Annex A: Terms of the COVAX AMC

This document sets out the main terms of the Gavi COVAX Advance Market Commitment ("COVAX AMC" or "AMC").

Objectives and Eligibility

The objective of the COVAX AMC is to reduce the impact of COVID-19 in eligible economies by accelerating the introduction and scale up of vaccines that protect against COVID-19 ("Objective"). Economies eligible to benefit from the COVAX AMC will be [insert Gavi board decision] ("Eligible Economies"). Eligible Economies which are approved by the Gavi board shall be able to benefit from the COVAX AMC as "Funded Economies".

Governments and other organisations ("AMC Donors") commit funds to the COVAX AMC which will be made available to Gavi to support the Objective.

Role of Gavi under the COVAX AMC

Gavi policies shall apply to the COVAX AMC except where otherwise specified by the Gavi Board.

The Gavi Secretariat shall administer the COVAX AMC. The Secretariat will enter into Grant Agreements with AMC Donors, engage with Funded Economies, and enter into agreements with vaccine manufacturers.

Engaging with Funded Economies

The engagement with Funded Economies will include:

- Discussions about economies’ interest in applying for support for COVID-19 vaccines, and readiness to introduce these vaccines
- Development of and applications for COVID-19 vaccine programmes as approved by the Gavi Board

Engaging with manufacturers

The Secretariat will negotiate and enter into agreements (such as advance purchase commitments) with manufacturers which commit to procurement of vaccines that meet the WHO TPP on behalf of Funded Economies.

The Pharmaceutical Manufacturers will be expected to:

1. Use any payment advances towards the production of its COVID-19 vaccine programme;
2. Inform Gavi periodically of its progress in its COVID-19 vaccine programme(s);
3. Deliver its production of its COVID-19 vaccine programme to Eligible Economies in the terms and conditions defined in the Vaccine Purchase Commitment Agreement; and
4. In the event of not being able to comply with the Vaccine Purchase Commitment Agreement, inform the Gavi opportunely to negotiate its termination and settle the applicable penalties and/or compensations to the Facility as determined by the contract.
Vaccine allocation and distribution

The AMC will fund the procurement of doses for Funded Economies, subject to the availability of:

- WHO prequalified and/or licensed vaccines that protect against COVID-19; and
- sufficient funding from AMC Donors.

The allocation of doses to Funded Economies will be in line with WHO’s allocation framework.

Governance, Information and Reporting

Each AMC donor will be a signatory to the AMC Stakeholders agreement, which will define the objectives of the AMC, the terms of use of AMC funds, early termination events, the role of Gavi and other potential stakeholders in the implementation of the AMC, as well as the governance of the AMC. Bilateral grant agreements will be signed between each AMC donor and Gavi and the Treasury Manager, if Gavi is not providing the Treasury Manager function.

The AMC Stakeholders Group will have representatives from AMC donors, procurement organisations such as UNICEF and PAHO, and the representatives of countries and multilateral development banks or regional banks involved in the financing of the AMC. It will include private sector and philanthropic donors that have provided at least US$ 10 million in funding to the AMC.

The Stakeholders Group will be the forum at which the Gavi Secretariat and other AMC stakeholders shall provide updates on the COVAX AMC. It will meet semi-annually throughout the life of the COVAX AMC and will receive other updates as necessary.

The Gavi Secretariat shall inform the AMC Stakeholders Group, subject to strict commercial confidentiality on market information:

- When it enters into volume guarantees with manufacturers of COVID-19 vaccines or candidate vaccines;
- Of cost estimates for the supply of COVID-19 vaccines to Funded Economies; and
- Of plans to introduce COVID-19 vaccines in Funded Economies.

AMC transactions will be approved by the Market Sensitive Decisions Committee [note Board decision requested in Doc 4b].

AMC term

The AMC will last for up to ten years, unless terminated earlier in accordance with its terms.

At the end of 2025 AMC Donors shall have the opportunity to review the COVAX AMC. Subject to the outcome of the review, donors may:

- Commit funds to continue to fund the procurement of COVID-19 vaccines for Funded Economies in a subsequent phase of the COVAX AMC;
- Transfer funds for use in support of Gavi’s mission by donating to other Gavi programmes; or
- Withdraw remaining funds from the COVAX AMC.

Early termination event

Prior to the end of the AMC term, exceptional circumstances may justify an early termination of COVAX AMC. Specifically, if as at the end of 2025 no COVID-19 vaccine has obtained WHO pre-qualification and/or regulatory licensure, then the AMC donors shall have the opportunity to review the AMC and determine whether a termination event has occurred. If the AMC donors, by a two-thirds majority based on the amount of the relevant donor’s commitment, determine that a termination event has occurred, then AMC Donors’ remaining funds will be directed in accordance with their bilateral grant agreements. AMC Donors could, by a two-thirds majority vote, where the number of votes would be determined based on the amount of original commitment decide collectively on their use of remaining funds, but would not be bound to do so.

Cancellation

At all times, if Gavi or a two thirds majority of donors based upon the amount of the relevant donor’s commitment make a determination that there has been irremediable dilution in the extent to which the AMC Objectives are being met with respect to vaccines or manufacturers contracted, Gavi shall issue a total cancellation notice to the AMC Donors and to any contractual parties allowing for an early termination of the AMC. Material adverse events would include the following if Gavi assesses that as a result more than 50% of currently contracted vaccine supply is interrupted:

- revocation, withdrawal, cancellation or suspension of license or WHO prequalification of one or more vaccines by the relevant authority or WHO
- one or more vaccines is subject to a material inquiry or investigation by an international organisation or a relevant health regulatory authority
- one or more manufacturers fails to comply in a material way with the terms of its agreement with Gavi
- one or more manufacturers becomes insolvent or subject to insolvency proceedings or creditor’s event.

[Material adverse events will be aligned with Facility terms]

AMC Donors’ remaining funds would then be directed in accordance with their bilateral grant agreements. AMC Donors could, by a majority vote, where the number of votes would be determined based on the amount of original commitment decide collectively on their use of remaining funds, but would not be bound to do so.

Appointment of a Treasurer

While AMC donors are required to make 30% of the US$ 5.4 billion required to procure 1bn doses available upon the signing of the AMC Stakeholders agreement, they would however be given the flexibility to make staggered payments over the lifetime of the AMC, but in no less than [X] years.
As a result, a Treasurer is appointed to manage AMC funding flows (money received by AMC donors and money due and payable by Gavi as per AMC transactions) and ensuring to Gavi availability of funding at the time it is needed.