



INVESTING TOGETHER FOR A HEALTHY FUTURE

A WORLD FREE FROM VACCINE-PREVENTABLE DISEASES



THE 2016–2020 INVESTMENT OPPORTUNITY

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This document presents the 2016–2020 Gavi Investment Opportunity to potential donors and investors to inform their investment decisions. The figures presented herein are based on the latest estimates of the Gavi as of 1 May 2014 and are subject to change based on updated estimates, future fluctuations in country demand, vaccine prices, the Gavi Board adoption of the 2016–2020 strategy and other unforeseen changes.

EXECUTIVE SUMMARY

Since 2000, Gavi, the Vaccine Alliance has driven unprecedented progress in immunisation.

Through the leadership of developing countries, supported by the other Gavi partners, close to half a billion children have been immunised, which will lead to 6 million lives saved.¹ Donors have acknowledged these achievements by endorsing Gavi as “very good value for money”² and by committing nearly US\$ 12 billion in funding to date.

Gavi, the Vaccine Alliance is recognised as a leader in innovative and sustainable approaches to development, supporting countries to secure a healthy and prosperous future. Joint investments and engagement by the public and private sectors are yielding social and economic returns far beyond what any country or agency could achieve alone.

As the world nears the 2015 deadline for the Millennium Development Goals, the Vaccine Alliance is continuing to scale up current interventions and is looking ahead to the next chapter – aspiring to a world free from vaccine-preventable diseases. However, one in five children worldwide are not fully protected even with the most basic vaccines, and only a minority have access to the full range of new, powerful vaccines against the most fatal diseases. Most of these underimmunised children live in Gavi-supported countries.³

2016–2020: a critical period for global immunisation

If Gavi is able to mobilise US\$ 7.5 billion in additional investments for the 2016–2020 period, Gavi-supported countries can immunise a further 300 million children, resulting in 5 to 6 million lives saved. This would increase by more than 10-fold (from less than 5% to 50%) the proportion of children who are fully protected with the 11 vaccines recommended by WHO for infants in all countries.⁴

This unprecedented scale-up in immunisation coverage will generate between US\$ 80 and US\$ 100 billion in economic benefits⁵ – equivalent to nearly three quarters of the total Official Development Assistance (ODA) contributed by OECD DAC donors in 2013.⁶

Realising this ambition requires bold investments by all partners, with Gavi-supported countries at the forefront. With growing economies they will nearly triple their co-financing contributions in 2016–2020 compared with the previous five-year period, contributing US\$ 1.2 billion to the cost of new vaccines.

Gavi’s work with vaccine manufacturers to supply high-quality vaccines at lower prices to developing countries will continue to break down barriers of access, even in the poorest countries and the most marginalised communities.

We have before us the opportunity to build upon and consolidate the gains achieved so far by investing together in the unfinished agenda of global immunisation.

Now is the time to:

- **accelerate impact** by introducing life-saving vaccines in countries that have yet to do so, and by strengthening the systems needed to deliver routine immunisation.
- **reach every child** in Gavi-supported countries with life-saving vaccines, including those who have fallen through the cracks of inequity and are not fully protected even with the most basic vaccines, and expand access to new, improved vaccines.
- **ensure the gains and investments of the past 15 years are consolidated and sustained** so countries can increase their immunisation coverage and eventually take over full financing of their immunisation programmes. Consistent and catalytic support in this period will be fundamental to the success of the 22 countries expected to graduate from Gavi support by 2020.

Now is the time to
invest together for
a healthy future.

¹ The term lives saved is used throughout this document to denote the impact of Gavi investments in terms of future deaths averted through the prevention of death due to infectious diseases in childhood as well as death due to cancer in adulthood. Immunisation averts deaths over the lifetimes of vaccinated children by providing immunological protection from a young age. Some vaccines, for example human papillomavirus (HPV) vaccine, prevent deaths due to cancer decades in the future, through protection conferred at the time of immunisation.

² UK Multilateral Aid Review Report, 2011: <https://www.gov.uk/government/publications/multilateral-aid-review>

³ Gavi supported countries refers to the 72 countries currently supported by Gavi, plus Ukraine, which does not have active Gavi support at present.

⁴ These are the five antigens included in the pentavalent vaccine (diphtheria, tetanus, pertussis, Haemophilus influenza type B and hepatitis B), Bacillus Calmette–Guérin, polio, measles, rubella, pneumococcus and rotavirus vaccine). The HPV vaccine is also universally recommended for girls in all countries, but is not listed here because it targets a different age group.

⁵ Preliminary findings from Johns Hopkins and GVAP Steering Committee (2014), Costing, Financing, Gap, and Return on Investment Analysis for the Global Vaccine Action Plan (GVAP).

⁶ OECD DAC = The Organisation for Economic Cooperation and Development’s Development Assistance Committee. According to the OECD, donors contributed a total of US\$ 134.8 billion in net official development assistance (ODA) in 2013, <http://www.oecd.org/newsroom/aid-to-developing-countries-rebounds-in-2013-to-reach-an-all-time-high.htm>

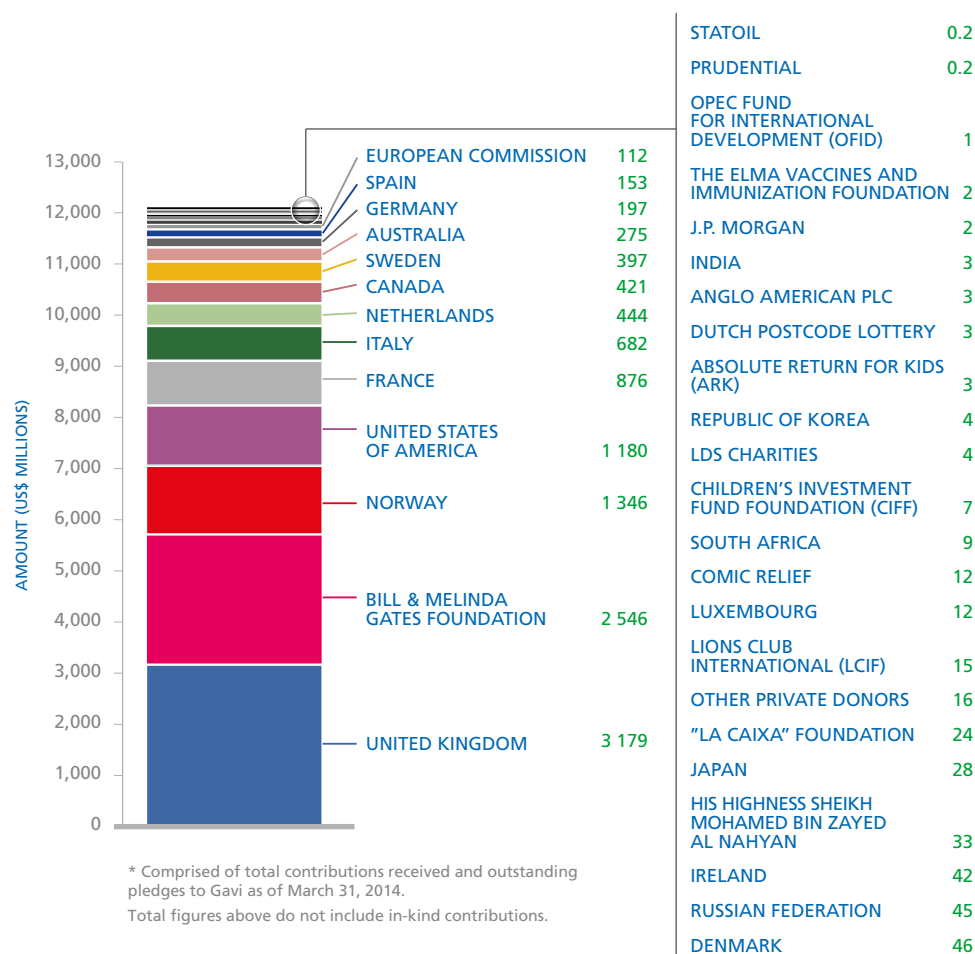
THE OPPORTUNITY

With a track record of almost 15 years of proven results, Gavi, the Vaccine Alliance is testament to the power of partnership in addressing one of the world's most pressing health and development challenges. The last 15 years have seen a significant reduction in child mortality, due in part to increased immunisation rates galvanised by Gavi support. Since 2000, Gavi partners have supported countries to drive unprecedented progress in immunisation: close to half a billion children

have been immunised, which will result in 6 million lives saved. Recognising that the successful delivery of immunisation programmes relies on robust health systems, Gavi has provided US\$ 884 million in health system strengthening (HSS) support since 2005.

These achievements, led by countries themselves, have been catalysed by over US\$ 12 billion in donor contributions since 2000 (see figure 1).

> **Figure 1 2000–2015 DONOR CONTRIBUTIONS AND PLEDGES TO GAVI: US\$ 12.1 BILLION.**⁷



⁷ Please see annex 6: Gavi assured resources for 2000–2020.



