

Co-financing is increasing

Expenditure Estimates 2016 - 2025 (US$ millions)
Gavi cash outflows & Country Co-Financing

2016-20 average per year:
$1.9 bn Gavi-funded
$0.2bn Country co-financed

2021-25 average per year:
$1.5 bn Gavi-funded
$0.3bn Country co-financed

Tentative!
Expenditure 2016-20

--- $9.5bn per last forecast (Dec 2015)

- $458m Penta
  +$180m HPV & Yellow Fever
  +$ 91m Other vaccines
  +$133m HSIS (mainly campaign costs)
  +$150m CCEOP

—$9.6bn per this forecast (Dec 2016)
OVERVIEW 2016-2020: EXPENDITURE

$9.6 bn total expenditure

75% is for existing programmes

Includes all current vaccines

Includes $159m for New Decisions at this Board meeting

$9.6 bn total expenditure

75% is for existing programmes

Includes all current vaccines

Board meeting
7-8 December 2016
OVERVIEW 2016-2020: RESOURCES

$9.6 bn Allow for future contributions
$0.31 bn Reserve
$1.1 bn
$9.9 bn Resources
$2.2 bn
$7.2 bn New Decisions
Expected Future Demand
Existing Programmes
Needs

- $0.4 bn Available for future investments

Illustrative variation
+ $0.2 bn
- $0.4 bn

+ $0.3 bn
- $0.3 bn

Allow for future contributions

$9.9bn resources

if all pledges are extended to 2020

Board meeting
7-8 December 2016
OVERVIEW 2016-2020

$9.6 bn Allow for future contributions
$0.31 bn Reserve
$1.1 bn
$9.9 bn Resources
$2.2 bn
$7.2 bn
New Decisions
Expected Future Demand
Existing Programmes
Needs
$9.6 bn
$2.2 bn
$7.2 bn
$9.9 bn
Assured Resources
Allow for future contributions
- $0.3 bn
+ $0.3 bn
- $0.4 bn
Illustrative variation
Illustrative variation

8-month requirement

$9.9bn resources
if all pledges are extended to 2020

$9.9bn

Board meeting
7-8 December 2016
OVERVIEW 2016-2020

**Expected Future Demand**

- **$9.6 bn**
- + $0.2 bn
- - $0.4 bn

**New Decisions**

- **$2.2 bn**

**Existing Programmes**

- **$7.2 bn**

**Needs**

- $0.2 bn
- - $0.3 bn
- + $0.2 bn

**Assured Resources**

- **$9.5 bn**
- + $0.3 bn
- - $0.3 bn

**Resources**

- **$9.9 bn**
- + $0.4 bn
- - $0.4 bn

$0.3bn could be available for future investments if all pledges are extended to 2020.

Board meeting
7-8 December 2016
# DECISIONS FOR CONSIDERATION AT THIS BOARD MEETING - FINANCIAL IMPACT

<table>
<thead>
<tr>
<th>US$ million</th>
<th>Decision amount</th>
</tr>
</thead>
</table>

(a) **Programme funding requests**
*Investment return: Direct Health impact*
IRC recommendations 70

(b) **HPV multi-cohort strategy**
*Investment return: Direct Health impact*
PPC recommendation 72

(c) **Stockpiles (Cholera & MenA)**
*Investment return: Epidemic preparedness*
PPC recommendation 86

---

**Envelopes from which the Secretariat can allot funding**

(d) **Programme Funding Envelope for 2017**
- Per current policy 1,042
- Per policy amendment 283
  
  **AFC recommendation**
  1,326

(e) **CCEOP Funding Envelope for allotments in 2016-2017**
- 2016-2020 180
- 2021-22 70
  
  **PPC recommendation**
  250

---

**Funding decisions**

**Note:** Yellow Fever.
In addition to these decisions, **provision of $150m** is included in the forecast for the expected additional **supply availability** of YF vaccine.
### DECISIONS FOR CONSIDERATION - FINANCIAL IMPACT

#### Program funding requests

**Investment return: Direct Health impact**

<table>
<thead>
<tr>
<th>Decision amount</th>
<th>Already in Forecast</th>
<th>Addition to Forecast</th>
<th>Document #</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRC recommendations</td>
<td>70</td>
<td>0</td>
<td>02g</td>
</tr>
</tbody>
</table>

#### HPV multi-cohort strategy

**Investment return: Direct Health impact**

<table>
<thead>
<tr>
<th>Decision amount</th>
<th>Already in Forecast</th>
<th>Addition to Forecast</th>
<th>Document #</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPC recommendation</td>
<td>72</td>
<td>0</td>
<td>12</td>
</tr>
</tbody>
</table>

#### Stockpiles (Cholera & MenA)

**Investment return: Epidemic preparedness**

<table>
<thead>
<tr>
<th>Decision amount</th>
<th>Already in Forecast</th>
<th>Addition to Forecast</th>
<th>Document #</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPC recommendation</td>
<td>86</td>
<td>0</td>
<td>13</td>
</tr>
</tbody>
</table>

