

BACKGROUND DOCUMENT

Vaccine Fund Financial Report

Introduction

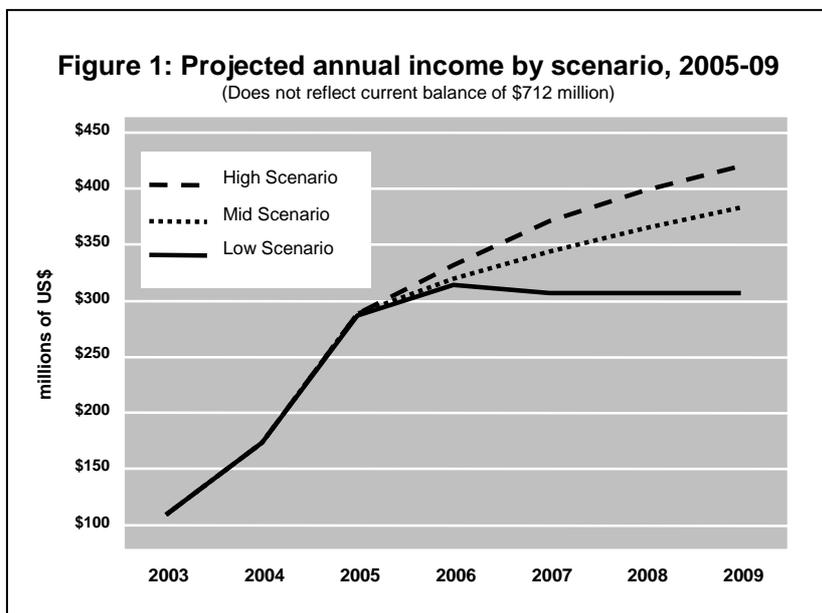
As the GAVI Board looks to the future and considers strategic funding priorities in the near future and into the longer term, it will be important to have a clear picture of (1) the resources available in the Vaccine Fund today, (2) the projected income flows from donors, and (3) what has already been committed to countries. In this short document the Vaccine Fund has provided several potential scenarios for donor commitments and expenses over the next five years.

The Vaccine Fund fundraising strategy follows three broad principles:

- Maintain current donors with expanding annual contributions
- Target selected donors who have not yet contributed
- Begin efforts to mobilize private sector resources

Estimating Donor Commitments

Currently, the Vaccine Fund has commitments from donors to 2005. Beyond that however, there is little in the way of guaranteed commitments. Without new commitments, GAVI and the Vaccine Fund would be unable to fulfill current obligations and enter into new obligations. Nonetheless, the prospect for new commitments from existing donors and additional new donors is good; annual donor commitments could be over \$300 million.

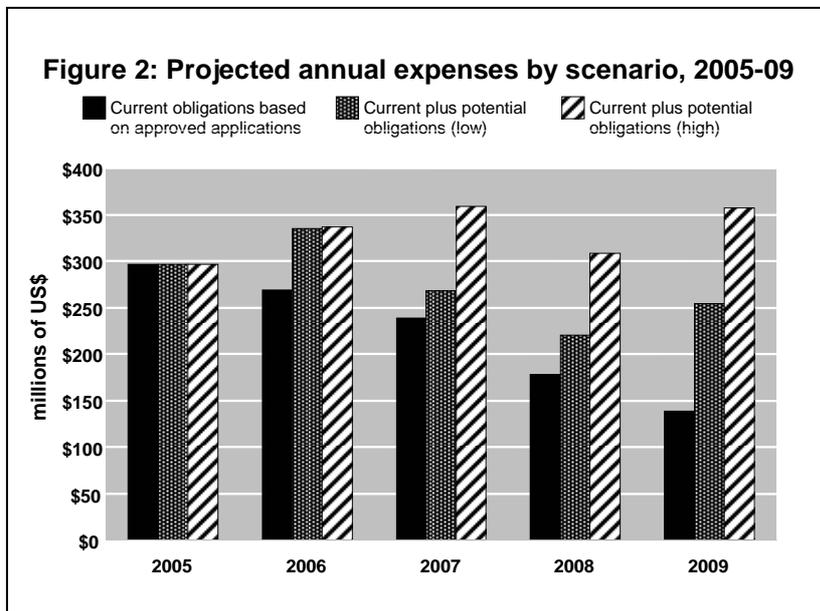


It is important to note that the uncertain political and economic situation in many countries make long range resource planning a challenge and that these estimates become more difficult in further out years (i.e. 2009). Resource projections herein were based on existing commitments – or for new donors on a combination of ODA trends, health aid, contributions to the Global Fund to Fight AIDS, TB and Malaria, and other multilaterals.

Three scenarios for potential donor commitments over 2005-09 were constructed. The first conservative scenario looks at continuing resources from current government donors with additional small funding from new government donors and the private sector. In the mid and high scenarios, the projected monies raised are greater from all three sources.

Estimating Disbursements

Two sources were used to estimate future disbursements from the Vaccine Fund over the coming five years. The GAVI Secretariat keeps up-to-date estimates of disbursements based upon the approved country plans. These estimates were used to generate the ‘current obligations’.



‘Potential obligations’ have also been generated. According to current GAVI Board policies, countries that are not currently receiving vaccines from GAVI, due to lower than 50% DTP3 coverage, may request vaccines if their coverage rises above 50%. In addition, under current policies, countries receiving DTP-hepB or monovalent hepB may request to switch to DTP-hepB-Hib. Using available information on countries’ disease burden and their likelihood to

request a new vaccine formulation, WHO has constructed scenarios for these ‘potential obligations’. One scenario assumes a fixed price for pentavalent through 2009, and one assumes a decreasing price (based on information supplied by UNICEF Supply Division).

Available resources over 2005-09

These projections suggest that even in the most conservative scenario – assuming that the Vaccine Fund raises the lowest scenario of donor commitments and funds the highest scenario of current plus potential obligations, the Vaccine Fund would still have a total of **\$584 million** over 2005-09.

In the best case scenario, assuming that the Vaccine Fund raises the highest scenario of donor commitments and funds only the current obligations, The Vaccine Fund could have **\$1.4 billion** over 2005-09.