Building upon this successful foundation, the Vaccine Alliance is looking ahead to the next chapter. The upcoming 2016–2020 strategy period presents a tremendous opportunity to accelerate impact, reach more children with the power of vaccines, and ensure the gains made to date are consolidated and sustained, enabling a healthy future for the next generation.

With additional investments by public, private donors, and implementing countries, coupled with active market shaping to secure further price reductions from vaccine manufacturers, the Vaccine Alliance can dramatically accelerate its impact and double the number of lives saved since Gavi was founded.⁸

Between 2016 and 2020, Gavi funding will result in the immunisation of more than 300 million additional children

and the prevention of 5–6 million future deaths. If Gavi secures sufficient funding, it will be able to provide children with more complete protection against diseases by contributing to a 10-fold increase – from less than 5% to 50% – in the proportion of children who are fully protected with the vaccines universally recommended by WHO for infants.

These outcomes will generate important broader benefits to children, families and communities by preventing more than 100 million cases of illness and saving more than a quarter of a billion disability adjusted life years (DALYs). This will lead to an estimated US\$ 80 to US\$ 100 billion in productivity gains and savings from treatment costs, transportation costs and caretaker wages due to disability and death¹⁰ – equivalent to nearly three quarters of the total Official Development Assistance (ODA) contributed by OECD DAC donors in 2013.¹¹

> **Figure 2 FORECASTED COSTS AND ESTIMATED FUTURE DEATHS AVERTED, BY VACCINE⁹**

VACCINE	2011 to 2015			2016 to 2020		
	Expenditure in US\$ millions	Number immunised	Deaths averted	Expenditure in US\$ millions	Number immunised	Deaths averted
PNEUMOCOCCAL	2,462	80 M	400,000	2,789	190 M	~600,000
PENTAVALENT ^a	1,710	240 M	2,600,000	1,294	300 M	~3,000,000
ROTAVIRUS	374	40 M	60,000	955	150 M	~200,000
HPV	39	1 M	20,000	347	30 M	~600,000
MEASLES SECOND DOSE AND MEASLES-RUBELLA ^{b,c}	241	200 M	300,000	343	500 M	~700,000
YELLOW FEVER ^c	136	70 M	200,000	288	150 M	~300,000
TYPHOID	-	-	-	241	50 M	~20,000
CHOLERA ^d	26	-	-	89	-	-
MENINGITIS A ^c	202	240 M	-	85	100 M	~60,000
JAPANESE ENCEPHALITIS ^c	5	7 M	1,000	52	70 M	~8,000
TOTAL	US\$ 5.2 billion		3.9 million	US\$ 6.5 billion		5–6 million

^a Number of children immunised and deaths averted in the 2011–2015 period also include children vaccinated with Hib- and HepB-containing vaccines outside of pentavalent vaccine. Includes Tetra DTP-hepB.

^b Standalone measles campaigns are not included here. Standalone measles campaigns approved by the Board in 2012 are forecasted to lead to an additional 100 million persons immunised and approximately 500,000 deaths averted, in addition to the figures shown here.

^c Includes estimates from both campaign and routine immunisation strategies.

^d Impact has not been calculated for cholera stockpile.

NB: The forecasted impact numbers shown in this table are a function of the latest estimates of population size, disease burden and forecasted introduction, scale up and coverage of vaccination and thus are subject to change.

⁸ Gavi has helped to avert 6 million future deaths over the past 13 years (2000–2013). In the 2016–2020 period, Gavi will help to avert an additional 5–6 million deaths in only 5 years – less than half of the time needed to avert the first 6 million future deaths. An additional 2 million future deaths will be averted in 2014–2015.

⁹ See annex 1: Gavi-supported vaccines and associated diseases.

As Gavi-supported countries grow more prosperous, they can assume greater financial responsibility for their immunisation programmes. By 2020, it is projected that 22 countries will have taken over full financing of their Gavi-supported vaccines, marking a new era of increased sustainability.



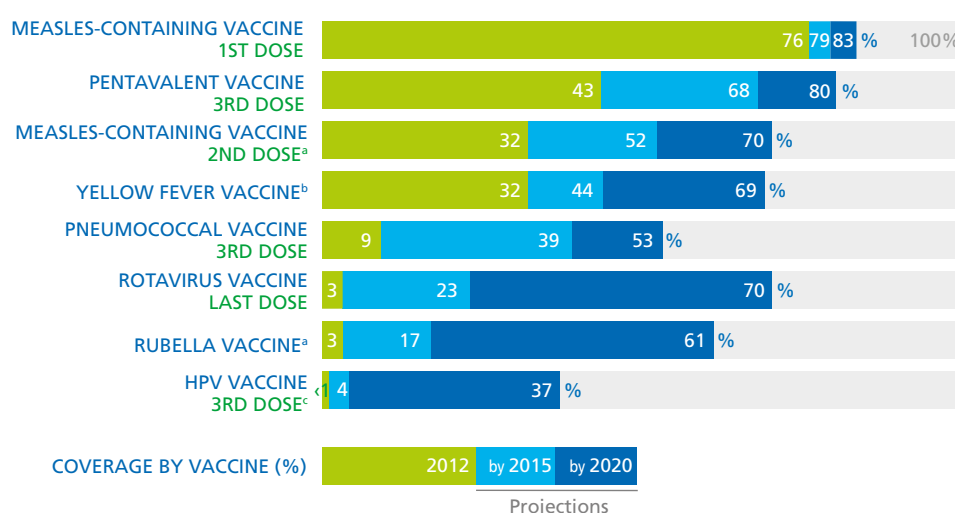
WHY NOW?

As the 2015 deadline for the Millennium Development Goals (MDGs) approaches, an estimated 1.5 million children are still dying from vaccine-preventable diseases.¹² Despite significant efforts to ensure that

MDG 4 (to reduce child mortality by two thirds) is met at the global level, a number of countries – particularly in Africa and Asia – are lagging behind. Together, we can prevent unnecessary deaths by ensuring that all children have access to a full schedule of appropriate vaccines.

In 2012, close to 20 million children (26%) in countries supported by Gavi did not receive a full course of even the most basic vaccines, as measured by the third dose of a diphtheria-tetanus-pertussis containing vaccine. Coverage of powerful, new vaccines is much lower.¹³ Nearly 70 million children (90%) in Gavi-supported countries missed out on the full course of pneumococcal vaccine in 2012. Even fewer were protected against rotavirus diarrhoea, with 74 million (97%) underimmunised with the required doses of the vaccine in 2012. Fewer than half a million girls (1%) were reached with human papillomavirus (HPV) vaccine, leaving 32 million unprotected against cervical cancer¹⁴.

> **Figure 3 SCALE-UP OF IMMUNISATION IN GAVI-SUPPORTED COUNTRIES BY 2020¹⁵**



^a 2012 coverage estimates are based on country official reported figures

^b Target population and coverage estimates are based on 32 yellow fever-endemic Gavi-supported countries in Africa.

^c Target population for HPV3 is 9-13 year old girls, 2012 coverage estimates derived from SDF projections about scale-up.

¹⁰ Estimates based on methods from Stack, ML & AL (2011). Estimated economic benefits during the 'Decade of Vaccines' Include Treatment Savings, Gains in Labor Productivity. Health Affairs, 30(6): 1021-1028; Lee, LA et al. (2013). The estimated mortality impact of vaccinations forecast to be administered during 2011-2020 in 73 countries supported by the Gavi Alliance. Vaccine, 31S: B61-B72. Available at: <http://www.sciencedirect.com/science/article/pii/S0264410X12016283>

¹¹ According to the OECD donors contributed a total of USD 134.8 billion in net official development assistance (ODA) in 2013, <http://www.oecd.org/newsroom/aid-to-developing-countries-rebounds-in-2013-to-reach-an-all-time-high.htm>

¹² WHO/UNICEF estimates: http://apps.who.int/immunization_monitoring/globalsummary/timeseries/tswcoveragebcg.html

¹³ See Annex 5: Underimmunised children in Gavi supported countries by vaccine.

¹⁴ 2012: WHO/UNICEF coverage estimates and country official reported figures (MCV2 and rubella), as of July 2013; 2015 and 2020 coverage: Gavi Strategic Demand Forecast version 9.

¹⁵ For more details please see Annex 5: Underimmunised children in Gavi-supported countries by vaccine.

By the end of 2014 the five-in-one pentavalent vaccine will have been introduced in all 73 Gavi-supported countries, including some of the world's most fragile countries.



Within developing countries, the children who die before the age of five and who miss out on life-saving vaccines are often those living in the hardest-to-reach areas, in marginalised communities and in the poorest households.¹⁶ Improving equity in access to immunisation both between and within countries continues to be a key priority for Gavi. However, reaching these children will require increased investments in robust immunisation delivery and data monitoring systems.

With support of Gavi, developing countries have made significant strides in accelerating and expanding access to life-saving vaccines.¹⁷ For instance, by the end of 2014 the five-in-one pentavalent vaccine¹⁸ will have been introduced in all 73 Gavi-supported countries, including some of the world's most fragile countries. Still, Gavi's work is far from finished.

