Gavi Alliance Audit and Finance Committee Meeting
12 – 13 May 2025
Virtual Meeting

1. **Closed Session for members only: CEO update**

1.1 The Committee convened in a closed session with the CEO (see separate minutes).

2. Chair's report

2.1 Noting that the meeting had been duly convened and finding a quorum of members present, the meeting commenced at 15.00 Geneva time on 12 May 2025. Mr David Sidwell, AFC Chair, chaired the meeting.

2.2 The Chair welcomed Committee Member-elects Ashish Makkar (World Bank) and Sara Schulz (Canada) and noted that Carmen Coles (US) would also be observing the meeting.

2.3 Standing declarations of interest were tabled to the Committee (Doc 02a in the Committee pack).

2.4 The Committee noted its action sheet (Doc 02b); forward workplan (Doc 02c); and minutes of the 11 February 2025 meeting (Doc 02d).

2.5 The Chair provided a brief summary of the virtual technical briefing session that was held on 8 May 2025, noting that the recording can be made available for those members who were unable to attend.

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3. CEO update

3.1 Dr Sania Nishtar, CEO, provided an update on several areas including: Gavi's operating environment; the Global Summit; the path to Gavi 6.0; the Gavi Leap; grant management reform; collaboration with the Global Fund; and the Gavi Secretariat.

3.2 She emphasised that despite the unprecedented challenges facing the global health and development sector, Gavi remains focused on its core priorities. She stated that delivery of Gavi 5.1 is largely on track and highlighted progress made in the HPV and malaria programmes, and co-financing commitments. She reported that as flagged previously, the Gavi 5.1 target for zero-dose children is unlikely to be met and the number of vaccine preventable disease outbreaks remains high and requires close monitoring. She provided an overview of the upcoming Global Summit in June 2025 and noted her recent visits to Ghana, Sierra Leone, and Senegal, emphasising the importance of country champions.

3.3 Dr Nishtar explained that the Gavi Board Retreat in July 2025 will allow the Gavi Board to make decisions on programmatic priorities following the Global Summit and discussed governance touchpoints on the Gavi 6.0 recalibration for the remainder of the year. She highlighted that all decision letters relating to new vaccine programmes for Gavi 6.0 (i.e. with launches in 2026 and beyond) will be paused until after the Board meets in July 2025.

3.4 Next, she provided an overview of the Gavi Leap initiative, stating that it is designed to strengthen Gavi's operations through reforms at both the Secretariat and country levels. Framed around four principles, she stated that the initiative also serves as a blueprint for revitalising the broader global health architecture.

3.5 Dr Nishtar concluded by highlighting the shift to a consolidated grant management system and noting she will discuss the ongoing work on projections for non-recurring costs across the other grant management reform pillars, including the country roll-out component at the next meeting. She also emphasised the strengthened collaboration with the Global Fund through the creation of a joint task force and welcomed three new members to the Senior Leadership Team: An Vermeersch, Chief Vaccine Programmes & Markets Officer; Niamh Lawless, Chief Operating Officer; and Amy LaTrielle, Chief Grants Management Officer.

Discussion

- The Committee expressed support for the Gavi Leap initiative and the Secretariat's reform effort and emphasised the importance of engaging champions from beneficiary countries.

- In response to a query from a Committee Member regarding the reconciliation of pledges, the Secretariat noted that if all donors do not pledge by June 2025, it will run scenarios based on assumptions and conduct additional analysis as needed. It also noted that more details on the Board Retreat including indicators will be shared in due course.

- In response to a query from a Committee Member's about the relationship between the newly established taskforce and the existing Joint Committee Working Group (JCWG), the Secretariat clarified that the JCWG is a process jointly managed by the boards of both organisations while the task force will include a third-party perspective. The Secretariat noted that the taskforce will deliver concrete outputs and focus on both short- and long-term options.

- In response to a query from a Committee Member regarding contributions from the private sector or Civil Society Organisations (CSOs) to replenishment efforts, the Secretariat clarified that while there is engagement with the private sector, sovereign donors must underwrite the majority of contributions.

- The Secretariat clarified that the pause of decision letters is a prudent and necessary step given the upcoming Global Summit and Board Retreat.

