RISK & ASSURANCE REPORT

BOARD MEETING
Jacob van der Blij
29-30 November 2017, Vientiane, Lao PDR
Board discussions on Risk
Managing actual risk exposures within desired risk appetite

Dec 2016
Risk & Assurance Report 2016
• Initial view of actual exposure to top risks
• Agree on prioritisation
• Allocation to risk owners

June 2017
Risk Appetite Statement
• Align on what level of risk is acceptable in different areas of our business
• To set aspiration and inform level of risk response

Nov 2017
Risk & Assurance Report 2017
• Updated view of actual exposure to top risks
• Compare actual exposure against risk appetite
• Discuss risks outside appetite

Board meeting
29-30 November 2017
Macro trends in 2017
Exogenous and endogenous factors affecting Gavi’s risk profile

IMF warns of ‘vulnerabilities’ that could derail global recovery
Report highlights G20’s $135tn debt pile and says good economic times are fuelling risks

WTO Upgrades Trade Outlook, but Warns of Risks Ahead
Sterling could fall by another 15% by the end of 2017, says Deutsche Bank
Time spent thinking about the next financial crisis is not wasted

Despite electoral setback, European populism lives on

At UN General Assembly, a spotlight on reforms
Anti-Vax Message Gets Meaner on Social Media

Stronger countries transitioning
Increasing number of programmes and campaigns
Broader portfolio of vaccines
Changed partners’ engagement model and use of expanded partners
Global Health Campus move

Number of conflicts
Type of violence
- State-Based
- Non-State
- One-Sided

Sierra Leone to begin cholera vaccination drive in disaster-affected areas
More than 1 million doses of Gavi-funded cholera vaccines heading to Sierra Leone after severe flooding and landslides
Last year’s top risk exposure
2016 residual risk exposure, taking into account existing mitigation

Potential impact on the ability of the Alliance to achieve the Gavi mission, given reactive mitigation in place to address the potential consequences once the risk materialises

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

Medium risks
p) Unresolved co-financing default
q) Ability to influence C&E drivers
r) External programme disruption
s) Closed valve wastage
t) Expanding partnership complexity—
u) Cyber attack
v) Leadership succession
w) Board confidence
x) Secretariat capacity
y) Misuse by partner
z) Market distortion
aa) Board conflict
bb) Misuse by Secretariat
cc) Changing Board priorities
dd) Donor grant fulfilment
Top risk evolution since last year

2017 residual risk exposure, taking into account existing mitigation

c) Ability to reach the under-immunised ▲

d) Sustainable transition ▼

e) Vaccine confidence ▲

j) Secretariat disruption ▲

t) Unresolved co-financing default ▼

u) Leadership succession ▼

• Polio transition

Potential impact on the ability of the Alliance to achieve the Gavi mission, given reactive mitigation in place to address the potential consequences once the risk materialises.
Actual exposures versus risk appetite
Willingness to accept the current top risk exposures

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3 risks outside risk appetite
May require a more ambitious approach
- a) Country management capacity
- b) Data quality
- c) Ability to reach the under-immunised

7 risks somewhat outside
Requiring attention

5 risks broadly within appetite
To be monitored

Board meeting
29-30 November 2017
Recommendation

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

• **Approve** the 2017 Risk & Assurance Report attached as Annex A to Doc 06

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 clearly outside Gavi’s risk appetite** (particularly a) **Country management capacity**, b) **Data quality**, and c) **Ability to reach under-immunised** and – if so, are further investments or different approaches to mitigation required?

c) Do any of these risks **require a more in-depth discussion** by the Board at a future date?
THANK YOU