Country demand for life-saving vaccines remains high¹⁹. Over the next strategy period, countries are planning to continue to introduce new vaccines and to scale up coverage of existing vaccines (see figure 3). Gavi expects

to support approximately 150 new vaccine introductions and campaigns in 2016–2020. The number of new introductions will likely taper off dramatically in the final years of the period, as the new vaccines will already have become part of routine programmes in many countries. At the same time, efforts to expand the reach of routine immunisation programmes will help to lift coverage rates and see many more children fully protected from a range of deadly and debilitating diseases.

With additional funding today, we can close the access gap, safeguard our past investments and ensure continued progress, especially as countries begin to graduate from Gavi support. Investing now will help to make sure that graduating countries are better prepared to fully finance their own immunisation programmes in the years to come – making the benefits of our investments today, permanent for tomorrow.

¹⁶ Finding the final fifth: Inequalities in immunisation. London, Save the Children, 2012.

¹⁷ See Mid-Term review report, October 2013: "Delivering Together on the 2011–2015 strategy" also available at: <http://midtermreview.gavialliance.org/>

¹⁸ Pentavalent vaccine is combination vaccine protecting against diphtheria, tetanus, pertussis (DTP), hep B and Haemophilus influenzae type b (Hib).

¹⁹ Please see annex 4: Projected demand for Gavi vaccines by country 2016–2020.

WHY GAVI, THE VACCINE ALLIANCE

As a 21st century public-private development partnership, Gavi applies market-based approaches to help solve public health challenges. Gavi draws on the strengths and complementarities of all the key stakeholders in global immunisation, including implementing and donor governments, the World Health Organization, UNICEF, the World Bank, the Bill & Melinda Gates Foundation, civil society, the vaccine industry, research and technology institutes and private companies, to redress global inequities in access to vaccines. By creating synergies, coordinating existing systems and avoiding duplication, the Vaccine Alliance is having an impact far beyond what could be achieved by any one country or organisation alone.

The Vaccine Alliance has a proven track record in delivery, efficiency and transparency, which has been commended in recent donor and multilateral evaluations such as the Australian Multilateral Assessment,²⁰ the Multilateral Organisation Performance Assessment Network (MOPAN) Review,²¹ the UK Multilateral Aid Review²² and Sweden's assessment of multilateral organisations.²³ Gavi was ranked second of 67 development agencies and donor governments in the 2013 Aid Transparency Index.²⁴ Gavi's efficient operating model ensures that US\$ 0.97 of every dollar invested goes towards providing vaccines and delivering immunisation services to children in need (see figure 7).

In the 2011–2015 period alone, joint efforts by countries and the other Gavi partners, made possible with US\$ 7.3 billion in donor support, are expected to prevent 3.9 million future deaths and enable more than US\$ 60–70 billion in economic savings and growth over the long term.

To build upon this progress and take full advantage of the opportunities in 2016–2020, the new Gavi strategy will emphasise consolidation and sustainability, coverage and equity, and innovation and ambition. Gavi aims to provide the right package of support to the diverse range of Gavi-supported countries, from fragile states to graduating countries. This will be addressed through four strategic goals:²⁵

- Accelerating equitable uptake and coverage of vaccines.
- Improving effectiveness and efficiency of immunisation delivery as an integrated part of strengthened health systems.
- Improving sustainability of national immunisation programmes.
- Shaping markets for vaccines and other immunisation products.

To help achieve these goals, Gavi will enhance its operating model, strengthen existing partnerships and broaden the Vaccine where necessary. This will include further engagement with the private sector not only to secure financial resources, but also to help tackle key operational challenges and raise awareness of immunisation and Gavi's work among target audiences.

Gavi, the Vaccine Alliance is now well placed to seize the opportunity to reach even more children with life-saving vaccines, help countries build on early success, improve equity and ensure sustainability in the next period.

²⁰ http://aid.dfat.gov.au/Publications/Pages/693_6999_8205_7111_6531.aspx

²¹ http://www.mopanonline.org/upload/documents/MOPAN_2012_Gavi_Final_Vol_1_Issued_December_2012.pdf

²² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/297523/MAR-review-dec13.pdf

²³ <http://www.government.se/sb/d/11747/a/122004>

²⁴ http://reliefweb.int/sites/reliefweb.int/files/resources/2013-Aid-Transparency-Index_0.pdf

²⁵ The Gavi 2016–2020 strategy was considered for discussion and approved by the Board in June 2014.

INVESTING TOGETHER: THE GAVI MODEL IN ACTION

The Gavi resource mobilisation model relies on collaborative efforts with country co-financing and donor pledges, complemented by active market shaping and vaccine price reductions.

Co-financing

Country ownership and long-term sustainability are at the heart of the Gavi model. Gavi support is based on country demand, and all countries pay a share of the cost of their vaccines that are funded by Gavi. This helps to ensure that immunisation programmes are sustained after Gavi's financial support ends.

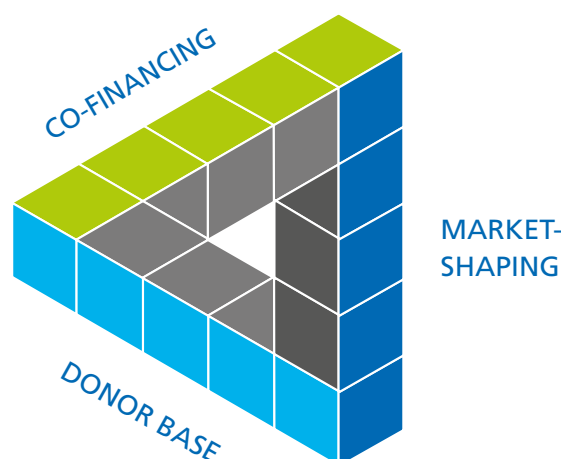
Co-financing levels are determined by each country's expected ability to pay, with countries divided into low-income, intermediate and graduating groups.

As countries approach graduation (as illustrated in figure 5),²⁶ co-payments gradually increase to cover the full cost of vaccines. The Vaccine Alliance has already obtained access to Gavi prices for graduating countries for some vaccines, and is working with vaccine manufacturers to ensure sustainable supply and prices for all vaccines post-graduation.

Between 2011 and 2015, implementing countries are providing approximately US\$ 470 million in co-financing for Gavi-supported vaccines.²⁷ As countries experience economic growth in the 2016–2020 period, they are expected to nearly triple their commitments to US\$ 1.2 billion.²⁸ However, total country investments in immunisation programmes are much greater, with co-financing commitments representing just 10% of the financing countries are contributing during the period (US\$ 12 billion, up from US\$ 8 billion in 2011–2015).²⁹

In addition, graduated countries will continue to procure vaccines introduced with Gavi support at a value of US\$ 0.5 billion in the 2016–2020 period. This further illustrates Gavi's long-term catalytic impact.

> Figure 4 GAVI'S COLLABORATIVE RESOURCE MOBILISATION MODEL



²⁶ Assuming vaccine manufacturers agree to increase prices gradually (post-graduation).

²⁷ Equivalent to 10% of Gavi's vaccine spend for the period.

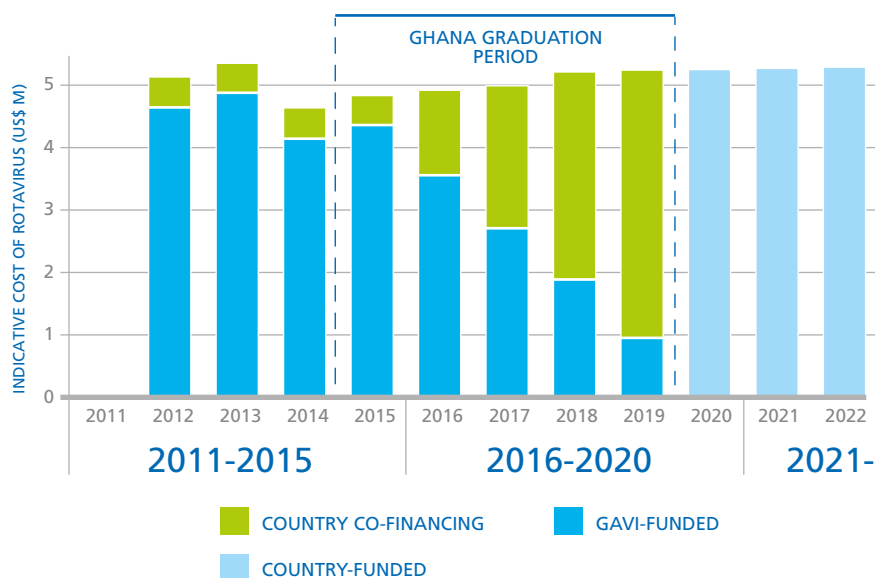
²⁸ Compared with 470 million in 2011–2015 – representing approximately 20% of Gavi's vaccine spend in 2016–2020.

²⁹ Preliminary findings from Johns Hopkins and GVAP Steering Committee (2014), Costing, Financing, Gap, and Return on Investment Analysis for the Global Vaccine Action Plan (GVAP).