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4. Financial Forecast for Gavi 5.1 (2021-2025)

4.1 François Note, Chief Financial Officer, presented the updated Financial Forecast for Gavi 5.1 (2021-2025). He highlighted lower resources due to the rephasing of US$ 300 million donor funds from Q4 2025 to 2026 and explained that this is matched by lower expenditure, mainly in core activities, while operating expenses and vaccine costs remain stable. He explained that US$ 200 million has been included in the financial forecast to mitigate the risk of programme delivery delays and to reflect global uncertainties, and that this amount is a reduction in forecast expenditures. He noted that despite volatility, risks and opportunities are balanced.

4.2 Ian MacTavish, Director, Finance & Chief Accounting Officer, clarified that the forecast pertains to the Gavi 5.1 strategy and reflects the risk that reduced partner and country delivery capacity will impact Gavi programmes, at an estimated value of US$ 214 million in 2025. He explained that in the event that the risk of lower vaccine demand does not materialise, the Secretariat is authorised to fund these programmes in line with country plans and up to a total Gavi 5.1 expenditure of US$ 13.6 billion.

4.3 He noted that in light of the uncertain environment, no additional commitments beyond existing programmatic commitments will be made against the forecasted net available funds of US$ 185 million and highlighted that the remaining balance on the COVAX Advance Market Committee Pandemic Vaccine Pool (AMC PVP) is US$ 1.9 billion.

Discussion

- The Committee discussed the process of developing the financial forecast and how volatility is being managed within it. The Secretariat explained that the forecast process was revised to reflect strategic shifts and noted it is taking a cautious approach with a flexible reserve of US$ 185 million available. The Secretariat clarified that the next financial forecast update will be in October 2025, and that any major developments will be shared at the meeting in July 2025.

- In response to a query from a Committee Member, the Secretariat confirmed that a termination letter from the US government was received and since all funds are considered spent or committed, it had no impact on the accounts.

- In response to a query from a Committee Member, the Secretariat clarified that only a few pledges remain unhedged due to timing uncertainties.

- In response to a query from a Committee Member, the Secretariat confirmed that a decision on the Mpox stockpile will not affect the forecast or the reserve amount, as it is considered under the Gavi 6.0 strategy.

- In response to a query from a Committee Member, the Secretariat confirmed that manufacturer settlements, including with Novavax, will continue through early 2029, and that related financial risks are already accounted for in the forecasts.

- The Committee agreed to revise the decision language to acknowledge uncertainty and potential variability in the forecast.

Decision One

The Gavi Alliance Audit and Finance Committee reviewed the Financial Forecast, confirmed that sufficient funding is available in the current strategic period, and recommended to the Gavi Alliance Board that it:

a) **Note** that the Audit and Finance Committee reviewed the recommendations to be made to the Programme and Policy Committee and concluded that there are no financial implications for the Gavi 5.1 strategic period;

b) **Approve** the Gavi 5.1 Financial Forecast (2021-2025) of Qualifying Resources of US$ 13.6 billion and Forecast Expenditure of US$ 13.4 billion;

c) **Note** that the financial forecast reflects the risk that reduced partner and country delivery capacity will impact Gavi programmes, at an estimated value of US$ 214 million in 2025. In the event that the risk of lower vaccine demand does not materialise, the Secretariat is **authorised** to fund these programmes in line with country plans and up to a total Gavi 5.1 Expenditure of US$ 13.6 billion;

d) **Note** that a number of risks and opportunities in relation to the Gavi 5.1 financial forecast have been identified which may lead to additional changes in the forecast.

e) **Note** that in light of the uncertainty of the environment, no additional commitments beyond existing programmatic commitments will be made against the forecasted net available funds of US$ 185 million;

f) **Note** the remaining balance on the COVAX Advance Market Commitment Pandemic Vaccine Pool is US$ 1.9 billion.

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5. Ethics, Risk and Compliance update

5.1 Maria Thestrup, Chief Ethics, Risks and Compliance Officer, provided a mid-year update on Gavi's risk profile since October 2024 and the implementation status of key 2025 deliverables for the Ethics, Risk and Compliance Office (ERCO).