#### Envelopes from which the Secretariat can allot funding

- **Programme Funding Envelope for 2017**
  - Per current policy: 1,042
  - Per policy amendment: 283
  - AFC recommendation: 1,326

- **CCEOP Funding Envelope for allotments in 2016-2021**
  - 2016-2020: 180
  - 2021-22: 70

  - PPC recommendation: 250

The decisions add $159m to forecast expenditure.
### POTENTIALLY $307m COULD BE AVAILABLE AFTER FORESEEN NEEDS & THE DECISIONS

#### 2016-2020

<table>
<thead>
<tr>
<th></th>
<th>Post Berlin Meeting Jan 2015 (incl IPV)</th>
<th>Last Forecast Dec 2015 Board</th>
<th>Decisions already made this year</th>
<th>Change upon updating estimates</th>
<th>Impact of decisions for consideration in Dec 2016</th>
<th>New Forecast Dec 2016 Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Qualifying Resources</td>
<td>10,261 $10.3 bn</td>
<td>9,850 $9.9 bn</td>
<td>64</td>
<td></td>
<td></td>
<td>9,914 $9.9 bn</td>
</tr>
<tr>
<td>B Forecast Expenditure</td>
<td>9,809 $9.8 bn</td>
<td>9,518 $9.5 bn</td>
<td>103</td>
<td>(173)</td>
<td>159</td>
<td>9,606 $9.6 bn</td>
</tr>
<tr>
<td>A-B Available for future investments</td>
<td>452 $0.5 bn</td>
<td>332 $0.3 bn</td>
<td>(103)</td>
<td>236</td>
<td>(159)</td>
<td>307 $0.3 bn</td>
</tr>
</tbody>
</table>

Decisions for consideration at December 2016 Board meeting add $159m
- CURRENT YEAR
- BUDGET MANAGEMENT
- RATIOS
### 2016 EXPENDITURE & RESOURCES

#### US$ billions

<table>
<thead>
<tr>
<th></th>
<th>Prior Forecast Dec 2015 Board</th>
<th>Actual through Q3 2016</th>
<th>% of whole-year forecast</th>
<th>Change</th>
<th>New Forecast Dec 2016 Board</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vaccine Programmes</strong></td>
<td>1.1</td>
<td>0.6</td>
<td>55%</td>
<td>(0.13)</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>0.2</td>
<td>45%</td>
<td>(0.10)</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Cash-based Programmes</strong></td>
<td>1.6</td>
<td>0.8</td>
<td>52%</td>
<td>(0.01)</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>0.3</td>
<td>0.2</td>
<td>75%</td>
<td></td>
<td>0.26</td>
</tr>
<tr>
<td><strong>Programmes</strong></td>
<td>1.6</td>
<td>0.8</td>
<td>52%</td>
<td>(0.01)</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>0.3</td>
<td>0.2</td>
<td>75%</td>
<td></td>
<td>0.26</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>1.9</td>
<td>1.0</td>
<td>55%</td>
<td>(0.24)</td>
<td>1.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direct contributions</strong></td>
<td>1.6</td>
<td>1.2</td>
<td>77%</td>
<td>(0.06)</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>0.2</td>
<td>0.1</td>
<td>54%</td>
<td>0.15</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>IFFIm &amp; AMC proceeds</strong></td>
<td>0.04</td>
<td>0.07</td>
<td>197%</td>
<td>0.00</td>
<td>0.04</td>
</tr>
<tr>
<td><strong>Investment income &amp; other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>1.8</td>
<td>1.4</td>
<td>77%</td>
<td>0.09</td>
<td>1.9</td>
</tr>
</tbody>
</table>
# 2016 & 2017 – BUDGET

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programmes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partner Engagement Framework</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted Country Assistance</td>
<td>64.5</td>
<td>57.2</td>
<td>69.5</td>
<td>65.0</td>
<td>134.0</td>
<td>122.2</td>
</tr>
<tr>
<td>Investments in Strategic Focus Areas</td>
<td>26.0</td>
<td>22.2</td>
<td>29.0</td>
<td>29.0</td>
<td>55.0</td>
<td>51.2</td>
</tr>
<tr>
<td>Procurement fees (Vaccine &amp; Cold Chain)</td>
<td>22.9</td>
<td>22.0</td>
<td>22.9</td>
<td>22.9</td>
<td>45.8</td>
<td>44.9</td>
</tr>
<tr>
<td>Foundational Support to partners</td>
<td>36.4</td>
<td>36.4</td>
<td>36.4</td>
<td>36.4</td>
<td>72.8</td>
<td>72.8</td>
</tr>
<tr>
<td>Evaluations &amp; assessments</td>
<td>18.9</td>
<td>17.2</td>
<td>20.4</td>
<td>20.4</td>
<td>39.3</td>
<td>37.6</td>
</tr>
<tr>
<td>AMC fees</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5</td>
<td>5.0</td>
<td>1.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Operational Partnerships</td>
<td>-</td>
<td>5.0</td>
<td>-</td>
<td>5.0</td>
<td>-</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Partner Engagement (PEF)</strong></td>
<td>169</td>
<td>161</td>
<td>179</td>
<td>184</td>
<td>348</td>
<td>344</td>
</tr>
<tr>
<td><strong>Secretariat</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme support (staff, travel, etc.)</td>
<td>58.4</td>
<td>53.7</td>
<td>63.5</td>
<td>63.0</td>
<td>121.9</td>
<td>116.7</td>
</tr>
<tr>
<td>Management, general &amp; fundraising</td>
<td>44.0</td>
<td>44.0</td>
<td>44.8</td>
<td>45.3</td>
<td>88.8</td>
<td>89.3</td>
</tr>
<tr>
<td>IFFIm &amp; Gavi campaign*</td>
<td>4.0</td>
<td>3.5</td>
<td>3.0</td>
<td>3.0</td>
<td>7.0</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Secretariat</strong></td>
<td>106</td>
<td>101</td>
<td>111</td>
<td>111</td>
<td>218</td>
<td>213</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>1,873</td>
<td>1,625</td>
<td>1,936</td>
<td>1,910</td>
<td>3,809</td>
<td>3,535</td>
</tr>
</tbody>
</table>