GHANA: THE ROAD TO GRADUATION

> Figure 5 ILLUSTRATIVE EXAMPLE OF GHANA'S GRADUATION FROM GAVI SUPPORT



Ghana is expected to graduate from Gavi support by 2019 (see figure 5).³⁰ In the 2012–2014 period Ghana is classified as an intermediate country, with its co-financing share progressively increasing over time. In this period, Gavi is still subsidising the majority of the cost of the country's Gavi-supported vaccines. Ghana will enter the five-year graduation phase in 2015.

After a grace period, Ghana's co-financing share will increase significantly. Continued support from Gavi during the graduation period will help to ensure a smooth transition and avoid abrupt changes. From 2020, Gavi will no longer provide financial support to Ghana.

³⁰ Based on World Bank GNI classifications updated annually.

MARKET SHAPING

Gavi is continuously striving to reduce the financial cost for implementing countries and donors by working with vaccine manufacturers to ensure quality vaccines are available at sustainable prices.

By aggregating country demand for new vaccines (Gavi-supported countries together currently account for 60% of the world's annual birth cohort) and pooling predictable financing from donors, Gavi has transformed the global vaccine market. Long-term funding commitments provide the security for countries to adopt vaccine programmes, and for manufacturers to make new investments in production capacity. Greater demand attracts more suppliers and increases healthy competition, resulting in lower prices and a more stable supply of appropriate vaccines.

In 2001, Gavi bought vaccines from five manufacturers. Today, Gavi finances the purchase of vaccines from 13 manufacturers – 8 of which are based in Asia, Latin America and Africa – spread across 10 countries. From 2010 to 2013 Gavi secured a 37% reduction in the total vaccine cost to immunise a child with pentavalent, pneumococcal and rotavirus vaccines.

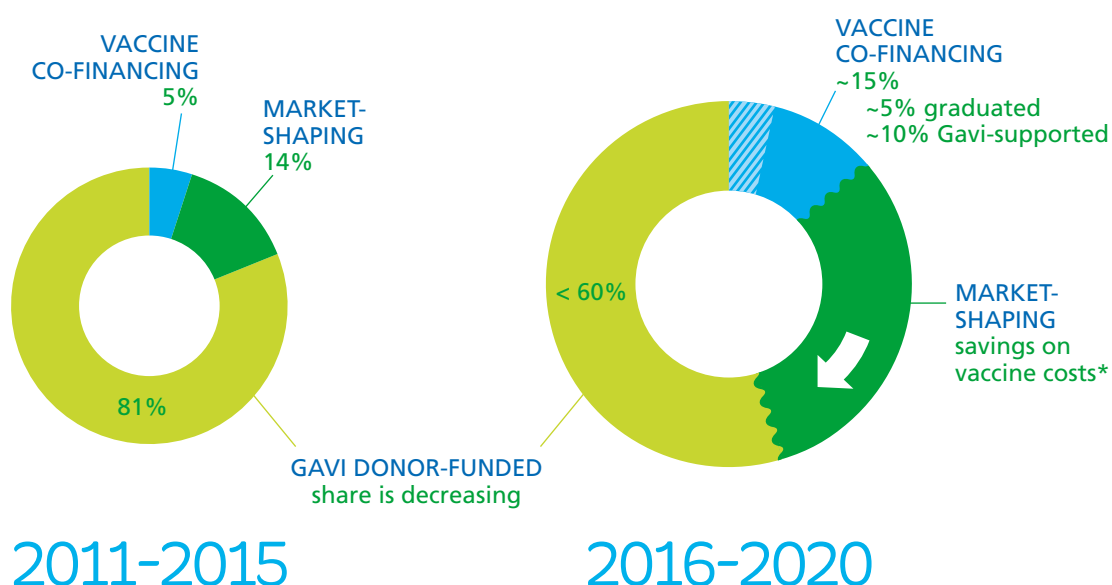
Between 2011 and 2015, Gavi's market shaping efforts are expected to generate a 14% reduction in the total financial need compared to 2010 baseline prices – valued at US\$ 1.3 billion. The Alliance aims to achieve even greater savings in the coming five-year period.

DONOR-FUNDED SHARE OF TOTAL FINANCING IS REDUCING IN 2016–2020

The replenishment ask for 2016–2020 presented below assumes continued vaccine price reductions. If vaccine manufacturers respond to this challenge, and as country co-financing levels increase, Gavi donors' share of financing could be reduced from approximately 80% in 2011–2015 to less than 60% in 2016–2020.

While donors are being asked to contribute more in 2016–2020, their estimated share of the funding is proportionally less than in 2011–2015.

> **Figure 6** PROJECTED IMPACT OF DYNAMIC RESOURCE MOBILISATION MODEL ON DONOR SHARE OF TOTAL FINANCING



*Compared to 2010 baseline price

RESOURCES REQUIRED TO AVERT 5 TO 6 MILLION FUTURE DEATHS IN 2016–2020

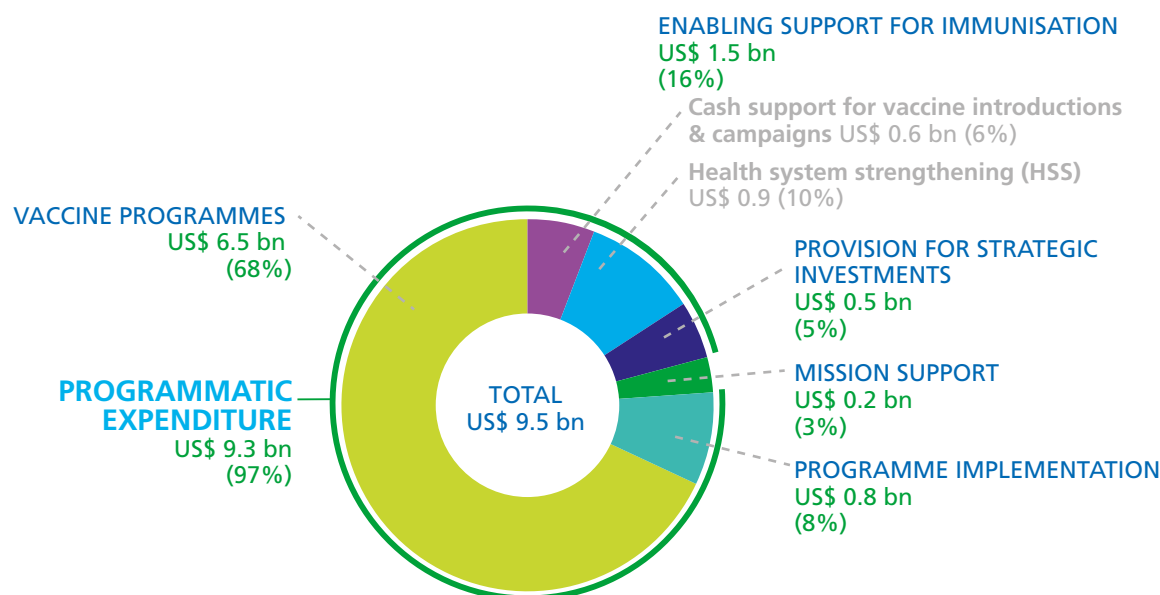
In order to meet expected country demand, immunise an additional 300 million children and avert 5–6 million future deaths, Gavi's spending is expected to reach US\$ 9.5 billion over the 2016–2020³¹ period, as outlined in annex 2 and summarised below.

Of this amount, US\$ 9.3 billion (97%) is required for programmatic expenditure, including US\$ 6.5 billion (68%) estimated for vaccines. To support an effective scale-up of vaccine programmes, US\$ 0.6 billion will be needed to fund vaccine introductions and campaign delivery, and US\$ 0.9 billion will be provided for health system strengthening (HSS). This will bring Gavi's total cash-based support for the period to US\$ 1.5 billion (16%)³², before any additional strategic investments (see below). US\$ 0.8 billion will be needed to support programme implementation, mainly delivered through partners such as WHO, UNICEF³³ and also through the Gavi secretariat.

Given the increasing focus on improving coverage, equity and sustainability in the coming strategic period, a US\$ 0.5 billion provision is included for strategic investments. This provision would be used to fund priority areas, such as strengthening supply chains, improving immunisation coverage and equity, modernising data systems and providing catalytic support to countries graduating from Gavi support as agreed by the Board. Detailed plans and policies for these investments would be developed for Board consideration as part of the 2016–2020 strategy process.

The remaining 3% of Gavi's 2016–2020 expenditure is used for mission support activities undertaken by the Gavi Secretariat and other Vaccine Alliance partners in implementing the Gavi strategy. These include management, governance and fundraising overhead expenses, mostly of the Gavi Secretariat. Gavi's lean structure and innovative operating model help to ensure that US\$ 0.97 of every dollar goes towards providing vaccines and delivering immunisation services to children in need.

> **Figure 7 97% OF GAVI EXPENDITURE SUPPORTS PROGRAMMES**



³¹ Excluding country co-financing (US\$ 1.2 billion) and graduated countries' own investments (US\$ 0.5 billion) in vaccines, as well as countries' expenditures on delivering immunisation services. Please see annex 2 for a detailed breakdown of expenditure for 2016–2020. The foregoing expenditure estimate does not include expenditure on inactivated polio vaccine (IPV), which is to be funded by resources separate from those sought for the activities outlined in this Investment Opportunity. However implementation of IPV-related activities will take advantage of Gavi's systems to coordinate and better integrate the effort.