5.2 She noted that despite a challenging global context and internal changes, Gavi has made strong progress in mitigating strategic risks across programmatic, financial, and organisational areas. She highlighted the launch of the Gavi Leap framework, the CEO's delivery cascade project and an internal governance restructure as mitigation actions. She stated that Gavi remains largely on track to meet its Gavi 5.1 targets, with preparations underway for a successful Global Summit on 25 June 2025.

5.3 She explained that while overall risk levels remain unchanged, several top risks are trending upward, particularly around country delivery, donor funding, Civil Society Organisations (CSOs) engagement, and data quality, and this is largely due to US funding disruptions. She explained that mitigation efforts to counter these risks include streamlined grant processes, enhanced due diligence, and new CSO frameworks.

5.4 Finally, Ms Thestrup provided an update on ERCO activities including: the revision of the Risk Appetite Statement; meetings of the Alliance Risk and Advisory Group; the operationalisation of the Protection from Sexual Exploitation, Abuse, and Harassment (PSEAH) policy; progression of the policy hygiene project; and the onboarding of an external expert focusing on an enhanced code of conduct.

Discussion

- The Committee discussed the need for a more flexible, forward-looking risk approach that includes new risks and those that can be considered 'gamechangers.' Additionally, the Committee questioned whether Gavi's risk appetite should be revised to reflect the uncertain geopolitical landscape. The Secretariat confirmed it is developing an updated risk appetite statement and noted that the risk matrix is being updated to reflect the evolving global context.

- In response to a query from a Committee Member about the risk appetite consultation originally scheduled for April 2025, the Secretariat confirmed this consultation has been postponed to align with outcomes from the Global Summit to be held on 25 June 2025.

- In response to a query from a Committee Member, the Secretariat confirmed that the country management capacity risk includes partner capacity at country level.

6. Audit and Investigation Report

6.1 Lucy Elliott, Managing Director, Audit and Investigations, considered the material as read and noted that the 2025 audit plan is on track.

6.2 She briefed the committee on significant issues and management’s agreed mitigating actions from recent Secretariat-focused audits. These have emerged from the audits of updates to the procurement manual and of in-country assurance mechanisms for Gavi funding.

6.3 Reflecting changes within the Secretariat, Ms Elliott highlighted the proposal to remove two audits from the 2025 plan, and to add an audit of the International Finance Facility for Immunisation (IFFIm). She stated that the scope of this audit is currently being defined with management and the external auditor.

6.4 Next, she explained the inclusion of the policy on PSEAH in country audits in 2025. Additionally, she noted that since the paper was written, Gavi's new Reporting, Investigation, and Disciplinary Procedures (RIDPs) have been issued, and the website interface for the hotline has been improved.

6.5 Ms Elliott highlighted the six-monthly report on management's implementation of internal audit agreed actions, and governments' implementation of programme audit recommendations. She noted that preparing the report provided an opportunity to review the ownership of each agreed action given recent changes in the Secretariat, and renew management’s focus on implementation. She emphasised the support of the Gavi CEO and the Senior Leadership Team in this respect.

6.6 She noted that the analysis of recommendations to implementing governments has become deeper, with recurring and thematic challenges being brought to the Secretariat for discussion on how to drive improvements, via advisory work, through the Programmatic Leadership Team (PLT), and most recently, the Alliance Coordination Team (ACT).

6.7 Finally, Ms Elliott requested that the Committee share their perspectives bilaterally on key risks for the 2026 audit planning cycle by the end of May 2025, noting that this feedback will enrich the risk assessment and ensure the relevance of the 2026 audit work.

Discussion

- The Committee raised concerns regarding long-standing open audit recommendations and asked about the policy on extensions. The Secretariat noted that of 45 high-risk actions, 18 had been extended once and one twice, and explained that all extensions are reviewed on a case-by-case basis. The Secretariat highlighted that a new approach is being implemented to design time-bound actions and that outstanding actions are now embedded in the

CEO's management reporting. It noted that an update on recommendation implementation will be presented at the December 2025 meeting.

- The Committee discussed improvements in procurement oversight and recommended that Andy Mends, Director, Procurement, should present an update to the Committee in 2026.