Per Appendix 3, page 3

- 2-year budget can absorb: AMC fee gap
- Operational Partnerships

Board meeting
7-8 December 2016
## 2016 & 2017 – RATIOS

### US$ million

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-2017 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmes</td>
<td>2,978</td>
</tr>
<tr>
<td>Partner Engagement Framework</td>
<td></td>
</tr>
<tr>
<td>Targeted Country Assistance</td>
<td>122.2</td>
</tr>
<tr>
<td>Investments in Strategic Focus Areas</td>
<td>51.2</td>
</tr>
<tr>
<td>Procurement fees (Vaccine &amp; Cold Chain)</td>
<td>44.9</td>
</tr>
<tr>
<td>Foundational Support to partners</td>
<td>72.8</td>
</tr>
<tr>
<td>Evaluations &amp; assessments</td>
<td>37.6</td>
</tr>
<tr>
<td>AMC fees</td>
<td>5.6</td>
</tr>
<tr>
<td>Operational Partnerships</td>
<td>10.0</td>
</tr>
<tr>
<td>Partner Engagement (PEF)</td>
<td>344</td>
</tr>
<tr>
<td>Secretariat</td>
<td></td>
</tr>
<tr>
<td>Programme support (staff, travel, etc.)</td>
<td>116.7</td>
</tr>
<tr>
<td>Management, general &amp; fundraising</td>
<td>89.3</td>
</tr>
<tr>
<td>IFFIm &amp; Gavi campaign</td>
<td>6.5</td>
</tr>
<tr>
<td>Secretariat</td>
<td>213</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>3,535</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>256</td>
</tr>
<tr>
<td><strong>OpEx ratio</strong></td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>Total Overhead</strong></td>
<td>96</td>
</tr>
<tr>
<td><strong>Overhead ratio</strong></td>
<td>2.7%</td>
</tr>
</tbody>
</table>

### OpEx Ratio 7.2% (new)

### Overhead Ratio 2.7%

**Per Appendix 3, page 3**

Additional ratio: Operating Expenses - for better comparability
No overall budget increase
Seeking to manage 2016 & 2017 as a 2-year budget, so that:

- Annual budgets can be combined for each component of the budget
- Secretariat budget for operating expenses can enable capital expenditure and Operational Partnerships

Establishment of Programme Funding Envelopes

- General Envelope (as in prior years)
- New Envelope for CCEOP programmes (contingent on CCEOP decision)
The Gavi Alliance Board:

2016-2017 budget for the Partners Engagement Framework & Secretariat

a) **Agreed** that the budgetary amounts approved by the Board in Decision 12 of the Board Meeting of 2-3 December 2015 for each component of the Gavi Engagement Framework and Budget for Partners and Secretariat for 2016 and separately for 2017, be treated as an overall Budget amount for each component which may be utilised over both years.

b) **Agreed** that capital expenditure of the Secretariat in excess of the capital expenditure budget can be incurred within the overall amount of the Secretariat Engagement Framework and Capital Expenditure budgets for both years.
c) Agreed that expenditure on Operational Partnerships, which are a new initiative for which no provision was made in the aforementioned Budget for 2016 and 2017 can be incurred within the overall amount of the Secretariat/Partners’ Engagement Framework budgets for both years.
The Gavi Alliance Board:

2017 General Programme Funding Envelope for “unrestricted” countries

a) **Approved** a 2017 Programme Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2017, to endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US$ 1,306 million.

(These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
Cold Chain Equipment Optimisation Platform Funding Envelope

b) **Approved**, subject to the Board approving the recommendations with respect to the CCEOP (Doc 07b), a CCEOP Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2017, to endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new CCEOP programmes for an aggregate amount not exceeding US$ 250 million.

(These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
The Gavi Alliance Board in session without the participation of US citizens and residents:

2017 General Programme Funding Envelope for “restricted” countries

Approved a 2017 Programme Funding Envelope for restricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2017, to Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US$ 20 million.

(These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
Thank you