³² Equivalent to 19% of total programme expenditure.

³³ This includes the normative functions performed by WHO and UNICEF in relation to vaccines, technical assistance to Gavi countries, the generation of global and country level data on immunisation and the implementation of the Gavi market shaping strategy.



> **Figure 8** BREAKDOWN OF DEMAND FOR GAVI SUPPORT IN 2016–2020

CASH FLOW BASIS, US\$ BILLION Annex 2 for further detail	Existing programmes	Future demand	Strategic investments	Total
VACCINE PROGRAMMES	4.8	1.7	–	6.5
ENABLING SUPPORT FOR IMMUNISATION ^a	0.4	1.1	–	1.5
PROVISION FOR NEW STRATEGIC INVESTMENTS	–	–	0.5	0.5
BUSINESS PLAN ^b	1.1	–	–	1.1
Total	6.2 65%	2.8 30%	0.5 5%	9.5 100%

^a Enabling support for immunisation includes vaccine introduction grants and campaign costs, HSS support and other cash grants.

^b Includes mission support and programme implementation.

Of the total US\$ 9.5 billion needed, an estimated US\$ 6.2 billion will be used to continue to support existing country programmes, along with Gavi business plan activities. This will mainly be spent on pneumococcal vaccines (which protect against one of the main causes of pneumonia), pentavalent vaccines (protecting against diphtheria, tetanus, whooping cough, hepatitis B and Hib) and rotavirus vaccines (against rotavirus diarrhoea), and on cash-based support for immunisation-related activities, including health system strengthening.

A further US\$ 2.8 billion is required to meet future demand for programmes currently approved by Gavi support. These requests are expected from supported

countries in line with the demand forecast.³⁴ The bulk of this will be used to accelerate the introduction and uptake of vaccines in countries that have not yet had an opportunity to do so. This includes vaccines that protect against rotavirus diarrhoea, human papillomavirus (HPV), measles, rubella, typhoid and Japanese encephalitis, and to cover future demand for cash-based support for immunisation-related activities.

These projections do not include vaccines that the Gavi Board may decide to support in the future, such as malaria vaccine. Board approval to support additional vaccines in the future would be dependent on further resources being available at that time.

³⁴ Projections of country demand are expected to evolve over the coming five-year period based on updated estimates from countries, actual timings of vaccine introductions and vaccine uptake, and the impact of future market shaping activities.

LEVERAGING INVESTMENTS TO SUPPORT THOSE MOST IN NEED

98% of the country demand Gavi expects to support, equal to US\$ 6.4 billion, comes from the countries with the poorest economies in the world: those eligible for assistance from the International Development Association (IDA).³⁵ IDA countries are home to nearly 2.8 billion people – half of the population of the developing world. An estimated 1.8 billion people in these countries live on US\$ 2 or less per day.³⁶ Approximately US\$ 2.4 billion in Gavi support will be invested in fragile countries.³⁷ Donors who invest in Gavi are supporting the world's most vulnerable populations with some of the most cost-effective development interventions that exist: vaccines.

Approximately 66% of country demand comes from countries in the African region and 30% from the Eastern Mediterranean and South East Asian regions, with the remainder spread across the Western Pacific, Europe and the Americas.³⁸

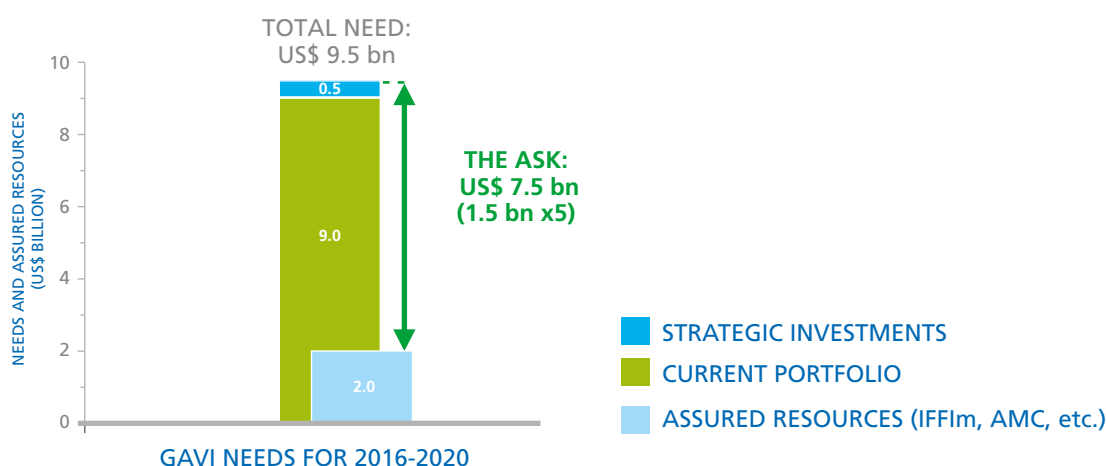
MEETING THE NEED: US\$ 7.5 BILLION REPLENISHMENT ASK

Gavi needs to secure additional resources of US\$ 7.5 billion to respond to country demand and meet the expenditure need of US\$ 9.5 billion for 2016–2020.

Gavi expects to have resources of US\$ 2 billion already available for the next strategic period. These resources consist mainly of proceeds from existing donor pledges to the International Finance Facility for Immunisation (IFFIm) and the Advance Market Commitment (AMC), amounting to US\$ 1.6 billion. They also include some preliminary pledge extensions, investment income and a drawdown from Gavi's cash and investment reserve, totalling US\$ 0.4 billion.

As a result, Gavi needs to raise an additional US\$ 7.5 billion for 2016–2020 – an average of US\$ 1.5 billion per year – through direct contributions and proceeds of new pledges to IFFIm. This represents a collective 15% increase beyond the US\$ 1.3 billion level of direct contributions for 2013. Gavi will continue to seek resources through the Gavi Matching Fund and other innovative finance sources.

> **Figure 9 THE US\$ 7.5 BILLION INVESTMENT OPPORTUNITY FOR 2016–2020**



³⁵ See annex 3: Projected country demand for Gavi vaccines by region, fragile status & IDA eligibility.

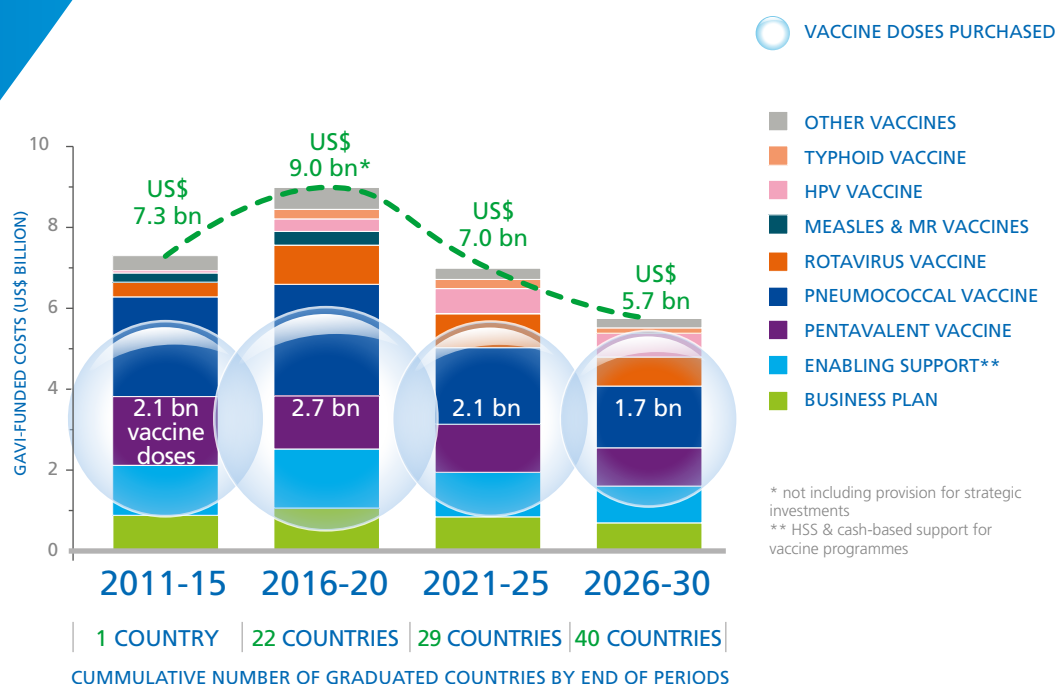
³⁶ World Bank IDA classification: <http://www.worldbank.org/ida/borrowing-countries.html>

³⁷ Fragile state criteria are based on externally validated, publicly available categorisations created or used by multilateral institutions or other recognised international organisations, for more please see annex 3.

