

RISK MANAGEMENT UPDATE

BOARD MEETING

Jacob van der Blij

7-8 December 2016, Abidjan, Côte d'Ivoire



STRENGTHENING RISK AND ASSURANCE CAPABILITIES

Largely completed change plan approved by the Board in December 2014

December 2014

- Risk policy
- Risk appetite statement
- Reorganisation in three lines of defence

Progress to date

- All new positions filled
- New tools and processes rolled out
- Partner engagement through PEF

Going forward

- Scale up and institutionalise across the Alliance
- Continuously refine understanding of risks and effectiveness of mitigation

Process-focused updates

Content-focused strategic discussions

GAVI'S FIRST RISK & ASSURANCE REPORT

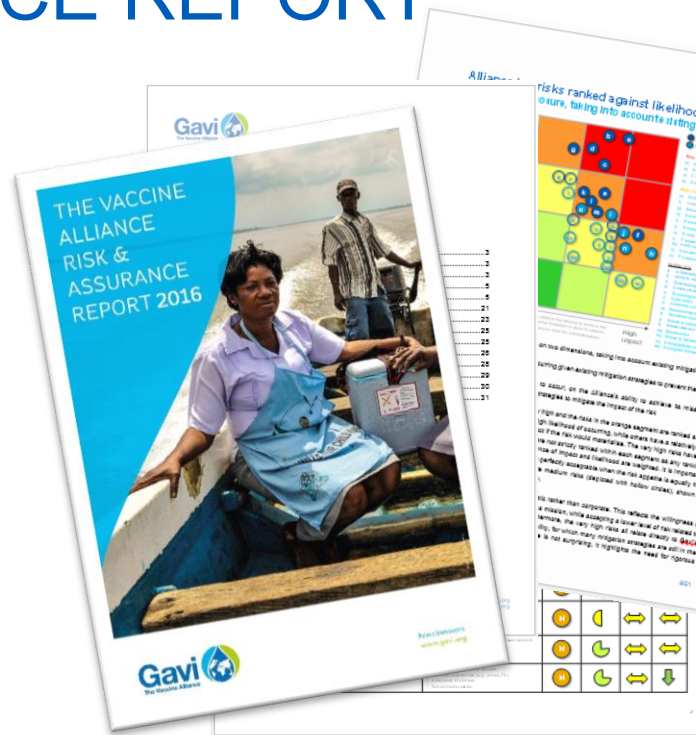
- Alliance-wide view of critical risks potentially impacting the ability of the Alliance to achieve its mission and strategic goals
- Basis for annual in-depth discussion on risk
 - Agree on prioritisation of risks as basis for future risk and assurance efforts
 - Oversee that most significant risks are managed **within Gavi's risk appetite**
 - Optionally select specific risks for **deep-dives at future meetings**

Basis for future efforts and investments

Allocate to **risk owners** and **work with partners** to manage top risks

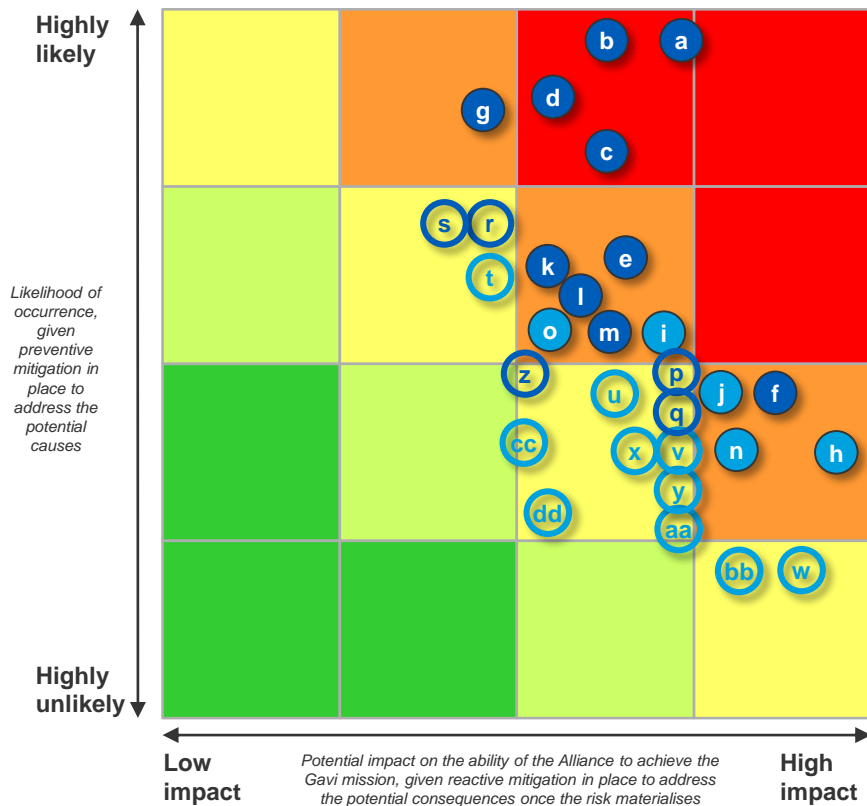
Develop more systematic **metrics** to **measure risk** and monitor evolution

