

Explanatory note: Legal agreements with COVAX Facility Self-Financing Participants

This note provides background on the legal agreements with COVAX Facility Self-Financing Participants.

Three legal agreements have been published:

1. The [Terms and Conditions for Self-Financing Participants](#). These form part of the legal agreements with all Self-Financing Participants.
2. The template for a Commitment Agreement with the Self-Financing Participants that have chosen the [Committed Purchase Arrangement](#).
3. The template for a Commitment Agreement with the Self-Financing Participants that have chosen the [Optional Purchase Arrangement](#).

The agreements provide that the Office of the COVAX Facility will make agreements with vaccine manufacturers on behalf of Participants to secure access to vaccine doses in specified volumes, delivery timetables and prices. The Office is aiming to negotiate the best possible pricing from manufacturers. The cost per dose will vary by vaccine and manufacturer, and the Facility will pass through the actual, negotiated price to participants. The agreed deals negotiated between the Facility and the manufacturers will dictate the final price of the vaccine.

The Facility offered two arrangements for Self-Financing Participants, corresponding to the two types of Commitment Agreements. Both arrangements involve an up-front payment that is essential in order for the Facility to enter into deals with vaccine manufacturers to accelerate and secure doses.

Participants which chose the Committed Purchase arrangement have made a lower upfront payment of \$1.60/dose, and provided a financial guarantee of \$8.95 /dose (N.B. as noted above, this is a guarantee, not the price that will actually be paid). A Committed Purchase participant may only opt out of candidates if it indicates in its Commitment Agreement that it is not interested in purchasing vaccines with a price exceeding \$21.10 /dose, which is twice the all-inclusive estimated weighted average cost per dose (\$10.55)

Participants which chose the Optional Purchase arrangement have made an upfront payment covering that Participant's full pro rata share of the investments required to enter into agreements with manufacturers and secure doses (\$3.10/dose). In return, these Participants receive the right to decide which candidates they are interested in purchasing from their allocation of the Facility's portfolio. While the upfront payment for the Optional Purchase is larger than for the Committed Purchase, the final all-inclusive costs are expected to be the same for both arrangements.

Allocation of vaccines among Participants will be governed by the WHO Fair Allocation Mechanism, which is available [here](#). Under the Mechanism, Participants will receive vaccine doses proportionally and gradually to immunise up to 20% of their population (unless they have chosen a lower percentage coverage of their population).