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

This annex outlines the risks and proposed mitigation measures associated with the implementation of the Vaccine Budget Policy. The risks and mitigations are based on Gavi Secretariat analysis and consultations with Alliance partners and countries.

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

Risk	Mitigation measures
Country Financial & Implementation Risks	
Countries not making a formal decision to discontinue existing programmes but delaying co-financing payments and entering into default for specific programmes.	Country communication to underscore and explain the implications of the Vaccine Budgets (VB) and allocating additional funding if available.
Unpredictable or inaccurate demand leading to underfunding or stock-outs.	VBs represent Gavi's best understanding of country demand. The methodology reflects the demand forecast for programmes under guaranteed budgets, which offers a good level of accuracy of the needs of countries especially for ongoing programmes. The budgets are less accurate for New Vaccine Introductions (NVIs) and preventative campaigns, however the aim is to ensure predictable funding for countries. Where new funding needs arise they will be considered through the annual review mechanism and prioritised according to the prioritisation logic.
Increased burden on country domestic resources (self-financing in addition to co-financing).	The cumulative impact of the Gavi 6.0 changes to Gavi's operating model (Eligibility and Transition, and Co-financing Policies, VBs, campaign co-financing) is reflected in higher requirements for domestic resource investments in immunisation, where those resources may not be available. The VB design has Initial Self-Financing (ISF) country floors that ensure these countries do not need to self-finance their existing programmes. The design has also considered the need for self-financing in Accelerated Transition (AT) and Preparatory Transition (PT) countries and minimised it in discretionary budget allocations to balance out the impact across PT and AT countries whose VB is expected to not fully meet the costs of ongoing programmes. The policy also introduces the possibility for countries to self-finance portions of their programmes and not the complete programme with the possibility of reinvesting in another programme, while other innovative financing options are being made available to countries through the Multilateral Development Bank (MDB) multiplier.

Countries may not be able to fully fund guaranteed programmes where actual prices exceed those assumed in the forecast (e.g. higher than the weighted average price (WAP)).	The design of the allocation review approach aims to ensure that where vaccine prices are significantly higher than expected, countries could receive additional funding, if available, and funded based on the prioritisation logic. However, if the impact on the country's guaranteed vaccine budget is less than a monetary threshold percentage and/or amount of the total country-specific guaranteed vaccine budget to be defined in operating guidelines, there is no adjustment to a country's Vaccine Budget allocation, and a small risk remains.
Countries will only receive a funding for 2026-2028 for validated new funding needs identified since March 2026 indicative country allocations. US$149 million to cover needs for 2029-2030 currently on the 'standby list'.	Countries will be informed of the gap with 2.5 years notice and will be encouraged to raise domestic financing in anticipation of filling the funding gap. In parallel, should additional resources become available for Vaccine Budgets, they would first be used to address this gap. If the gap persists until 2028, there is a request for Secretariat to consider all options and bring back to the PPC and Board in 2028. However, in the meantime, there is a risk that countries may reduce coverage targets in order to conserve some of their funding for later years.
Programmatic & Public Health Risks	
Reduction in the number of new vaccine introductions if not fully funded through VB or if deprioritised over the course of Gavi 6.0 due to competing needs.	As part of portfolio prioritisation a country may decide to discontinue an existing programme or not introduce a new one, putting at risk the health impact it could achieve in 6.0. The design of VBs prioritises vaccine programmes under guaranteed budgets that are driving the greatest gains in health impact achieved through Gavi support and disincentivises countries from not introducing a new guaranteed vaccine.
Increased risk of outbreaks as countries may choose to discontinue outbreak-prone programmes that are not fully funded through the discretionary budget – particularly Meningitis A and multivalent meningococcal (MMCV) programmes.	Country communications will be key to ensure countries understand the risks. The portfolio prioritisation process will facilitate these conversations.
Reduction in Malaria programme scale in AT and PT countries.	The Board requested a reduction in the scope of the Malaria programme to up to 70% of moderate- to high-risk areas. Malaria funding is ensured for ISF countries, but countries in PT/AT who might already be facing a funding gap, may decide to deprioritise the programme. To facilitate countries to keep the scale they have achieved and/or continue scale up, specific guidelines are being developed to facilitate countries switching to lower-cost products for their Malaria programmes.

Market & Supply Risks	
Unclear demand for vaccines under discretionary budgets and likelihood of lower volumes if countries scale back or drop programmes under the discretionary budget could put certain markets at risk of supplier exit.	Gavi will monitor this area closely. Under the prioritisation process there are criteria to take into consideration market health risks when deciding what should be prioritised for support.
To achieve efficiencies and savings within their VBs, countries may opt to switch to lower-cost products, exposing some markets to risk.	For certain high-risk markets, a Market Shaping top-up contingency is kept aside.
Governance & Compliance risks	
Policy states that countries would be able to repurpose Gavi support if they self-finance a programme under the guaranteed budget. Risk that countries do not, or only partially self-finance, or that Gavi is unable to fulfil that commitment.	The policy makes provision for reallocation of resources periodically to account for changes in demand and costs as these arise throughout the period, prioritising guaranteed budgets. Annual reviews will determine if countries are self-financing programmes, with the option to withdraw relevant funding if needed.