- In response to a query from a Committee Member regarding the scope of the audit of IFFIm, the Secretariat explained that this would be the second audit relating to Gavi's support to IFFIm and emphasised that IFFIm has its own independent audit mandate.

- In response to a query from a Committee Member, the Secretariat confirmed that a second real-time audit or advisory on grant management reforms is planned for 2025.

- In response to a query from a Committee Member about risks from consolidating cash grants under Gavi 6.0, the Secretariat noted this is under review and will be assessed by the audit team in June 2025 as part of 2026 planning.

- The Secretariat confirmed there are no whistleblowing items to discuss and that it will update the Committee on investigations in closed session at the June 2025 meeting.

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7. Finance update

7ai. CFO update

7ai.1 François Note, Chief Financial Officer, highlighted the technical briefing that took place on the reporting redesign on 8 May 2025 and summarised the goal to enhance automation, analytical insight, and integration across planning, budgeting, and reporting. He explained that the new tool, developed in collaboration with colleagues and a working group of the Committee has been leveraged to present the Q1 2025 results in agenda item 7b, and described the phased implementation of the redesign. He explained that the redesign aims to improve usability and support more informed, real-time decision-making.

7ai.2 Upon invitation from the Chair, members of the working group Ana de Pro Gonzalo and Kelly Jarrett expressed strong support for the reporting redesign and commended the Secretariat's collaborative and transparent approach. They highlighted the value of improved automation and analytical insight whilst emphasising the importance of maintaining cybersecurity.

Discussion

- The Committee discussed the importance of cybersecurity, data access and data management, and emphasised using static data and implementing a two-factor authentication so that both users and the Secretariat are safeguarded.

- In response to a query from a Committee Member on the alignment of content in quarterly and annual reports, the Secretariat noted it is developing an ‘extended balance sheet’ to reflect committed and planned resources, with plans to integrate this into reporting tools within 6–12 months.

- In response to a query from a Committee Member, the Secretariat clarified that financial reporting redesign aims to enhance visibility into disbursement and spending, particularly concerning non-core partners who play a key role in technical assistance and implementation. It noted that more information on this will be provided in agenda item 9.

7aii. CFO update

7aii.1 François Note, Chief Financial Officer, introduced this item by reminding the Committee of its discussion in February 2025 regarding the proposed carryover of US$ 6.5 million in underspent technology funds from 2024 to 2025. He outlined the key focus areas for the current year and the 6.0 strategic period, before inviting Laura Boehner, Chief Technology and Knowledge Officer, to present the digital investment roadmap.

7aii.2 Ms Boehner presented Gavi’s five-year digital investment roadmap, focusing on three mission-critical projects: the Grant Management System, Forecasting and Budgeting (FAB), and the SAP Segregation of Duties (SOD) compliance initiative. She emphasised a phased, capacity-aware approach to digitisation, integration, and responsible Artificial Intelligence (AI) use which is guided by the Resource Prioritisation Group (RPG) and subject to quarterly review.

Discussion

- The Committee supported the shift from annual to multi-year technology planning, recognising the limitations of the previous approach and the importance of integration across systems like FAB and the grant management platform.

- One Committee Member recommended tracking technology costs per user, particularly for knowledge management systems, to better understand the Secretariat’s operational footprint and ensure transparency. The Secretariat agreed to follow up on this suggestion.
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- In response to a query from a Committee Member regarding the placement of the financial forecasting in the digital investment roadmap for 2030, the Secretariat clarified that this initiative is interconnected with FAB and data information hub workstreams and that the scope and timing is anticipated to evolve as organisational needs become clear.

- One Committee Member proposed leveraging external resources, such as pro bono support, to accelerate forecasting and scenario planning. The Secretariat acknowledged this suggestion and confirmed it is actively exploring such options.

7b. Quarterly Financial Reporting

7b.1 Ian MacTavish, Director, Finance & Chief Accounting Officer, provided an overview of Gavi's Q1 financial and programmatic performance, highlighting a strong start to the year. He noted that resource inflows were slightly ahead of the US$ 1.7 billion annual target, while expenditures were also progressing well, with Q1 spending at 114% of forecast.

