

RISK MANAGEMENT UPDATE

BOARD MEETING

Jacob van der Blij

30 November - 2 December 2021, Virtual Meeting

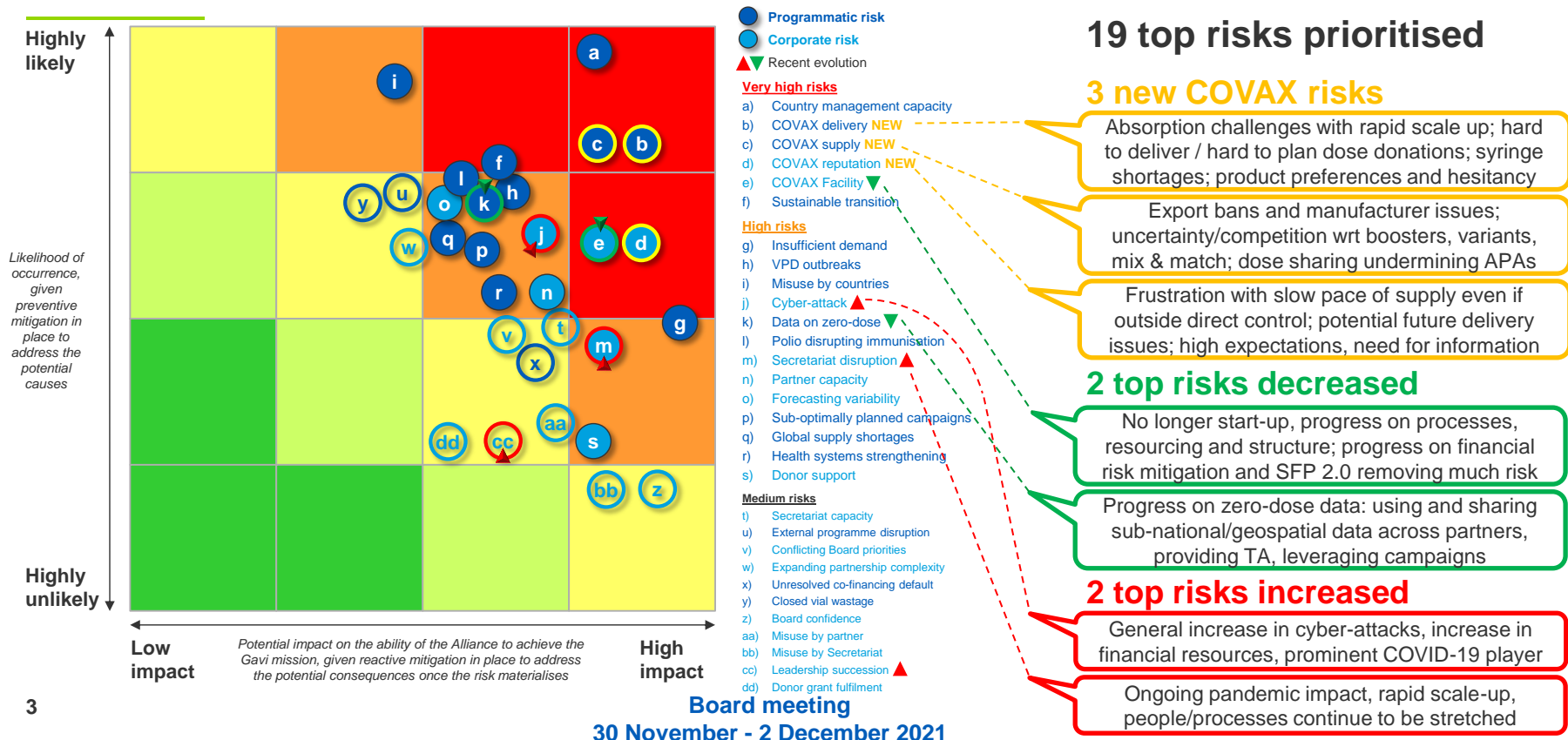


Gavi continues to pursue an ambitious strategy in a risky world with a higher risk appetite

- **Gavi 5.0** is a highly aspirational strategy aiming to reach the unreached
 - The **COVID-19 pandemic** continues to create extraordinary uncertainty and disruption both in-country and to Alliance operations
 - Risks inherently higher across the board (and subject to rapid change)
 - Monitoring and mitigation more complex with COVID restrictions and affected capacities
 - COVAX Facility and COVID-19 vaccine delivery may disrupt core mission
 - **COVAX Facility** requires navigating uncharted territory at unprecedented speed & scale
 - Risks shifted from operational and financial to supply and delivery, and derived reputational risks
- **Gavi acknowledges that many of these risks are worth taking, and it is able to do so by relying on robust risk monitoring and management**

