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Extension and expansion of the Vaccine Independence Initiative and its revolving fund

Summary

The Executive Director recommends that the Executive Board approve a five-year extension of the Vaccine Independence Initiative for 2026 to 2030 and amend the authorized capitalization of the core revolving fund from \$100 million to \$250 million. The Executive Director also recommends the expansion of the Vaccine Independence Initiative to include a high-impact window (revolving fund) with an authorized capitalization of \$200 million, and a public health emergency window (revolving fund).

Elements of a draft decision for consideration by the Executive Board are provided in section IV of this document.

* E/ICEF/2025/1.



I. Overview

1. Established by the UNICEF Executive Board in 1991, the Vaccine Independence Initiative (VII or the “Initiative”) is a revolving fund that accelerates the availability of essential supplies for UNICEF country offices, Member States and other partners. Since its inception, more than 100 countries have used or benefited from the Initiative’s acceleration of access to essential supplies. From 1 January 2020 to 30 September 2024, UNICEF, through transactions enabled by the Initiative, has accelerated \$1.7 billion worth of supplies, including, critically, during various recent emergencies.

2. The core VII revolving fund has successfully met a significant portion of emerging needs during this period. However, going forward, as these needs continue to increase, for example due to an increased frequency of large transactions and unpredictable public health emergencies, the VII revolving fund will be limited by its current size and financial thresholds. Additionally, UNICEF intends to engage with other United Nations organizations and partners where access to the Initiative could similarly provide benefits and efficiencies.

3. In order to address these growing and unmet needs, UNICEF is recommending the extension of the Initiative through 2030, while also expanding the Initiative by increasing the core revolving fund’s authorization and establishing two new windows (revolving funds) to supplement the core VII revolving fund, all subject to the availability of specific-purpose contributions.

II. Introduction

4. The Vaccine Independence Initiative was originally established by the UNICEF Executive Board in 1991 ([E/ICEF/1991/P/L.41](#)) for the period 1991 to 1995. The Initiative had three components:

- (a) a revolving fund capitalized at up to \$10 million;
- (b) a vaccine procurement mechanism;
- (c) a pre-financing mechanism to utilize local currencies to replenish the fund.

5. Countries use the VII mechanism to prevent their cash flow fluctuations from causing vaccine stock-outs and supply interruptions. Since its inception, more than 100 countries have used or benefited from the Initiative’s acceleration of access to essential supplies.

6. The Executive Board has extended the Initiative six times since its establishment in 1991 for the following periods: 1996 to 2000 (pursuant to Executive Board decision 1996/17); 2001 to 2005 (decision 2000/14); 2006 to 2010 (decision 2005/12); 2011 to 2015 (decision 2010/15); 2016 to 2020 (decision 2015/5); and 2021 to 2025 (decision 2020/4).

7. In view of the increasing value of pre-financing requests that UNICEF has received from countries, including across different commodity types, through decision 2015/5, the Executive Board:

- (a) amended the authorized capitalization of the revolving fund to \$100 million, subject to the availability of specific-purpose contributions;
- (b) approved the pre-financing through VII of non-vaccine commodities (including health, nutrition, water, sanitation and hygiene, and education supplies);

(c) approved the utilization of the VII revolving fund to support contracting arrangements that result in a secure supply or reduced prices of vaccines and other commodities.

8. The expanded scope that the Executive Board approved in 2015 was critical to enabling the UNICEF response to the coronavirus disease (COVID-19) pandemic (2020–2022), the nutrition emergency (2022–present) and the mpox emergency (2024–present), accelerating access to vaccines, safe injection equipment, tests, treatments, oxygen and ready-to-use therapeutic food during the respective responses. The versatility of VII has enabled UNICEF to continue to respond to recurring needs while also rapidly responding to newly emerging supply challenges.

III. Update and proposed extension and expansion

9. From 1 January 2020 to 30 September 2024, through transactions enabled by the Initiative, UNICEF accelerated the purchase of supplies worth more than \$1.7 billion typically by two to four months through UNICEF procurement services and in support of UNICEF programmes. The VII throughput dramatically increased from an annual average of \$6 million from 2010 to 2014 to an annual average of more than \$200 million during 2022 and 2023, with a peak throughput of \$649 million in 2021 driven by the COVID-19 emergency response. Since 2020, the availability of nearly 1 billion doses of vaccines, including polio vaccine, approximately 9 million cartons of ready-to-use therapeutic food and other essential supplies, has been accelerated to support countries. These pre-financing and special contracting interventions enabled by the Initiative have prevented or addressed acute commodity stock-outs in countries, which reduce children’s access to essential supplies.

10. The increase in throughput has been supported by both specific-purpose contributions and guarantees from the Asian Development Bank, the Australian Committee for UNICEF Limited, the Bill & Melinda Gates Foundation, Gavi, the Vaccine Alliance, the Foreign, Commonwealth and Development Office (United Kingdom of Great Britain and Northern Ireland), the German Committee for UNICEF, MedAccess, the Swedish International Development Cooperation Agency and the United States Fund for UNICEF. This growth builds on pre-2015 contributions from Australian Aid, the Japan International Cooperation Agency, New Zealand, Norway, the United States Agency for International Development and other donors.