7b.2 He highlighted 47 planned vaccine launches in 2025 and the largest core programme year to date at US$ 3.6 billion. He stated that while routine immunisation and campaign disbursements were largely on track, some implementation delays were anticipated due to operational challenges in-country. He noted that there are stockouts for rotavirus, HPV, and yellow fever vaccines primarily due to distribution issues.

7b.3 Finally, Mr MacTavish explained that while co-financing remained a sensitive area, early-year contributions were above the five-year average. He emphasised the importance of timely partner data and confirmed compliance with the programme funding test.

Discussion

- In response to a query from a Committee Member, UNICEF clarified that although vaccines are already in-country or scheduled for shipment, the delivery schedules may be delayed due to country-specific implementation plans.

7c. Treasury update

7c.1 Tobias Thiessen, Director, Treasury, reported that the treasury-managed portfolio stands at US$ 6.1 billion, with US$ 4.1 billion allocated to CORE, which includes the African Vaccine Manufacture Accelerator (AVMA) and the First

Response Fund (FRF). He noted that despite ongoing market volatility, the short-term portfolio remains stable and indicated that interest rate cuts are anticipated toward the end of the year, which could positively influence returns. Regarding the March 2025 Cash Flow Forecast, he noted minimal changes and highlighted a natural decline as strategic initiatives wind down. He added that projections for 2026 will be dependent on the outcomes of the Global Summit scheduled for 25 June 2025.

7c.2 Next, he provided an update on treasury activities including: the onboarding of banking services; the implementation of the Treasury Procedure; the finalisation of the Technology Review; the Treasury Link project; 2024 Internal Treasury Audits; and risk management, noting that all treasury positions are within the stipulated policy limits. Finally, he highlighted that hedging strategies remain unchanged and the implementation plan on the World Bank Investment Mandate concerning AVMA and the FRF.

Discussion

- The Committee expressed appreciation for the considerable progress made in treasury operations.

- In response to a query from a Committee Member regarding a potential global recession, the Secretariat noted that such a scenario would likely prompt central banks to lower interest rates, though high inflation and tariff pressures add a complexity to this. It noted that while money market funds are lower risk, they remain exposed to financial sector vulnerabilities, making continued monitoring essential into next year.

- In response to a query from a Committee Member on hedging timing, the Secretariat clarified that hedging begins at the pledge stage rather than waiting for signed agreements.

- The Committee agreed that it should review the currency hedging positions for Gavi 6.0 at its October 2025 meeting.

7d. 2024 Draft Annual Financial Reports

7d.1 François Note, Chief Financial Officer, introduced this item before handing over to Ian MacTavish, who outlined two key documents for consideration: the unaudited draft 2024 Annual Financial Report (AFR), comprising the consolidated financial statements of Gavi and IFFIm prepared under US GAAP; and the unaudited draft 2024 Statutory Financial Statements (SFS), reflecting Gavi's compliance with Swiss reporting requirements.

7d.2 Mr MacTavish, summarised key updates included the integration of COVAX into Gavi's corporate financial reporting from January 2024, the repurposing of US$ 2.9 billion in grants to new programmes, and the full commitment of US contributions to approved initiatives. He highlighted that the US government has issued a termination notice for COVAX Advanced Market Commitment (AMC) funding effective 25 May 2025, with uncommitted funds to remain unused. He then outlined the 2024 year-end close timeline including governance touchpoints until June 2025.

7d.3 Finally, he invited the Committee to provide feedback on these documents within three working days, noting that final versions of the AFR and SFS will be presented to the Committee at its 5 June meeting.

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8. Deloitte Advance Status Report and Partner Change

8.1 Fabien Bryois, Partner, Audit & Assurance, Deloitte SA introduced Annik Jaton as the new lead audit partner for 2025 and noted that the transition between them is underway as planned. He informed the Committee that Ms Jaton had been introduced to the finance management team in December 2024 and subsequently to the Chair of the Audit and Finance Committee in February 2025.