Gavi's risk profile remains stable at elevated levels

2021 residual risk exposure, taking into account existing mitigation



Using Gavi's updated risk appetite statement (approved by June Board) to compare current levels of risk against

Gavi
The Vaccine Alliance

Gavi Risk Appetite Statement
Version 3.0

VERSION	APPROVAL PROCESS	DATE
3.0	Reviewed and recommended by Gavi Programme & Policy Committee Reviewed and approved by Gavi, the Vaccine Alliance Board	10 November 2024
2.0	Reviewed and recommended by Gavi, the Vaccine Alliance Board Reviewed and approved by Gavi, the Vaccine Alliance Board	11 December 2014
1.0	Reviewed and recommended by Gavi, the Vaccine Alliance Board Reviewed and approved by Gavi, the Vaccine Alliance Board	27 April 2017
0.5	Reviewed and recommended by Gavi, the Vaccine Alliance Board Reviewed and approved by Gavi, the Vaccine Alliance Board	18 June 2017
0.1	Reviewed and recommended by Gavi, the Vaccine Alliance Board Reviewed and approved by Gavi, the Vaccine Alliance Board	7 June 2017

Next Review: As and when requested

See full updated statement [here](#)

Gavi
The Vaccine Alliance

Gavi Alliance Risk Appetite Statement

Introduction

Every organisation needs to take time to define its objectives and determine the greatest risk to achieving them. Gavi's mission is to ensure that all children in the world have access to safe, effective, quality vaccines to protect them from preventable diseases. To achieve this mission, Gavi must take a strategic approach to risk, acknowledging the risks inherent in its mission and the risks inherent in its business model. This document defines Gavi's risk appetite, which is the level of risk that Gavi is willing to accept in order to achieve its mission. It also defines the criteria and trade-off considerations that Gavi uses to balance risk and reward. This document is a living document and will be updated as Gavi's mission and business model evolve.

Risk appetite for the mission level

The purpose of the Board-approved statement is to provide a clear, concise, and consistent definition of risk appetite across the Alliance and guide decision-making in setting the right amount of risk to deliver on Gavi's mission. It is not intended to be a risk register or a risk assessment tool. It is intended to be a guide for decision-making and to ensure that Gavi's risk appetite is consistent across all levels of the organisation. The Alliance will continue to monitor and update this statement as it evolves.

Risk appetite for the business level

The Alliance also acknowledges that it is exposed to a range of risks in its business model, including financial, operational, and reputational risks. These risks are inherent in the business model and are necessary to achieve the mission. The Alliance will continue to monitor and update this statement as it evolves.

The Alliance is accepting a lower risk appetite to achieve its goals, enabled by robust risk management to ensure these stay within the Board-approved risk appetite

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Gavi's Risk Appetite Statement

The amount of risk the Alliance is willing to take, accept, or tolerate to achieve its goals

The Alliance is accepting to face risks required to achieve its goals, enabled by robust risk management to ensure these stay within the Board-approved risk appetite

Mission	Strategic Goals	Organisation
<ul style="list-style-type: none"> The Alliance embraces the need to take risk to achieve its ambitious mission of leaving no-one behind with immunisation in the world's poorest countries It acknowledges risks inherent in its operating model relying on many partners and in its business model requiring country ownership It acknowledges that during the COVID-19 crisis risks may increasingly materialise, and is willing to take risk needed to respond flexibly and timely to special needs It understands that operating the COVAX Facility carries risks worth taking, and seeks to find the right balance to minimise risks to core resources and programmes 	<p>The Alliance adopts an overall high risk appetite to achieve its strategic goals, acknowledging the aspirational ambition of the Gavi 5.0 strategy, requiring more and novel support to countries to reach missed communities and zero-dose children in hard-to-reach areas and challenging operating environments</p> <div> <div>1 INTRODUCE AND SCALE UP VACCINES</div> <div>2 STRENGTHEN HEALTH SYSTEMS TO INCREASE EQUITY IN IMMUNISATION</div> <div>3 IMPROVE SUSTAINABILITY OF IMMUNISATION PROGRAMMES</div> <div>4 ENSURE HEALTHY MARKETS FOR VACCINES AND RELATED PRODUCTS</div> </div>	<p>The Alliance has overall a lower appetite for organisational risks that could impede its ability to deliver on the mission, while recognising the risks inherent in having a lean Secretariat without in-country presence and reliance on many partners</p>

High appetite

- Risks required to introduce and scale up coverage in fragile/emergency settings
- Risks required for equitable allocation and timely delivery of COVID-19 vaccines

Balanced

- Vaccine-preventable disease outbreaks
- Vaccine introduction decisions exacerbating inequalities or affecting sustainability
- Campaigns undermining routine immunisation or being of low quality

Low appetite

- High risk appetite for a lean Secretariat without in-country presence and reliance on many partners

High appetite

- Risks required to strengthen health systems and increase equity
- Risks of working with new partners
- Risks of exploring innovative strategies

