CHANGES IN GAVI’S RISK PROFILE
Risks impacted by events since last Board meeting

- f) Vaccine confidence
- h) Donor support
- k) Supply shortages
- n) Secretariat disruption
- v) Leadership succession

Board meeting
14-15 June 2017
ADVANCING ON THE RISK JOURNEY
Managing actual risk exposures within desired risk appetite

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

This Board
Risk Appetite Statement
• Align on what level of risk is acceptable in different areas of our business
• To inform appropriate response to risks in these areas

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

Board meeting
14-15 June 2017
AN UPDATED RISK APPETITE STATEMENT
For approval by the Board

Existing statement

- Approved with Risk Policy in December 2014
- For review after 2 years
- Aligned with 2011-15 strategy and appetite not clear for all top risks

Updated risk appetite statement

- Structured around new strategy and includes appetite at mission, organisation and strategy level
- Appetite broadly consistent with existing statement
- Deliberately high-level, reflecting AFC and PPC feedback

Annex A
FOR BOARD APPROVAL

Gavi’s Risk Appetite Statement
The amount of risk the Alliance is willing to take, accept, or tolerate to achieve its goals

Mission 

Mission & Organisation

- Strategic Goals
- Strategic Enablers

High
- Risks required to increase C&E and to accelerate introductions
- Risks required to respond to fragility and emergencies

Low
- Risks required to strengthen health systems
- Weak systems jeopardise vaccine / immunisation safety

Moderately low
- Risks required to strengthen health systems
- Moderate systems jeopardise vaccine / immunisation safety

Moderate
- Risks required to create and sustain healthy markets
- Risks required to attract new donors

Low
- Risks required to ensure recognition of value of vaccines
- Reputational risks or potential conflicts of interest

Moderately high
- Risks of working in settings with weak data systems
- Risks to grant monitoring and oversight at country level

High
- Risks related to contracts and legal
- Risks impacting accountability and transparency in Alliance

Organisation 

Country leadership, management & coordination
- Resource mobilisation
- Advocacy
- Monitoring & evaluation

High
- Risks required to strengthen country capacity
- Moderate
- Risks of operating in countries with limited capacity

Moderately high
- Risks of working in settings with weak data systems
- Low
- Risks impacting accountability and transparency in Alliance

Resource mobilisation
- Risks required to increase C&E and to accelerate introductions
- Risks required to respond to fragility and emergencies

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Board meeting
14-15 June 2017
THE NEW RISK APPETITE STATEMENT

The Alliance embraces the need to take programmatic risk given its ambitious mission and operating model, but has a lower appetite for organisational risks impacting Alliance processes, systems and management; fiduciary oversight and control; and brand and stakeholder confidence.

**Added the mission and organisation level**
- Embrace risk where needed to achieve ambitious mission
- Less appetite for organisational risks impeding ability to deliver
The Alliance embraces the need to take programmatic risk given its ambitious mission and operating model, but has a lower appetite for organisational risks impacting Alliance processes, systems and management; fiduciary oversight and control; and brand and stakeholder confidence.

### Mission & Organisation

#### Strategic Goals

| 1 | Accelerate equitable uptake and coverage of vaccines |
| 2 | Increase effectiveness and efficiency of immunisation delivery as an integrated part of strengthened health systems |
| 3 | Improve sustainability of national immunisation programmes |
| 4 | Shape markets for vaccines and other immunisation products |

#### High
- Risks required to increase C&E and to accelerate introductions
- Risks required to respond to fragility and emergencies

#### Low
- Vaccine introductions adversely impact routine immunisation

#### Updated against current strategic goals
- More granularity on risks associated with Coverage & Equity and Sustainability
**THE NEW RISK APPETITE STATEMENT**

**Mission & Organisation**

The Alliance embraces the need to take programmatic risk given its ambitious mission and operating model, but has a lower appetite for organisational risks impacting Alliance processes, systems and management; fiduciary oversight and control; and brand and stakeholder confidence.

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                 - Risks required to respond to fragility and emergencies | High  
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                 - Significant reduction in performance post-transition | High  
                 - Risks required to create and sustain healthy markets |
| Low             | - Vaccine introductions adversely impact routine immunisation | Low  
                 - Misuse of Gavi support  
                 - Weak systems jeopardise vaccine / immunisation safety | Low  
                 - Countries transitioning with low coverage and/or capacity  
                 - Countries default on financing | Moderately low  
                 - Supply shortages |

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### Reflections on latest policies and Board discussions

- **Board Retreat discussion on country performance declining post-transition**
- **New policy on fragile settings, emergencies and displaced people**
- **Included appetite for the risk of misuse**

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**Reflects latest policies and Board discussions**

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THE NEW RISK APPETITE STATEMENT

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Added risk appetite for **strategic enablers**
- **Leadership, Management & Coordination** - new
- **Resource Mobilisation** – added *private sector partnerships* and appetite for *new donors*
- **Advocacy** - new
- **Monitoring & Evaluation** - new

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### Strategic Goals

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| High | Risks required to increase C&E and to accelerate introductions | High |
| Low | Vaccine introductions adversely impact routine immunisation | Risks required to strengthen country capacity |
| **2** | Increase effectiveness and efficiency of immunisation delivery as an integrated part of strengthened health systems | **Resource mobilisation**
| High | Risks required to strengthen health systems | High |
| Low | Misuse of Gavi support | Risks required for innovative financing and private sector partnerships |
| **3** | Improve sustainability of national immunisation programmes | **Advocacy**
| Moderately low | Significant reduction in performance post-transition | High |
| Low | Countries transition with low coverage and / or capacity | Risks required to ensure recognition of value of vaccines |
| **4** | Shape markets for vaccines and other immunisation products | **Monitoring & evaluation**
| High | Risks required to create and sustain healthy markets | Moderately high |
| Moderately low | Supply shortages | Risks of working in settings with weak data systems |
| Low | | Risks to grant monitoring and oversight at country level |
| | | | Risks impacting accountability and transparency in Alliance |
COUNTRY EXAMPLE: YEMEN
Risks required to maintain coverage in fragility/emergency situations

- Ongoing conflict with country divided
- World’s largest humanitarian crisis – 70% in need of help
- Half of health facilities destroyed, 15M without access to health
- Outbreaks of cholera (>100K cases) and measles
- Severe restrictions on movements of people, goods and aid

INCREASED APPETITE FOR SOME RISKS
Accepting more risk in some areas to maintain coverage
- SUSTAINABILITY RISKS
- VACCINE WASTAGE RISKS
- VALUE FOR MONEY RISKS

MAINTAINING LOW APPETITE FOR OTHERS
Reducing increased risk with additional mitigation
- SECURITY RISKS
- FIDUCIARY RISKS
ACTIONS REQUIRED OF THE BOARD

• The Board is requested to discuss and approve the updated Risk Appetite Statement
Thank you