

WORKING DRAFT UNDER DISCUSSION

BRIEFING NOTE

**ADDITIONAL INFORMATION ON
COST SHARING FOR COVAX AMC
PARTICIPANTS**

During the Global Vaccine Summit on June 4, Gavi launched the COVID-19 Vaccines Advance Market Commitment (COVAX AMC) as the first building block of the COVAX Facility – with the goal to ensure rapid equitable access to safe and effective COVID-19 vaccines to all countries, regardless of income level.

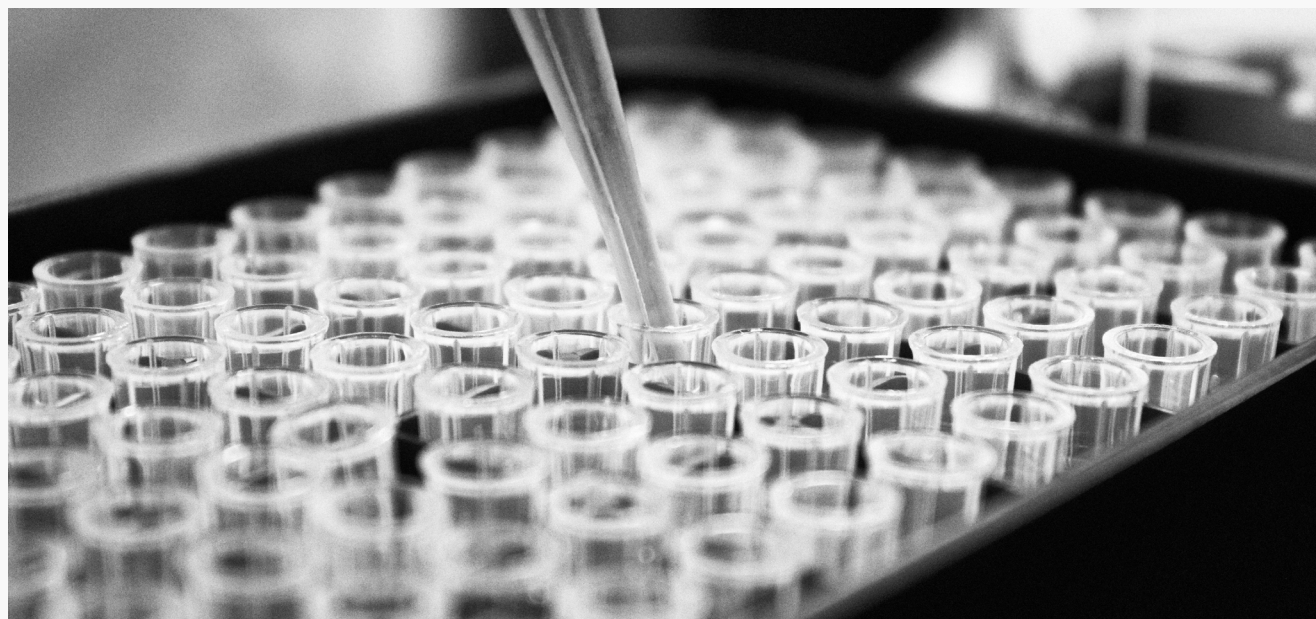
Gavi is currently fundraising to finance the costs of at least 1bn COVID-19 vaccine doses through the Gavi COVAX AMC. **These fully subsidized donor-funded doses will jumpstart new COVID-19 vaccine introductions in AMC-eligible economies,** allowing early doses to be reserved to ensure that lower income countries are not left behind. Whilst mindful of uncertainties on vaccine pricing, resource availability and manufacturing supply, **Gavi aspires to be able to cover ~20% of the population of AMC-eligible economies with these donor-funded doses, thereby making a very real impact towards stopping the spread of the pandemic by end 2021.**

Gavi usually works with countries through a co-financing approach to promote country ownership and financial sustainability of routine immunisation programmes. Once more is known about the COVID-19 vaccine, for example if it will be routinised, it is Gavi's will apply its normal co-financing policies to its engagement with countries for COVID-19 vaccine support. However, given the urgency of the pandemic, the fiscal pressures facing countries, and the high degree of uncertainty, **Gavi is proposing an exceptional 'cost-**

sharing' approach. The Gavi Board confirmed this approach at its meeting in September.

Through this cost-sharing approach, countries will have an opportunity to complement and build on the essential foundation built by these early, donor funded doses if they wish to achieve a higher population coverage¹.

Cost-sharing will work as follows. Firstly, fully subsidized donor-funded doses will be distributed across AMC Participants until donor resources are exhausted. Participants will then have the opportunity to allocate additional funds to receive further doses, fully paid for with these cost-sharing contributions. Participants can use multilateral development banks (MDBs) financing, e.g. from the World Bank and regional development banks, to support these cost-sharing contributions, and it is expected that many participants will do so. The Office of the COVAX Facility is working closely with MDBs to ensure there is alignment between the parameters of MDB financing and the COVAX Facility, and that processes between the two bodies are both smooth and efficient.



¹ Given projected supply constraints for 2021, additional doses beyond 20% will be subject to availability and may be distributed in 2022.

Procuring additional cost-shared doses via the COVAX Facility offers several advantages in contrast to bilateral or other procurement arrangements. Firstly, participants can benefit from the wide range of advantages offered by the COVAX Facility including: access to a large, diverse, and actively managed portfolio of vaccine candidates, maximizing the probability of receiving effective, high quality vaccines in the near-term; access to second generation candidates that may have benefits on cost, ease of use or scalability; access to COVAX-negotiated prices; and assurance of safety and efficacy through WHO pre-qualification or stringent regulatory approval. Additionally, through this cost-sharing approach, AMC Participants will benefit from a **streamlined process** for accessing both donor-funded doses to cover their highest risk groups as well as cost-shared doses to, if desired, protect a higher proportion of their population.

It is critical to note that **an inability to cost share will not affect Participants' ability to access the fully subsidized donor-funded doses provided through the Gavi COVAX AMC.** In addition, should

Participants choose not to cost-share, they would still receive their share of donor-funded doses.

AMC Participants are invited to work with the Office of the COVAX Facility and MDBs, including the World Bank and regional development banks, as relevant, to allocate cost-sharing funds to purchase supplemental doses. Participants will be requested to indicate how many additional doses they wish to procure via the Facility with cost-sharing funds (subject to dose availability) during this first phase, based on the population percentage they aim to cover, and, as relevant, to work with multilateral development banks to allocate financing for these doses. Additional details are still being finalized, and further materials outlining the process for allocating cost-sharing funds will be sent to Participants following the AMC Engagement Group Meeting.