Balanced

- Building immunisation-critical management capacity in-country
- Improving data quality to find and target zero-dose children
- COVID-19 roll-out adversely affecting routine immunisation or missed opportunities for synergies

Low appetite

- High risk appetite for a lean Secretariat without in-country presence and reliance on many partners

Balanced

- Countries transitioning without sufficient financial and programmatic capacity
- Significant reduction in performance post-transition

Low appetite

- Drop in political will and social commitment for immunisation
- Countries defaulting on co-financing obligations

High appetite

- Risks required to transform markets
- Risks required to incentivise innovation for vaccine development and scale up of related products

Balanced

- Supply shortages impacting existing programmes
- Risks required for securing access to and sufficient supply of safe and efficacious COVID-19 vaccines

Low appetite

- High risk appetite for a lean Secretariat without in-country presence and reliance on many partners

Acknowledges risks inherent in mission and model

Adopts an overall high risk appetite to achieve new strategy

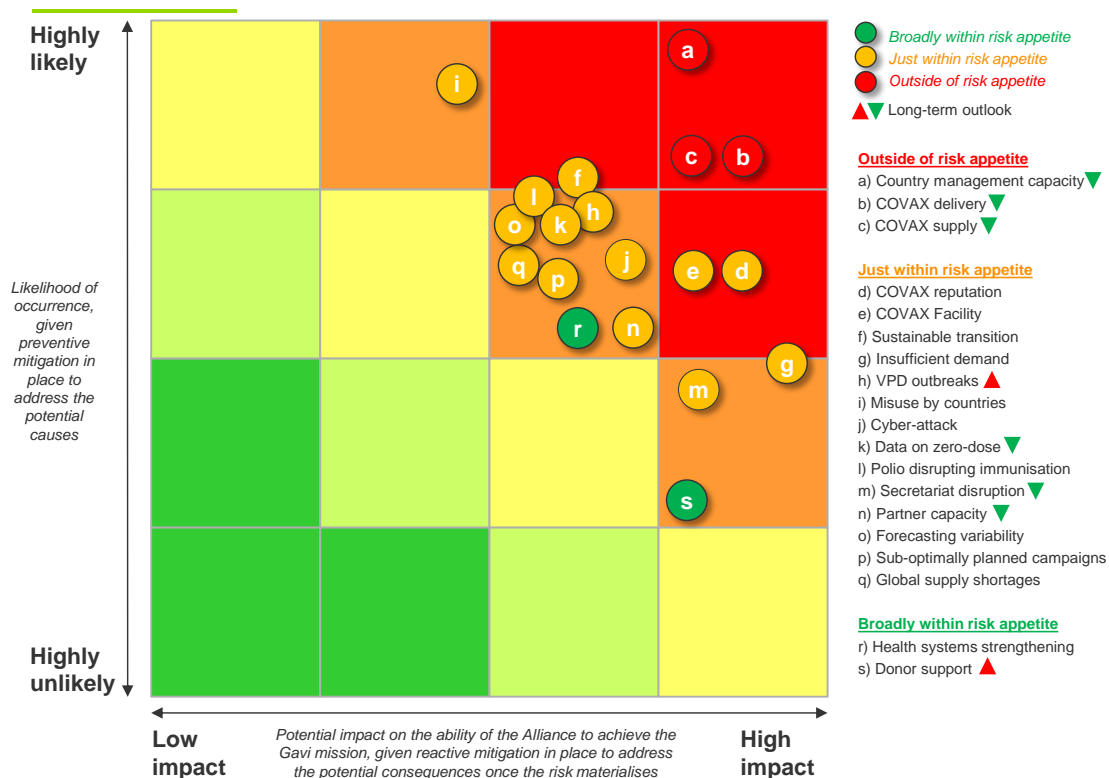
Defines criteria and trade-off considerations to balance risk and reward and guide context-dependent risk appetite decisions

Board meeting
30 November - 2 December 2021



Three risks outside of Gavi's updated risk appetite

Willingness to accept the current top risk exposures



3 risks outside of risk appetite

Not acceptable, requiring intensive mitigation efforts

14 risks just within appetite

Close to getting outside of risk appetite, requiring attention and ongoing mitigation

2 risks broadly within appetite

Acceptable, to be monitored

Recommendation

The Gavi Alliance Audit and Finance Committee **recommends** to the Gavi Alliance Board that it:

Approve the Risk & Assurance Report 2021 attached as Annex A to Doc 09.

The Gavi Alliance Board is furthermore requested to **provide guidance** on the following questions:

- a) Does the Board **agree with the top risks** identified this year and its ranking against likelihood and impact?
- b) Are there concerns on risk exposures **not within Gavi's risk appetite** and, if so, are further investments or different approaches to mitigation required?

THANK YOU



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