11. Access to revolving fund-based financing has been recognized as an efficient risk-absorbing mechanism and has attracted interest from UNICEF partners. However, establishing separate revolving funds within each United Nations organization may lead to inefficiencies and competition for limited resources. Therefore, as part of a “One UN” approach, UNICEF will engage with other United Nations organizations and development and humanitarian partners to facilitate access to VII for their own pre-financing and special contracting needs, with a primary focus on health, nutrition, education, water and sanitation. Access to the Initiative for other United Nations organizations and development and humanitarian partners would be possible across the three different windows described below. Such access would not come at any additional risk for UNICEF and would be made available to the organizations and partners in accordance with parameters established by the UNICEF Executive Director.

12. To date, VII has not experienced any unremedied losses, successfully preserving its original capital base through prudent and conservative stewardship of those financial resources. However, there are high-impact needs that are currently not being met, and that UNICEF expects to continue to increase over the next five

years. For example, these may include the needs of larger countries; the needs of countries with higher transaction values; critical transactions where reimbursements are pending confirmation; and special contracts to address challenging market dynamics. Unmet needs may at times exceed the financial and transaction thresholds that the core VII typically maintains. Additional impact can be achieved, without jeopardizing the core VII revolving fund resources, by establishing a specific funding window (high-impact window) of up to \$200 million to meet these needs. This high-impact window (revolving fund) would be supported by VII financing partners that have the financial capacity and interest to support those transactions that currently are not being met by the core VII revolving fund. Several such partners have already expressed a willingness to support this window once established.

13. During the COVID-19, nutrition and mpox emergencies, VII played an instrumental role in rapidly securing and accelerating supplies for UNICEF country offices, Member States and other partners. However, the capacity for UNICEF, through the Initiative, to facilitate pre-financing and special contracting needs was constrained by the size of the core VII revolving fund's available capital base. The scope and scale of the next public health emergency cannot be predicted. Establishing a specific window through which risk-absorbing financing can rapidly flow at the onset of a public health emergency will supplement and enhance the ability of VII to better support the emergency response across various commodities. This window will ensure rapid scale-up, as required. Additionally, it will allow for targeted financial support from partners for public health emergencies at higher thresholds than the core VII revolving fund can support, with greater flexibility in terms and specific attributable reporting.

14. Accordingly, the revised Initiative will keep the current core VII revolving fund intact while establishing two additional specific windows (revolving funds), under the Initiative:

(a) A specific high-impact window, which will allow UNICEF, with partners who have the financial capacity, to expand VII to accommodate currently unmet high-impact needs,

(b) A specific public health emergency window, which will be pre-positioned to enable rapid mobilization of risk-absorbing resources at the onset of a public health emergency, accelerating the availability of the relevant commodities required as part of the emergency response.

15. The revised Initiative will build on the existing strengths of the core VII revolving fund to offer the following advantages to participating Member States, UNICEF country offices and other United Nations organizations and partners that utilize the support:

(a) quality, low-cost vaccines and other commodities, including, but not limited to, long-lasting insecticidal nets and ready-to-use therapeutic food, essential medicines and maternal and neonatal health commodities, will be made available on a timely basis;

(b) the ability of self-funded Member States to pay for vaccines and other commodities after delivery, potentially using their local currency;

(c) improved ability of UNICEF to respond to pre-financing requests generated due to delayed disbursement of grants or other resources;

(d) increased self-sufficiency of Member States, not only for vaccine-related commodities, but also for other health and development interventions;

(e) increased ability of UNICEF to enter contractual arrangements to generate better pricing and availability of vaccines and other commodities for children, Member States and partners;

(f) encourage cross-United Nations and cross-development-partner collaboration and efficiencies;

(g) facilitate rapid scale-up of public health emergency-focused financing upon the onset of an emergency and associated mobilization of resources.

IV. Draft decision

16. UNICEF recommends that the Executive Board adopt the following draft decision:

The Executive Board

1. *Recalls* its establishment of the Vaccine Independence Initiative in 1991, and its periodic approvals to extend the Initiative at five-year intervals from 1991 through to 2025 (decisions 1996/17, 2000/14, 2005/12, 2010/15, 2015/5 and 2020/4) and to expand its scope (decision 2015/5);

2. *Approves* a five-year extension of the Vaccine Independence Initiative for the period 2026 to 2030;

3. *Also approves* the amendment of the authorized capitalization of the core revolving fund from \$100 million to \$250 million, subject to the availability of specific-purpose contributions;

4. *Further approves* the establishment of an additional dedicated high-impact window (revolving fund), with an authorized capitalization of \$200 million, subject to the availability of specific-purpose contributions;

5. *Approves* the establishment of an additional dedicated public health emergency window (revolving fund) to be separately capitalized and activated by a decision of the UNICEF Executive Director, and subject to the availability of specific-purpose contributions.