Develop more granular **risk appetite statement** for June Board



ALLIANCE TOP RISKS RANKED AGAINST LIKELIHOOD AND IMPACT

Current risk exposure, taking into account existing mitigation



- Programmatic risk
- Corporate risk

Very high risks

- a) Country management capacity
- b) Data quality
- c) Transition readiness
- d) Country performance post-transition

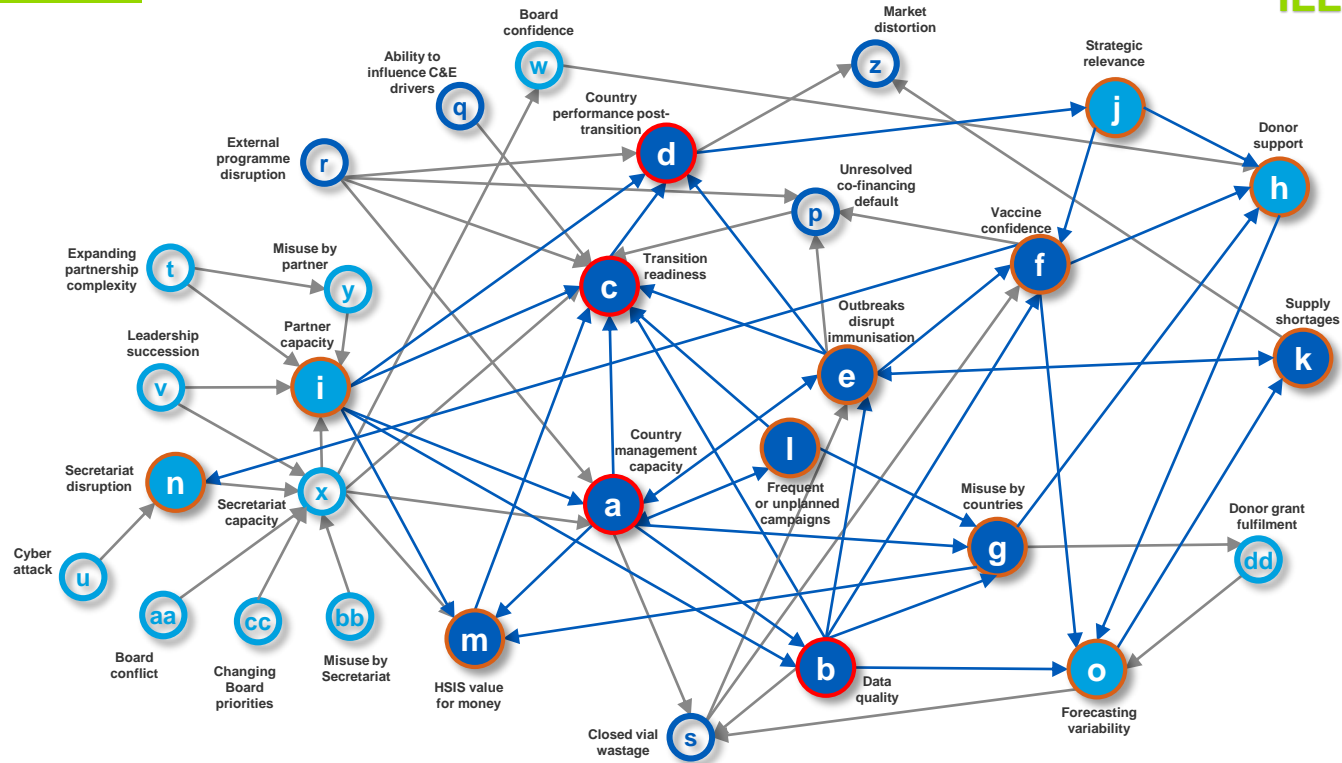
High risks

- e) Outbreaks disrupt immunisation
- f) Vaccine confidence
- g) Misuse by countries
- h) Donor support
- i) Partner capacity
- j) Strategic relevance
- k) Supply shortages
- l) Frequent or unplanned campaigns
- m) HSIS value for money
- n) Secretariat disruption
- o) Forecasting variability

INTERDEPENDENCIES BETWEEN RISKS

Breaking down a complex reality

ILLUSTRATIVE



COUNTRY CASE STUDY: MADAGASCAR

A fragile co

- **Low country capacity**
 - EPI leadership
 - Healthworkers (# and capacity)
 - Supply chain
- **Frequent campaigns** impact RI
- **Data quality** challenges
- **Weak financial management**
- **Low domestic investment and resources not targeted / flowing** to sub-national level

Risk mitigation

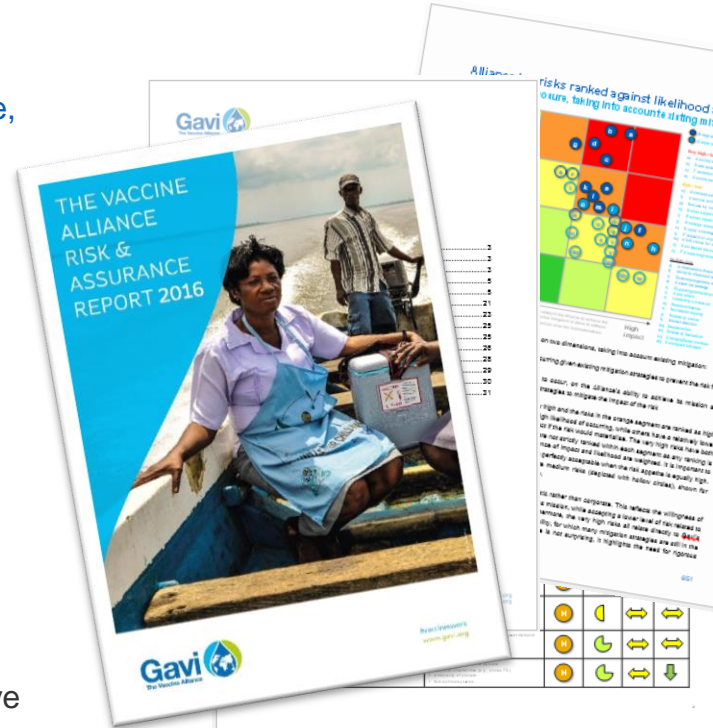
- **High-level advocacy**
 - Strengthen EPI leadership
 - Immunisation financing law
 - Focus on RI, better data
- **Build capacity**
 - PCA to identify capacity gaps
 - Catalytic support to hire healthworkers
 - More partner staff including sub-national
 - CCE platform – 60% solar fridges
- **Fiduciary agent** in MoH, audit in 2017
- **HSS2 targeted** at 54 (of 113) C&E districts

DECISION AND STRATEGIC DISCUSSION ON RISK

Following supportive review by the Gavi Alliance Audit and Finance Committee, the Gavi Alliance Board is asked to **approve the Risk & Assurance Report**

The Gavi Alliance Board is furthermore invited to **discuss the content of the report**, guided by the following questions:

- Is the Gavi Alliance Board **comfortable with the design of the report** as the basis for an annual in-depth discussion on the Alliance's risk exposure, controls and assurance?
- Do Gavi Alliance Board members have any **initial feedback on risk appetite** for these top risks as input for the 2017 update of the risk appetite statement? Is current exposure to any risk clearly outside Gavi's risk appetite?
- Do any of these risks require a **more in-depth discussion** or deep-dive by the Gavi Alliance Board in a future Board meeting or retreat?



Thank you



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