

DOCUMENT ADMINISTRATION

VERSION NUMBER	APPROVAL PROCESS	DATE
1.0	Prepared by: Treasury Team	
	Reviewed by: Director, Finance & Chief Accounting Officer	4 August 2021
	Reviewed by: Treasury Risk Management Committee	30 September 2021
	Reviewed and recommended by: Gavi Audit and Finance Committee	19 October 2021
	Approved by: Gavi Alliance Board	2 December 2021 Effective from: 2 December 2021
	Next review:	As and when required

1. Purpose

- 1.1. The purpose of this Treasury Governance Policy (the “Policy”) is to strengthen the management of treasury-related activities at the Gavi Alliance (“Gavi”). The Policy provides key guiding principles and defines primary roles and responsibilities for the execution of these guidelines.

2. Scope

- 2.1. This Policy shall apply to all business units within Gavi which are undertaking or are engaged in decisions impacting treasury-related activities in the areas of:
 - 2.1.1. Cash and liquidity management;
 - 2.1.2. Cash flow forecasting;
 - 2.1.3. Financial risk management;
 - 2.1.4. Financial guarantees;
 - 2.1.5. Bank relationship management;
 - 2.1.6. Treasury technology including bank connectivity.
- 2.2. The Treasury function spans across Gavi’s business activities. Therefore, the Policy is applicable to current and future Gavi programmes.

3. Policy Statements

- 3.1. Treasury Team shall be ultimately responsible for recommending the treasury improvement plan and operationally executing activities belonging to its remit.
- 3.2. The main Treasury Team’s objectives are to:
 - 3.2.1. Manage liquidity in order to fulfil Gavi’s financial obligations in a timely and cost-effective manner;
 - 3.2.2. Identify financial risks and measure financial exposures to protect Gavi against negative financial impact by recommending and implementing suitable risk management strategies;
 - 3.2.3. Define and maintain an efficient banking landscape to accommodate Gavi’s business requirements, minimise operational complexity and maximise flexibility;
 - 3.2.4. Establish strict segregation of duties and controls to minimise operational risks within treasury activities involving financial transactions;
- 3.3. Based on these primary objectives, detailed objectives are further formulated in individual treasury policies. A complete treasury governance framework is structured in three layers:
 - 3.3.1. This Policy provides guiding principles and delegates responsibility to different organisational units to execute the treasury mandate;

- 3.3.2. Second-level treasury policies detail further the major areas of treasury's remit. Treasury Risk Management Policy shall be approved by the Gavi Board. Cash and Liquidity Management Policy and Cash Flow Forecasting Policy shall be approved by Managing Director, Finance & Operations.
- 3.3.3. Treasury Standard Operating Procedures outline end-to-end (cross-functional) treasury processes to ensure necessary controls are embedded. These documents, drafted by the Treasury Team and approved by Managing Director, Finance & Operations, support the operational execution and are key to ensure business continuity.
- 3.4. The Treasury Team is organised under the supervision of the Managing Director, Finance & Operations. The Treasury function is further split into Front- and Back Office activities to ensure appropriate segregation of duties.
 - 3.4.1. Treasury Front Office is responsible for the overall treasury plan definition, cash flow forecasting and liquidity management, hedging of financial exposures and management of banking relationships;
 - 3.4.2. Treasury Back Office is responsible for maintenance of master data in treasury systems, validation and confirmation of executed financial transactions, monitoring and controlling adherence to treasury policies and predefined limits.
- 3.5. The Treasury Risk Management Committee (TRMC) is established as an internal oversight body with the aim to improve cross-functional business partnering. The TRMC comprises the (1) Managing Director, Finance & Operations, (2) Director, Finance & Chief Accounting Officer (3) Head of Risk (4) Head of Financial Accounts (5) Chief Investment Officer (6) Director, Innovative Finance, (7) Senior Manager, Risk and Controls and (8) Treasury Team member (additional staff will attend as required). The TRMC shall meet on a quarterly basis and shall:
 - 3.5.1. Collectively review ongoing business matters and projects;
 - 3.5.2. Review key metrics, exceptions and action plans;
 - 3.5.3. Analyse changing business environment and needs;
 - 3.5.4. Evaluate treasury priorities and review treasury improvement roadmap;
 - 3.5.5. Review treasury standard operating procedures to ensure compliance with policies;
 - 3.5.6. Propose to the Audit and Finance Committee (AFC) any relevant changes in treasury's activities and policies;
- 3.6. All treasury policies and procedures shall be reviewed by the Treasury team on an annual basis.
- 3.7. Any changes to this Policy shall be presented to the AFC in accordance with the AFC charter.

4. Primary Roles and Responsibilities

4.1. The primary roles and responsibilities of different organisational units are summarised in the table below.

Role	Responsibilities
Gavi Board	<ul style="list-style-type: none"> • Approve the Treasury Governance Policy • Authorise exceptions the Treasury Governance Policy
Audit and Finance Committee	<ul style="list-style-type: none"> • Review and recommend items requiring Gavi Board approval. • Review and monitor cash flow forecasts and liquidity needs • Review and monitor financial risk management policy execution • Review and recommend amendments to treasury policies • Advise the Gavi Board on key risks
Treasury Risk Management Committee	<ul style="list-style-type: none"> • Review amendments to treasury policies before presenting them to the AFC • Provide updates and reports to the AFC on treasury's performance • Review annual treasury roadmap • Review Treasury reports • Approve new bank relationships
Treasury Team	<ul style="list-style-type: none"> • Define long-term plan for the treasury function • Prepare recommendations for treasury improvements • Represent Treasury as a business partner within Gavi • Execute hedging strategies within the pre-approved limits • Manage relationships with Gavi's banking partners • Approve new bank accounts with existing banking partners • Develop and update treasury policies, standard operating procedures, and operational documentation • Recommend changes to treasury policies to the TRMC • Optimise day-to-day liquidity including bank account structures and debt management • Implement cash flow forecasting templates and processes to consolidate relevant data from stakeholders • Manage financial counterparty credit risk, perform credit rating reviews • Implement hedging strategies for FX risk management • Prepare treasury reports
Finance & Operations	<ul style="list-style-type: none"> • Manage bank reconciliation and post accounting entries • Perform mark-to-market valuations for outstanding derivative portfolio • Act as a back-up for Treasury Back Office
Cash Flow Forecast Data Owners*	<ul style="list-style-type: none"> • Include Treasury Team as a business partner in any discussion impacting treasury scope and activities • Provide information for short- and long-term cash flow forecasting as required by the Treasury Team

*Treasury Team builds cash flow forecasts based on data sourced by multiple stakeholders, including but not limited to Grant Management, Resource Mobilisation,

Financial Forecasting, COVAX teams and the International Finance Facility for Immunisation (IFFIm).

5. Related Documents

Document ID	Name
TRE.POL2	Cash and Liquidity Management Policy
TRE.POL3	Cash Flow Forecasting Policy
TRE.POL4	Treasury Risk Management Policy

6. Effective date and review of policy

- 6.1. This Policy comes into effect as of 2 December 2021.
- 6.2. This Policy will be reviewed by the Audit and Finance Committee as and when required. Any amendments to this Policy are subject to Gavi Board approval.