

Annex A: Implications/Anticipated impact

Risk implication

- Risk of inaction: A decision to not move forward with the proposed changes in an updated policy could potentially result in the policies being out of alignment with the new strategy. It would continue to foster overly complex and burdensome approaches and misaligned incentives. There could be a risk that Gavi would not achieve its goals if its funding policies cannot adequately support the new strategy.
- The proposed policy shifts respond to changes identified through examination of performance in Gavi 4.0 or to changes required to deliver on Gavi 5.0. While the proposed changes are intended to simplify and streamline the policies and the processes that follow, changing the policies could result in confusion for stakeholders. This could be mitigated through clear communication to countries, partners and governance bodies, which would begin as early as the start of 2020. Finally, certain changes, such as increased differentiation or potentially higher funding in certain contexts (e.g. fragile countries), greater flexibility to waive requirements and integration of grants could reduce current ability to scrutinise use of funding. In finalising approaches and developing an updated set of policies in phase II, the Secretariat will examine this potential risk and identify mitigation measures at policy or operational levels.

Impact on countries

- The intention in making these policy changes is to at least maintain cost neutrality for countries. For example, the shift in calculation for co-financing will be carefully examined in the next phase to minimise distortions. However, in some cases there might be a deliberate choice to adjust the level of funding for a country. For example, in line with the Gavi 5.0 principle of equity, some countries might see increased or reduced funding for HSS depending on their number of zero-dose or underimmunised populations. The Secretariat will communicate early and transparently on these proposed implications to minimise disruption.
- To better manage more integrated grants, countries will need to have increased programme and financial management capacity. The degree of integration could be further differentiated, with higher capacity countries rolling out integrated grants, and increased investment in capacity building to prepare countries with lower capacity.
- A stronger focus on differentiation and tailoring to country context will ideally result in a more streamlined and responsive approach to addressing country needs. For example, principles for differentiation in HSS grants, integrating CCEOP, and removal of the universal PBF scheme will allow countries to better design their proposals and use more suitable mechanisms to achieve their goals. Finally, correcting policy rigidity (for example, co-financing waivers in exceptional circumstances) will allow the Secretariat to better respond to rapidly changing contexts, enabling countries to access the appropriate support in a timely manner.

Impact on Alliance

- Greater differentiation and policy flexibility will require greater engagement across the Alliance to ensure funding objectives are met (e.g. an increased prioritisation of reaching zero dose children will need to be adequately reflected in the activities described in HSS grant proposals). Partners will need to have suitable capacity to support the planning and monitoring of grants.

Legal and governance implications

- There are no legal and governance implications at this time. This will be reviewed in the next phase with the development of updated policies.