³⁸ WHO regional classifications: http://www.who.int/nutgrowthdb/annex_regional_classifications.pdf

ENABLING SUSTAINABLE DEVELOPMENT

> Figure 10 AN ACCELERATION OF INVESTMENT TODAY LEADS TO A MORE SUSTAINABLE FUTURE



From a 20-year perspective (2011–2030), the coming five years are likely to be the peak of investment for Gavi³⁹. This is the result of both expansion and graduation. In the short term, country demand to expand vaccine coverage will lead to increasing needs. Over the long term, however, needs are expected to decrease as 22 countries are graduating from Gavi support by 2020. In the following five-year periods, the required Gavi financing will continue to decrease, with a growing number of countries graduating from Gavi support.

Realising this aspiration of long-term sustainability will require broad engagement throughout the health and development sectors. Gavi proactively aligns its efforts with relevant stakeholders to maximise the impact of

donor and country investments. As a founding member of the International Health Partnership (IHP+) Gavi ascribes to the IHP+ principles and engages with the partnership to harmonise and improve effectiveness. Broad partnerships with all development partners are critical as Gavi support is intended to be strategic and catalytic – clearly linked to immunisation outcomes in a flexible manner appropriate to country needs and contexts. For example, Gavi support must be combined with other domestic and international HSS investments to maximise the impact of immunisation programmes in the next period. Countries are expected to continue investments in their own health systems to ensure the effectiveness and sustainability of donor investments over the long term.

³⁹ Considering Gavi's existing vaccine portfolio and contingent upon future Board approval of new vaccines.



THE OPPORTUNITY FOR FURTHER ACCELERATION OF IMPACT

If additional funding above the US\$ 7.5 billion level were available (for example US\$ 500 million), new investments for the period would amount to US\$ 1.6 billion per year. This would enable greater acceleration in the uptake and coverage of Gavi-supported vaccines. With more resources, Gavi-supported countries and the Vaccine Alliance partners could frontload investments to strengthen supply chains, improve routine immunisation coverage and equity, modernise data systems and provide catalytic support for the graduation of countries. All of these would help to accelerate and sustain outcomes. Higher routine coverage would lead to more children immunised, more lives saved and greater economic returns.

For example, if countries, with the Vaccine Alliance, were to improve routine coverage by an additional 1 percentage point per year over the 2016–2020 period, the impact of Hib, hepatitis B, pneumococcal and rotavirus vaccination would increase by an additional 150,000 deaths averted beyond the forecasted impact described in figure 2. Raising routine coverage by an additional 2 percentage points per year would translate into an increase in impact of approximately 300,000 additional deaths averted due to these diseases. However, the actual impact of strengthening the routine immunisation platform would be even greater than these indicative figures, as coverage for other vaccines in the routine immunisation programme would also increase.

Raising immunisation coverage by strengthening the routine system would minimise the need for vaccination campaigns and contribute to sustainability as countries progress on their trajectory toward graduation from Gavi support. By accelerating investments to frontload improvements in routine immunisation systems, Gavi is likely to avert at least 6 million future deaths in the coming period.

THE COST OF UNDERINVESTMENT

Should the Vaccine Alliance fail to secure the US\$ 7.5 billion needed for 2016–2020, country demand would not be fully met. If the new funding level were to remain at the 2013 level of US\$ 1.3 billion per year, the total investment for the 2016–2020 period would amount to US\$ 8.5 billion (including the already assured funding of US\$ 2 billion). This would result in a shortfall of US\$ 1 billion in Gavi's response to country demand.

In this situation, the Vaccine Alliance would need to decide which elements of country demand should not be met, in terms of particular vaccines, enabling grants and/or strategic investments to secure immunisation returns. For example, the Vaccine Alliance could prioritise existing commitments to ensure that the flow of vaccines and services is not interrupted at country level. Vaccine programmes for which demand has not yet materialised in the form of approved country applications would be most at risk. This would likely have the greatest impact on rotavirus, HPV, measles-rubella and typhoid vaccines. If future country demand for support of these particular vaccines cannot be met, 1.3 million future deaths that would otherwise be averted could occur –also leading to large economic and productivity losses. Cutting support to measles-rubella and HPV vaccines would have severe consequences for maternal and reproductive health.



THE CALL FOR LONG-TERM INVESTMENTS

The effectiveness of the Gavi business model depends on the long-term visibility of donor funding. For developing countries, deciding to adopt a new vaccine into routine programmes requires confidence that the programme funding will continue until the country can take over the full financing. For vaccine manufacturers, investing in a new or expanded production capacity requires several years of lead time. Long-term predictable funding is fundamental to the success of the Vaccine Alliance, and an appropriate balance of short-term and long-term resources is being sought. Direct grants, notably long-term direct funding, have been and will likely continue to be the primary source of Gavi's funding. Gavi will work with its donors to extend the term of these commitments to 5- or 10-year agreements wherever possible.

Given that it fully addresses Gavi's needs for long-term, predictable and flexible funding, IFFIm will continue to have significant value. By 2015, however, the existing IFFIm structure will enter a repayment phase where donor contributions exceed

IFFIm proceeds to Gavi. This means IFFIm is operating as intended, but it also means that Gavi will have a declining pool of flexible, long-term capital to fund programmes unless new funding is provided through IFFIm.⁴⁰

IFFIm is of particular interest to current donors who, due to budgetary or other constraints, prefer to make a long-term commitment spread across many years, while at the same time having an immediate impact on global immunisation. As a result, IFFIm also helps to broaden Gavi's donor base.

To maintain the required long-term, flexible funding for Gavi's business model, the Vaccine Alliance is encouraging IFFIm-eligible donors to collectively contribute at least 15% of the replenishment ask through IFFIm, which equates to approximately US\$ 1 billion in new IFFIm pledges. The replenishment of IFFIm will be important to Gavi's effectiveness over the next period.

Based on promising past results and the important role the private sector will play in Gavi's future, the Vaccine Alliance will aim to extend the Gavi Matching Fund and seek donor support to increase private sector engagement for the 2016–2020 period.

⁴⁰ Please see annex 7: The role of IFFIm.

RISKS AND MITIGATION

In addition to the risks related to underinvestment, the Vaccine Alliance faces a number of other potential challenges in the 2016–2020 period. These risks include a lack of further price reductions for Gavi-supported vaccines and limited access to lower vaccine prices for graduating countries, supply interruptions, weak supply chains and health systems, and misuse of Gavi support.

Without further commitments from vaccine manufacturers to reduce prices and extend access to low prices to countries that are graduating from Gavi support, the long-term sustainability of countries' immunisation programmes may be threatened. However, a healthy vaccine market does not just rely on affordable prices; it requires an uninterrupted supply of appropriate vaccines. Continued diversification and competition is necessary to ensure that countries have access to the right vaccines at the right time.

Active market shaping to achieve these objectives will remain central to Gavi's 2016–2020 strategy.

The success of the Vaccine Alliance relies on countries' commitment and ability to effectively manage and deliver Gavi vaccines. The Vaccine Alliance is currently developing a supply chain strategy to help improve in-country supply chain performance and management. Further investments in strengthening health systems are also needed to ensure that countries – not least those scheduled to graduate from Gavi support in the near future – are able to increase and sustain their immunisation coverage.

Given that approximately 80% of Gavi programmatic support is allocated towards the purchase of vaccines, for which there are limited opportunities to exploit a secondary market, the risk of misuse is significantly lower than for most other types of health and development support. Nevertheless, Gavi's transparency and accountability policy (TAP) was recently revised, and its scope extended to include both cash grants and vaccine programme audits to further eliminate risks associated with the management of Gavi's vaccine support.

Through the TAP, Gavi employs a number of safeguards to ensure that donor funds are used appropriately. This includes financial management assessments before cash grants are approved, and audits to evaluate procedures and recommend improvements once a cash programme has started. In the case of suspected mismanagement, cash disbursements are suspended and will only recommence once the country has committed to reimburse misused amounts and Gavi has re-examined the programme controls.

Other measures to further improve the oversight and stewardship of Gavi grants are a new grant application monitoring and review process, which includes a stronger and more explicit focus on risks in-country, and a whistleblowing facility which allows third parties to report concerns to Gavi anonymously and confidentially.

TOWARDS A HEALTHY FUTURE

Meeting country demand for life-saving vaccines is a joint effort that requires bold new investments from all Vaccine Alliance partners. This will enable countries to seize the opportunity and reach further to immunise an additional 300 million children and save 5–6 million lives.

Investments today will lead to a more sustainable future and ensure that nearly 15 years of progress are built upon and made permanent for generations to come. Now is the time for all partners to invest together for a healthy future.

ANNEX 1

Gavi-supported vaccines and associated diseases

Vaccine	Associated outcomes
Diphtheria-tetanus-pertussis (DTP)*	Diphtheria, tetanus and pertussis (whooping cough) and pertussis-associated pneumonia
Hepatitis B (hepB)*	Hepatitis, liver cirrhosis, liver cancer
<i>Haemophilus influenzae</i> type B (Hib)*	Hib-associated pneumonia, meningitis, septicaemia, epiglottitis and otitis media
Measles-containing vaccine, first dose (MCV1)	Measles and associated pneumonia and diarrhoea
Measles-containing vaccine, second dose (MCV2)	Measles and associated pneumonia and diarrhoea
Pneumococcal conjugate vaccine (PCV)	Pneumococcal- associated pneumonia, meningitis, septicaemia and otitis media
Rotavirus (Rota)	Rotavirus-associated gastroenteritis (diarrhoea)
Yellow fever (YF)	Yellow fever
Human papillomavirus (HPV)	Cervical cancer, head and neck cancer, anal and penile cancer
Rubella	Rubella (congenital rubella syndrome)

*Pentavalent vaccine is a 5-in-1 combination vaccine consisting of DTP-hepB-Hib.