8.2 Mr Bryois provided an executive summary of the Deloitte Advance Status Report, confirming that the audit is on track and aligned with the plan presented in December 2024. He highlighted that the key areas of focus included the repurposing of COVAX AMC funds, the US termination letter, and the Novavax receivable. On the US termination letter, he emphasised that Deloitte agreed with the Secretariat's position that this did not impact the accounts and should be included as a subsequent event disclosure. He reported that the Deloitte audit team is aligned with Gavi's accounting treatments and disclosures, with no issues identified to date. Finally, he stated that final reviews and updates to the report, will be completed ahead of the committee's meeting on 5 June 2025.

Discussion

- In response to a query from a Committee Member regarding whether there are updates or disclosures related to other Advance Purchase Agreement settlements beyond Novavax, the Secretariat confirmed there is one remaining manufacturer with whom Gavi is in a legal dispute. It explained that although Gavi believes it has a strong legal case, recovery is uncertain.

- In response to a query from a Committee Member, the auditors confirmed that there were no post-close adjustments required to the 2024 financial statements and that only minor suggestions for clarity and transparency were made, all of which were accepted by the Finance team.

9. Data Visibility Projects

9.1 François Note, Chief Financial Officer, provided an update on efforts to improve visibility of country-level cash balances. He noted that Alliance partners including UNICEF, WHO, and the World Bank account for approximately 50% of programmatic spend, but reporting granularity remains limited. He explained that to address this, Gavi is collaborating with UNICEF, building on the DAX 1 project, which automated transactional data exchange. He highlighted a pilot in Nigeria that is testing improved category-level reporting, while emphasising that top-level reporting is already timely and compliant. He emphasised that Gavi's transition to Gavi 6.0 further illustrates the need for enhanced data alignment.

9.2 Gisela Henrique, Deputy Director of Strategic Resource Management, Division of Financial and Administrative Management, UNICEF highlighted the success of the DAX 1 project in streamlining data exchange with Gavi. Emphasising the United Nations audit and data privacy constraints, she explained her preference for the term 'automation' over 'integration.' She reported that discussions on DAX 2 are underway, with a focus on dashboard access and transparency. She stressed the importance of balancing reporting needs with operational efficiency, noting that more detailed reporting could increase costs. Finally, she reaffirmed UNICEF's commitment to developing collaborative efficient solutions.

Discussion

- In response to a query from a Committee Member, the Secretariat explained that efforts are underway to expand direct engagement with national systems. It noted that in 2024, 14 countries began working directly with Ministries of Health, and funding has been allocated to strengthen collaboration and efficiency. The Secretariat highlighted the focus on country ownership within the Gavi Leap initiative and Secretariat review.

- In response to a query from a Committee Member, UNICEF clarified that dashboards and donor portals are being enhanced and highlighted the pilot in Nigeria to improve reporting granularity. It stressed the importance of balancing detailed reporting with resource constraints.

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10. Any other business

10.1 After determining there was no further business, the meeting was brought to a close.

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11. *Closed Session for members only*

11.1 Members of the Secretariat were recused from the meeting and the Committee proceeded with a closed session (see separate minutes).

Ms Melissa Wolfe
Secretary to the Meeting

Attachment A: Participants

Committee Members

- David Sidwell (Chair)
- Kwaku Agyeman-Manu
- Sara Baiocco
- Lauren Franzel
- Gisela Henrique
- Kelly Jarrett
- Ana de Pro Gonzalo
- Lotta Sandö Brandt
- Deena Shiff
- Karen Sørensen
- Onei Uetela

Regrets

- Latifou Aboudou

Observers/Guests

- Carmen Coles, USAID
- Fabien Bryois, Deloitte
- Annik Jaton Hüni, Deloitte
- Hany Roushdy, Deloitte
- Ashish Makkar, World Bank
- Sara Schulz, Canada
- Anne Schuchat, PPC Chair

Secretariat

- Andrea Antonelli
- Laura Boehner
- Hannah Burris
- Paul Catchick
- Sally Dalgaard
- Lucy Elliott
- Edmund Grove
- Ruth Hogland
- Adviya Khan
- Brenda Killen
- David Kinder
- Amy LaTrielle
- Niamh Lawless
- Ian Mac Tavish
- François Note
- Chrysantus Nyongesa
- Marie Rochat
- Sania Nishtar
- Fatoumata Sy
- Maria Thestrup
- Tobias Thiessen
- An Vermeersch
- Melissa Wolfe