

Annex A: Risk implication and mitigation including for countries and the Alliance

This annex outlines the risks and proposed mitigation with the proposed shifts outlined in Doc 06bi. The consolidation of funding levers comes with a set of risks that were presented to the PPC in October 2024 after extensive stakeholder consultations to identify ways in which to implement these changes and minimise risks for countries and Gavi and its Alliance partners.

Key risks and mitigation measures are outlined in the table below:

Risk	Mitigation measures
<p><u>Prioritisation of activities within a consolidated grant:</u> Governments face challenges prioritising immunisation activities within a single application, especially those with limited capacity or long-term planning ability. This could lead to missed opportunities for integration or increases in standalone applications and siloed programming, necessitating frequent changes in priorities.</p>	<p>Although the risk is not increased by the action to consolidate funding levers, there will be 24 antigens supported through Gavi in 6.0 and various delivery modalities between RI and campaigns. Gavi, together with Alliance partners, will enhance cross-team and cross-organisational engagement, to strengthen country capacity for planning their applications and National Immunisation Strategy (NIS), to include evidence-based vaccine prioritisation and portfolio optimisation decisions and activities to support them. Additionally, streamlined processes are being established for reprogramming and differentiated application pathways, allowing for necessary adjustments as programmatic and country priorities evolve.</p>
<p><u>Fungibility of funding:</u> With consolidated funding, countries may allocate resources according to their national objectives, which may not always align with Gavi’s priorities. There is a risk of countries over-allocating funds to certain areas, such as campaigns, potentially diverting resources from other critical activities.</p>	<p>Gavi will leverage various channels to ensure country investments and planning align with both national and Gavi strategic priorities. This includes detailed budgeting and funding guidelines, implementing guardrails for a critical priority, allocating only vaccine introduction and switch grants, enhanced country engagement through data-driven discussions during the strategy and application process. Gavi is also clarifying Alliance roles and responsibilities to ensure consistent support and implementing different transformation initiatives of the IRC including updates to the terms of reference and piloting Secretariat led reviews. Processes are set up to ensure disbursements reflect agreed upon milestones and plans are adjusted to achieve agreed-upon objectives effectively.</p>
<p><u>Inclusion of the Partners’ Engagement Framework (PEF) Targeted Country Assistance (TCA) within the consolidated cash grant for countries</u></p>	<p>Options for this consolidation, including risks are detailed in Annex B. will be discussed by the PPC at its meeting on 20 November 2024.</p>

Risk	Mitigation measures
<p><u>Guardrails</u> to safeguard critical investments may undermine country prioritisation and ownership, and risk of guardrails expanding to cover multiple priorities further complicating processes.</p>	<p>Extensive country consultations have confirmed that a limited number of guardrails are needed to protect critical investments, including Cold Chain Equipment, <u>Civil Society Organisations (CSOs)</u> and measles/measles-rubella (MR) follow-up campaigns. By ensuring these are reflected in policy, it will help ensure future guardrails are Board approved, reflective of learnings and consider trade-offs to countries and simplicity objectives. A third guardrail, for Civil Society Organisations (CSOs) will be discussed by the PPC at its meeting on 20 November 2024.</p>
<p><u>Changes in country health systems allocation compared to Gavi 5.0</u> The consolidation of grants and the revised allocation formula for Gavi 6.0 will result in some countries, particularly higher-income ones, experiencing a decrease in cash funding compared to Gavi 5.0. Fragile countries may see higher allocations, which they might struggle to absorb effectively.</p>	<p>Manual adjustments will be applied to smooth ceilings based on the specific contextual factors of each country. This includes smoothing the ceiling over time for countries where large drops are seen and scaling down in countries unable to absorb additional resources. These adjustments will be guided by insights from the Gavi Secretariat, Alliance partners, and other relevant stakeholders. 25% of cash funds (for non-measles/MR preventative campaigns) are held back to better allocate for campaigns which will require further work on prioritisation to inform the timing and scope (e.g. preventive oral cholera vaccine (OCV), yellow fever). Emergency funds will be available for countries facing acute emergencies or outbreaks, in line with the Fragility, Emergencies, and Displaced Populations (FED) policy.</p>
<p><u>Forecasts used for allocation of funds for measles follow-up campaigns, vaccine introductions, and switches</u> may not accurately capture country needs throughout the strategic period. This creates a risk that allocated funds may be misaligned with actual needs, either resulting in a shortfall or an excess.</p>	<p>Forecasts for measles/MR follow-up campaigns are generally more predictable due to the established Measles and Rubella Partnership (MRP) Strategy. These will be reviewed and revised before Gavi 6.0 to incorporate recent updates from Alliance partners and country-specific plans. Mechanisms are being established that will allow periodic reviews of country budgets as new needs arise, ensuring flexibility to adapt to emerging requirements, including based on recommendations from the Strategic Advisory Group of Experts on Immunization (SAGE). For introduction and switch grants, forecast assumptions will also be reviewed before allocation to improve accuracy however the relatively small size of the funding minimises risk. These grants can be absorbed within a country's cash ceiling. To safeguard against inaccurate forecasts for campaigns, 25% of the cash funding (for preventative campaigns) will be withheld and only allocated after application approvals ensuring critical needs are met while acknowledging that holding back funding reduces countries' flexibility to allocate these</p>

Risk	Mitigation measures
	resources toward routine health system strengthening investments and identify efficiencies.
<p><u>Change management to implement</u> different shifts brought about by the consolidation of funding levers could overwhelm both Gavi Alliance and country systems due to the scale of changes involved.</p>	<p>Gavi’s Secretariat has allocated headcount for a dedicated change manager to oversee the changes and ensure effective communication with countries. Gavi’s EVOLVE End-to-End Grant Management initiative is piloting these changes in three countries to refine and better understand the requirements before broader implementation. Gavi 6.0 will be treated as a learning period, allowing for continuous improvement and refinement of processes. Strong, consistent engagement with countries, particularly through data-driven discussions during planning, will help align national priorities with Gavi’s objectives, though some trade-offs between country ownership and Gavi’s strategic goals may still occur. Clear criteria for the Independent Review Committee (IRC) will guide funding decisions and maintain coherence. Regular updates to governance bodies, including the Audit and Finance Committee and the PPC, will ensure oversight and course corrections when needed.</p>
<p><u>Ability to track and report financial resources:</u> Concerns have been raised that Gavi’s ability to track and report on the use of financial resources would diminish with consolidation.</p>	<p>Reporting will be based on interventions and their outputs and outcomes rather than specific amounts tied to the levers. Gavi will continue to follow implementation of key interventions, such as reaching zero-dose children etc.</p>
<p><u>Programmatic sustainability:</u> Approaches and options to promote mobilisation of domestic resources to support health system costs have limitations and require measurement, verification and accountability frameworks.</p>	<p>Acknowledgement that implementing these approaches will require a long-term approach for countries and the Alliance, as well as government engagement beyond Ministries of Health. Options should be country-led and owned with phased implementation and ensuring continuous learning and course-correction.</p>