Source: World Health Organization (2014). Accessed on May 1, 2014 at: <http://www.who.int/immunization/diseases/en/>

ANNEX 2

Expenditure to meet country demand, 2016–2020

2011–2015	Cash flow basis, US\$ million			2016–2020		
Total US\$ million		Existing programmes	Future demand	Total US\$ million	% of total expenditure	% of Total programmes
	Vaccines					
2,462	Pneumococcal	2,692	96	2,789	29%	35%
1,709	Pentavalent	1,294	-	1,294	14%	16%
374	Rotavirus	502	453	955	10%	12%
39	Human Papilloma Virus (HPV)	49	298	347	4%	4,4%
241	Measles and Measles-Rubella	11	332	343	4%	4,3%
136	Yellow fever	182	106	288	3%	3,6%
-	Typhoid	-	241	241	3%	3,0%
26	Cholera	89	-	89	1%	1,1%
202	Meningitis A	1	85	85	1%	1,1%
5	Japanese Encephalitis	-	52	52	1%	0,7%
1	Tetra DTP-hep B	-	-	-		
5,192	Total vaccine programmes	4,820	1,663	6,484	68%	81%
	Cash grant support					
316	Campaign operational costs	42	396	438	5%	
103	Vaccine introduction grants	1	144	145	2%	
83	Measles SIA operational costs	-	2	2	0%	
	Vaccine-specific cash grants	43	542	585	6%	
565	Health system strengthening	302	587	888	9%	
149	Other cash grants (ISS, CSO, HPV, etc.)	20	3	23	0%	
1,217	Total cash-based programmes	365	1,131	1,496	16%	19%
6,409	Total programmes	5,185	2,794	7,979	84%	100%
871	Business Plan*	1,056	-	1,056	11%	
7,280	Total before strategic investments	6,242	2,794	9,036	95%	
\$7.3 bn		\$6.2 bn	\$2.8 bn	\$9.0 bn		
	Provision for strategic investments			500	5%	6%
	Total expenditure			9,536	100%	
\$7.3 bn				\$9.5 bn		

*Indicative distribution of Business Plan expenditure:

Programme Implementation (if 75% of total Business Plan)

Mission Support (if 25% of total Business Plan)

otal provision for Business Plan expenditure in 2016–2020

The actual distribution of Business Plan expenditure will be outlined in the Business Plan budgets recommended to the Board for approval the years 2016–2020. For 2014, programme implementation accounts for 78% of the Business Plan budget.

792	8%
264	3%
1,056	11%

Updates since the forecast to the Gavi Board in November 2013

Total expenditure as forecasted in November 2013

Removal of provision for malaria vaccine (decision deferred)

Net increase on updating of the demand forecast in April 2014

Add: Provision for strategic investments

Total expenditure as now forecasted

2016–2020 US\$ billion

9.2

(0.3)

0.1

9.0

0.5

9.5

ANNEX 3

Projected country demand for Gavi vaccines by region, fragile status & IDA eligibility

Programme year basis (not cash-flow basis)		2016–2020
By region	US\$ million	
Africa	4,273	66%
Eastern Mediterranean	1,106	17%
South-East Asia	814	13%
Western Pacific	134	2%
Europe	75	1%
Americas	37	1%
Total	6,439	100%
By fragile status	US\$ million	
Fragile	2,366	37%
Non-fragile	4,073	63%
Total	6,439	100%
By IDA eligibility	US\$ million	
IDA-eligible	6,301	98%
Non IDA-eligible	138	2%
Total	6,439	100%

Note: Gavi's policy on fragile states – a country by country approach – was approved by the Board in December 2012. The policy includes a framework to identify countries in protracted fragility situations with both immunisation and non-immunisation challenges. For countries with four or more qualifying criteria outlined in the framework, Gavi will develop a country-specific tailored approach of engagement in partnership with the country, implementing partners and other relevant stakeholders. The criteria are based on externally validated, publicly available categorisations created or used by multilateral institutions or international organisations.

For more information: [http://www.gavi.org/About/Governance/Gavi-Board/Minutes/2012/4-december/Minutes/12---Gavi-and-fragile-states-a-country-by-country-approach/Regions based on WHO classification](http://www.gavi.org/About/Governance/Gavi-Board/Minutes/2012/4-december/Minutes/12---Gavi-and-fragile-states-a-country-by-country-approach/Regions%20based%20on%20WHO%20classification).

ANNEX 4

Projected demand for Gavi vaccines by country 2016–2020

Programme year basis (not cash-flow basis)

2016–2020

US\$ million

African Region	4,272.0	66%
Angola	6.0	
Benin	50.7	
Burkina Faso	104.1	
Burundi	52.4	
Cameroon	133.8	
Central African Republic (the)	20.7	
Chad	68.2	
Comoros	3.0	
Congo, DR	377.4	
Congo	0.6	
Cote d'Ivoire	94.2	
Eritrea	15.5	
Ethiopia	532.4	
Gambia	11.8	
Ghana	54.9	
Guinea	22.1	
Guinea-Bissau	8.6	
Kenya	240.9	
Lesotho	4.5	
Liberia	22.9	
Madagascar	142.9	
Malawi	92.2	
Mali	133.4	
Mauritania	18.5	
Mozambique	139.2	
Niger	148.1	
Nigeria	887.8	
Rwanda	63.2	
Sao Tome and Principe	0.7	
Senegal	67.4	
Sierra Leone	29.9	
South Sudan	42.3	
Tanzania, UR	271.7	
Togo	38.3	
Uganda	232.7	
Zambia	76.6	
Zimbabwe	62.8	

Eastern Mediterranean Region	1,106.3	17%
Afghanistan	183.3	
Djibouti	3.2	
Pakistan	615.7	
Somalia	21.6	
Sudan	185.6	
Yemen	96.8	

South-East Asia Region	814.0	13%
Bangladesh	513.8	
India	25.1	
Indonesia	6.9	
Korea, DPR	30.7	
Myanmar	156.4	
Nepal	80.9	
Timor Leste	0.2	

Western Pacific Region	134.1	2%
Cambodia	39.2	
Kiribati	0.006	
Lao PDR	18.1	
Papua New Guinea	4.4	
Solomon Islands	2.1	
Vietnam	70.3	

European Region	75.4	1,2%
Armenia	0.3	
Azerbaijan	0.3	
Georgia	0.6	
Kyrgyzstan	17.2	
Moldova	0.1	
Tajikistan	34.0	
Uzbekistan	22.8	

Region of the Americas	37.2	0,6%
Bolivia	1.7	
Guyana	0.1	
Haiti	32.7	
Nicaragua	2.7	

Total (millions US\$)

6 438,9

100 %

ANNEX 5

Underimmunised children in Gavi-supported countries by vaccine

	2012			2015 (projected)			2020 (projected)		
	% Immunised	# Immunised (millions)	# Unimmunised (millions)	% Immunised	# Immunised (millions)	# Unimmunised (millions)	% Immunised	# Immunised (millions)	# Unimmunised (millions)
Pentavalent3	43%	33	44	68%	53	25	80%	63	16
PCV3	9%	7	70	39%	30	48	53%	42	37
Rota last dose	3%	2	74	23%	18	60	70%	56	24
HPV ^a	< 1%	< 0.5 M	32	4%	1	32	37%	13	22
YF ^b	32%	9	19	44%	12	16	69%	21	10
MCV1	76%	58	18	79%	62	16	83%	66	14
MCV2 ^c	32%	25	52	52%	41	37	70%	55	24
Rubella ^c	3%	3	74	17%	13	65	61%	48	31

^a Target population for HPV3 is 9–13 year old girls, 2012 coverage estimates derived from SDF projections about scale-up.

^b Target population and coverage is based on 30 Gavi-eligible countries in the African region.

^c 2012 coverage estimates based on country official reported figures.

Source: 2012: WHO/UNICEF coverage estimates and country official reported figures (MCV2 and rubella), as of July 2013. 2015 and 2020 coverage: Gavi Strategic Demand Forecast version 9.

ANNEX 6

Gavi assured resources for 2000–2020

INCLUDES PLEDGES FOR 2000–2020 MADE THROUGH 31 MARCH 2014.

