Annex A: Fiduciary risk mitigation models

Model	Basic description	When used/ Other features	Current cases *) joint with Global Fund	Possible future cases
Fiduciary agent (FA)	Usually embedded within government systems to manage Gavi risks through approval/validation of grant expenditures. Typically Gavi contracts FAs in conjunction with another agency e.g. Global Fund. A capacity building component would usually be included in its scope of work.	Can be used in a variety of high risk situations where a close control of procurement and spending is needed. If remaining at central level only may be ineffective in dealing with sub-national risks. The FA role can be expanded to the sub-national level with a subnational presence which also may support coverage & equity objectives. Relatively low cost but becomes more costly as the sub-national level is included.	• DRC • Madagascar* • Malawi* • Uganda	• Guinea* (under discussion)
Monitoring agent (MA)	Party providing external assurance of programme implementation and management but which can be focussed towards financial assurance only.	MAs are a very flexible way to attain better assurance. Can be used in almost any situation but add most value where systems exist but compliance and management override is a big risk. Scope of work is risk driven and fully tailored to Gavi needs in each case. May engage in capacity building. Costs are normally lower than a Fiduciary Agent.	• Ghana • Kenya* (CSO) • Burundi • Mozambique (campaign) • Ethiopia (campaign) • Ghana (campaign) • Rwanda (construction)	• Ghana 2 campaigns • DRC (campaigns)
Management agent (ManA)	An alternative UN partner or external agency (not a Gavi Alliance partner) which acts as lead implementer taking responsibility for delivery of results and managing risks and overseeing the activities of implementers. Would typically cover both programmatic and fiduciary responsibilities.	Could be used in any high risk situation when there is a need for stronger oversight (incl. fiduciary risk management), usually where Alliance partners would be operating through 3rd party implementers rather than directly implementing the programme. Capable of delivering effective capacity building. Generally an expensive option.	This model has not been used before by Gavi	• Use of a private foundation as a ManA is under discussion in PNG • Use of UNDP as lead implementer in a country TBD

Model	Basic description	When used/ Other features	Current cases *) joint with Global Fund	Possible future cases
Project Management Unit (PMU)	A unit set up within government to specifically handle donor funds (can be multi-donor). Works within government systems though may adopt additional measures to meet donor requirements. PMU is often staffed independently of government and often includes a Fiduciary Agent embedded in the unit. Often set up in conjunction with another donor partner, particularly Global Fund.	Typically used where fiduciary risk is very high yet there is a desire to remain within government systems. This enables Gavi to obtain reasonable assurances on grant spending whilst developing sustainable capacity in governments. Can become a parallel (unsustainable) approach if not set up appropriately. Potential for cost efficiencies including through reduced secretariat set-up and oversight costs if shared with other agencies, such as the Global Fund.	• Malawi* • Burundi • Afghanistan • Eritrea* • Sierra Leone* (under discussion) • Sudan* (under discussion) • Burkina Faso* • Chad* • Mauritania	• Guinea
Common funding mechanism (CFM)	A frequently used approach to combining donor funds to support a broader programme. Gavi funds are comingled with other funds and the Gavi $ cannot be separately traced but immunisation-related results are tracked. E.g. health sector programme in Ethiopia through a pooled funding, World Bank managed multi-donor trust fund supporting a national immunisation programme in Pakistan.	Designed to reduce fragmentation and ease pressure on the country of dealing with multiple donors. Can mitigate risk by combining resources and working through a common governance structure. Can also be more cost efficient as costs are spread over a larger fund. Less transparency over spending can be a problem when results show under-achievement.	• Ethiopia • Nepal • Bangladesh • Pakistan • Niger	Pakistan and Nepal will be evaluated