### Annex A: Alternative options explored for the administration of the Facility and key reasons for not exploring further

<table>
<thead>
<tr>
<th>Option</th>
<th>Advantages</th>
<th>Disadvantages</th>
<th>Key reasons for not exploring further</th>
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</thead>
</table>
| 1. A new legal entity (established as an affiliate of Gavi) is established for the purposes of contracting for participants’ commitments and holding funds on behalf of the COVAX Facility. | - No recourse to Gavi itself, means Gavi’s balance sheet is not at risk as a result of the COVAX Facility.  
- Gavi’s ownership of the new legal entity however lends Gavi’s credibility and experience to the structure.  
- Opportunity to design a bespoke administration architecture for the COVAX Facility.  
- Outsourcing of administration to Gavi, and a third-party treasury manager leverages existing expertise from previous innovative finance mechanisms, including the Pneumo AMC.  
- Counterparties (e.g. manufacturers, and participants) have no contractual recourse beyond the assets owned by this new affiliated legal entity. The entity would report to its own Board of Directors. | - High transaction costs  
- Additional structural complexity brought by the additional entity.  
- The setup of the new legal entity is a condition precedent for being able to enter into transactions with manufacturers which will delay implementation and achievement of the Facility’s objectives and this could take up to a month just to set up  
- Unclear whether sufficient advantage would be obtained over using Gavi’s existing structure, given the short period the Facility is expected to be operational  
- Introduces additional governance bodies into decision making, leading to potential cross over with Gavi’s governance and creating complexities | - Need to set up of the legal entity resulting in delays and high transaction costs |
| 2. An existing third-party organisation, should one be identified administers the COVAX Facility | - Provides credibility of an experienced third-party administrator for such a high-profile project  
- Keeps distinct roles of Self-financing Participants and Funded Participants  
- Minimises/eliminated Gavi Balance Sheet risk | - Hard to ensure a seamless cooperation between the COVAX AMC administered by Gavi and a third party administering the COVAX Facility  
- Level of experience in vaccine delivery and credibility with high income and upper middle-income economies and manufacturers from a third party would need to be assessed  
- Additional steps would be expected to have the Secretariat handing over the expressions of interest and build a new relationship between Self-financing Participants and the third party  
- Separate entities administering the COVAX | - Need to (i) identify a third party with required level of expertise and credibility and (ii) handover to such third party resulting in delays  
- Requested level of cooperation between AMC and Facility expected to create structural complexity |
AMC and COVAX Facility may be disruptive, inefficient and more costly
- Introduces additional governance bodies into decision making leading to potential cross over with Gavi's governance and creating complexities
- Is likely to slow down the deal making and effort at a time when speed is critical to access vaccines

| 3. A new legal entity (not affiliated to Gavi) is established to administer the Facility | Provides a clear and distinct framework  
Opportunity to design a bespoke administration architecture for the COVAX Facility | High transaction costs  
Delays the date by which the Facility would become operational, considering time to incorporate, status of organisation (non-profit, IO, etc.), staffing, putting in place a new board, etc  
There may be a lack of confidence to participate in a newly established entity and signing up in a short time frame | Risk that participants and manufacturers have sufficient trust in a newly established entity  
Delays resulting from the set up |