ALL AMOUNTS IN US\$ MILLION

DONOR Sovereign donors & BMGF:	Contributions/Pledges ¹											
	2000–2015				2011–2015				2016–2020			
	Direct ²	AMC	IFFIm	Total	Direct ²	AMC	IFFIm	Total	Direct ¹	AMC	IFFIm	Total
Australia	228		32	260	199		32	232			74	74
Bill & Melinda Gates Foundation	2,499	50		2,549	1,287	30		1,317				
Brazil			2	2			2	2			5	5
Canada	236	200		436	84	75		159				
Denmark	46			46	18			18				
European Commission (EC)	112			112	54			54				
France	154		530	684	135		340	475			501	501
Germany	225			225	203			203				
India	3			3	3			3	1			1
Ireland	42			42	12			12				
Italy		424	270	694		266	163	429		211	175	386
Japan	27			27	27			27				
Luxembourg	12			12	6			6				
Netherlands	379		91	470	163		77	240			20	20
Norway	1,149	50	140	1,339	629	48	99	776			119	119
Republic of Korea	4			4	4			4	2			2
Russia		48		48		40		40		32		32
South Africa			9	9			5	5			5	5
Spain	43		115	158	3		58	60			60	60
Sweden	378		21	400	256		12	268			13	13
United Kingdom	1,642	339	697	2,678	1,504	317	546	2,367	27	146	1,030	1,203
United States of America	1,180			1,180	533			533				
Sovereign donors & BMGF TOTAL:	8,358	1,112	1,908	11,378	5,119	776	1,332	7,227	30	388	2,002	2,421
Private sector TOTAL:	125			125	97			97	15			15
TOTAL PLEDGED:	8,484	1,112	1,908	11,503	5,216	776	1,332	7,325	45	388	2,002	2,436

The proceeds table (next page) indicates the proceeds that Gavi expects to receive from the amounts pledged per the table above.

ANNEX 6

Gavi assured resources for 2000–2020

PROCEEDS TO GAVI FROM PLEDGES FOR 2000–2020 MADE THROUGH 31 MARCH 2014.
ALL AMOUNTS IN US\$ MILLION.

DONOR Sovereign donors & BMGF:	Gavi Resources											
	2000–2015				2011–2015				2016–2020			
	Direct ²	AMC	IFFIm	Total	Direct ²	AMC	IFFIm	Total	Direct ¹	AMC	IFFIm	Total
Australia	228		47	275	199		47	247			47	47
Bill & Melinda Gates Foundation	2,499	46		2,546	1,287	45		1,332	2			2
Brazil												
Canada	236	186		421	84	176		260	10			10
Denmark	46			46	18			18				
European Commission (EC)	112			112	54			54				
France	154		722	876	135		191	326			272	272
Germany	197			197	175			175	28			28
India	3			3	3			3	1			1
Ireland	42			42	12			12				
Italy		394	288	682		382	79	461	219	94		313
Japan	27			27	27			27				
Luxembourg	12			12	6			6				
Netherlands	379		65	444	163		17	180			7	7
Norway	1,149	46	143	1,338	629	46	37	712	2	39		41
Republic of Korea	4			4	4			4	2			2
Russia		45		45		44		44	33			33
South Africa			9	9			2	2			2	2
Spain	43		110	153	3		25	27			31	31
Sweden	378		18	397	256		4	260			4	4
United Kingdom	1,642	315	1,223	3,179	1,504	313	347	2,164	27	159	533	720
United States of America	1,180			1,180	533			533				
Sovereign donors & BMGF TOTAL:	8,330	1,031	2,625	11,987	5,091	1,006	750	6,847	58	425	1,030	1,514
Private sector TOTAL:	125			125	97			97	15			15
TOTAL PLEDGED:	8,456	1,031	2,625	12,112	5,188	1,006	750	6,944	73	425	1,030	1,529

Provision for pledges contingent on matching	(100)	0
Investment Income (conservative forecast)	174	160
Transfer from cash and investment reserve	59	111
Allowance for evolution through 2015 ⁸		200

ASSURED RESOURCES	7,078	2,000
	\$7.1 bn (for 2011–2015)	\$2.0 bn (for 2016–2020)

Notes:

- 1 - Some contributions may be received by Gavi in years different to those for which the pledges were made.
- 2 - Direct Contributions include contributions via the Matching Fund.
- 3 - Of the US\$ 50m from the Bill & Melinda Gates Foundation under the Matching Fund program, a total of US\$ 8.5m is yet to be matched by other contributions.
- 4 - In June 2011, Brazil pledged US\$ 20 million to IFFIm. Grant agreement discussions are still on-going and hence no proceeds can be currently attributed.
- 5 - Of the GBP 50m (equiv. US\$ 82.3m) from UK under the Matching Fund program, a total of GBP 29.5m (equiv. US\$ 49m) is yet to be matched by other contributions.
- 6 - In-kind contributions are not included in the Private Sector total above; as of 31 March 2014, Vodafone has made a contribution-in-kind of EUR 1.2 million.
- 7 - FX rates as of: 31 March 2014.
- 8 - Allowance for anticipated growth in assured resources by the start of 2016, prior to new pledges for 2016–2020.

ANNEX 7

The role of IFFIm

Innovative finance is core to Gavi's business model, and an important part of what distinguishes Gavi from other players in the development space. Gavi's innovative finance activities have helped the organisation not only to get "more money for health", but also to get "more health for the money". As the Vaccine Alliance looks ahead to 2016–2020, it will continue to utilise existing innovative finance mechanisms and, where relevant, develop new ones to achieve its objectives.

The International Finance Facility for Immunisation (IFFIm) is Gavi's long-term global financing mechanism, through which donors provide flexible, predictable resources to Gavi. IFFIm receives binding pledges for future contributions from donor governments, and then issues investment-grade bonds in the international capital markets against these pledges. Bondholders are repaid in the medium and long term using the funds received when donors deliver on their pledges.

Proceeds from the bond issuances have been used by Gavi to support vaccine programmes at a level greater than the donor contributions to IFFIm to date. According to a 2011 independent evaluation, IFFIm funding helped to save at least 2.1 million lives between 2006 and 2010.⁴¹

IFFIm was originally designed as a vehicle to frontload international aid for immunisation programmes. This frontloading capability has been a key feature of the facility, increasing Gavi's operational efficiency and providing the organisation with the flexibility to use funds when they are needed most. However, this innovative instrument has also delivered several other important benefits to Gavi. Through its predictable and flexible funding, IFFIm has been able to support Gavi's long-term market-shaping activities, while allowing Gavi to more efficiently provide the exact amounts when needed for vaccine and immunisation programmes in Gavi-supported countries.

From a market-shaping perspective, IFFIm's long-term assets strengthen Gavi's balance sheet and can help to drive down the cost of vaccine programmes, as well as provide backing for long-term purchase agreements and demand guarantees, as necessary. IFFIm also provides Gavi with significant additional financial

strength and flexibility, enabling Gavi to manage its financial reserves more efficiently.

Between 2006 and 2013, IFFIm accounted for approximately one third of Gavi's funding. The Vaccine Alliance is looking to replenish IFFIm so that it provides approximately 15% of the replenishment ask for the 2016–2020 period, a scale which would allow Gavi to continue to benefit from the numerous advantages that IFFIm provides. This would equate to approximately US\$ 1 billion in new IFFIm pledges, in addition to forecasted 2016–2020 proceeds from existing IFFIm pledges.

IFFIm may be of particular interest to current donors who, due to budgetary or other constraints, prefer to make a long-term commitment spread across many years, while at the same time supporting an immediate impact on global immunisation. Along these same lines, IFFIm also presents an attractive option to new donors, particularly G20 and other middle-income countries, as pledging to IFFIm would allow these governments to support the pressing global health agenda while making contributions in yearly instalments.

Bringing in new donors to IFFIm would diversify the facility's donor portfolio and, in turn, reduce its donor concentration risk. This would also provide a way to expand Gavi's overall donor base, as new donors with limited near-term resources would be able to contribute to the Vaccine Alliance via long-term pledges to IFFIm. Of significant value to a number of donors and potential donors is the fact that Eurostat, the European Commission's statistical body, has ruled that IFFIm borrowing on capital markets backed by binding donor commitments would not be recorded as borrowing or debt obligations by the sponsoring countries themselves.

⁴¹ <http://www.iffim.org/library/news/announcements/independent-evaluation-confirms-iffim-success/>

ANNEX 8

Additional information

Gavi Board:

www.gavi.org/about/governance/gavi-board/

More information on Gavi's resource mobilisation:

<http://www.gavi.org/funding/how-gavi-is-funded/resource-mobilisation-process/>

Key figures: donor contributions & pledges:

www.gavi.org/funding/donor-contributions-pledges/

Gavi donor profiles:

www.gavi.org/funding/donor-profiles/

The Gavi Mid-Term Review report:

midtermreview.gavi.org/

Gavi country hub: detailed information on Gavi-supported countries

<http://www.gavi.org/country>

Gavi Secretariat Senior Leadership:

www.gavi.org/about/governance/secretariat/

Transparency and Accountability Policy:

www.gavi.org/about/governance/programme-policies/tap/

Financial Reports:

www.gavi.org/funding/financial-reports/

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Gavi/2013/Adrian Brooks
Gavi/2007/Atul Loke
Gavi/2013/Adrian Brooks
Gavi/2012/Doune Porter
Gavi/2009/Brent Striton

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