

# RISK AND ASSURANCE REPORT

BOARD MEETING  
Jacob van der Blij  
7-8 December 2022, Geneva, Switzerland



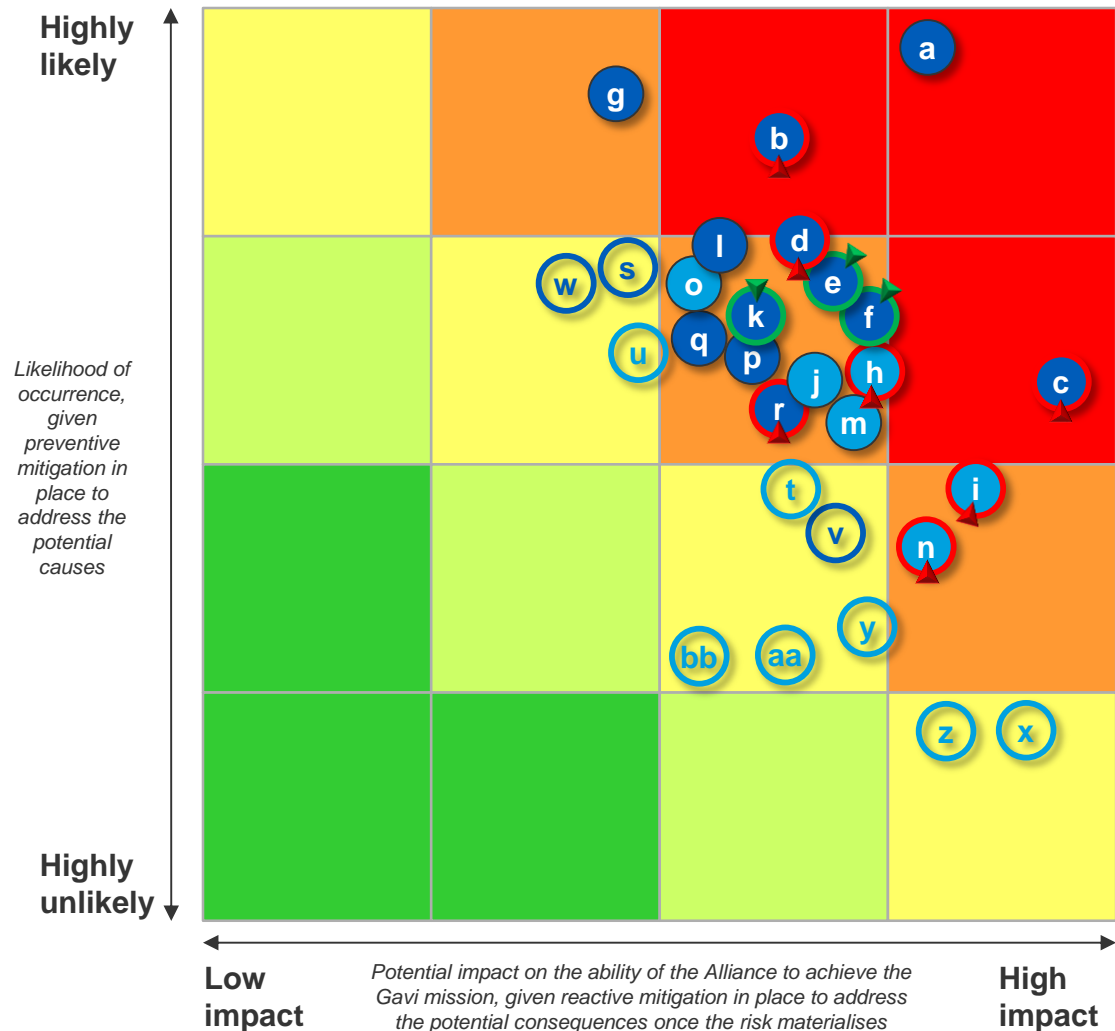
# The world continues to be uncertain and faces unexpected shock after shock

- Immediate **COVAX risks decreasing**, but uncertainties persist with the pandemic not yet over;
- Lower sense of urgency with Omicron variant affects demand (and risk of **vaccine expiries**);
- Health systems and **country capacity** remain strained, posing risks to routine immunisation;
- The external world continues to be uncertain, requiring a shift from efficiency and “just in time” to **resilience and “just in case”**
  - The **Russia-Ukraine conflict** posing economic, geopolitical, supply, donor support and cyber risks. Geopolitical tensions and rivalry have increased substantially, even involving nuclear threats;
  - Increasing **inflation and rising interest rates** may lead to a global recession, cost-of-living crisis and volatile financial markets, impacting Gavi finances, country fiscal space and debt crises;
  - Increasingly visible impacts of **climate change and food insecurity** may disrupt routine immunisation and raises the risk of disease outbreaks and future pandemics.

**Gavi continues to operate with a high risk appetite, while relying on robust risk management**

# Gavi's risk profile changed, prioritising 18 top risks

## 2022 residual risk exposure, taking into account existing mitigation



- Programmatic risk
  - Corporate risk
  - ▲ Recent evolution
- Very high risks**
- a) Country management capacity
  - b) Sustainable transition ▲
  - c) Insufficient demand ▲
- High risks**
- d) VPD outbreaks ▲
  - e) COVAX delivery ▼
  - f) COVAX supply ▼
  - g) Misuse by countries
  - h) Secretariat capacity ▲
  - i) Secretariat disruption ▲
  - j) Cyber-attack
  - k) Data on zero-dose ▼
  - l) Polio immunisation
  - m) Partner capacity
  - n) Donor support ▲
  - o) Forecasting variability
  - p) Sub-optimally planned campaigns
  - q) Global supply shortages
  - r) Health systems strengthening ▲
- Medium risks**
- s) External programme disruption
  - t) Conflicting Board priorities
  - u) Expanding partnership complexity
  - v) Unresolved co-financing default
  - w) Closed vial wastage
  - x) Board confidence
  - y) Misuse by partner
  - z) Misuse by Secretariat
  - aa) Leadership succession
  - bb) Donor grant fulfilment

### 7 top risks increased

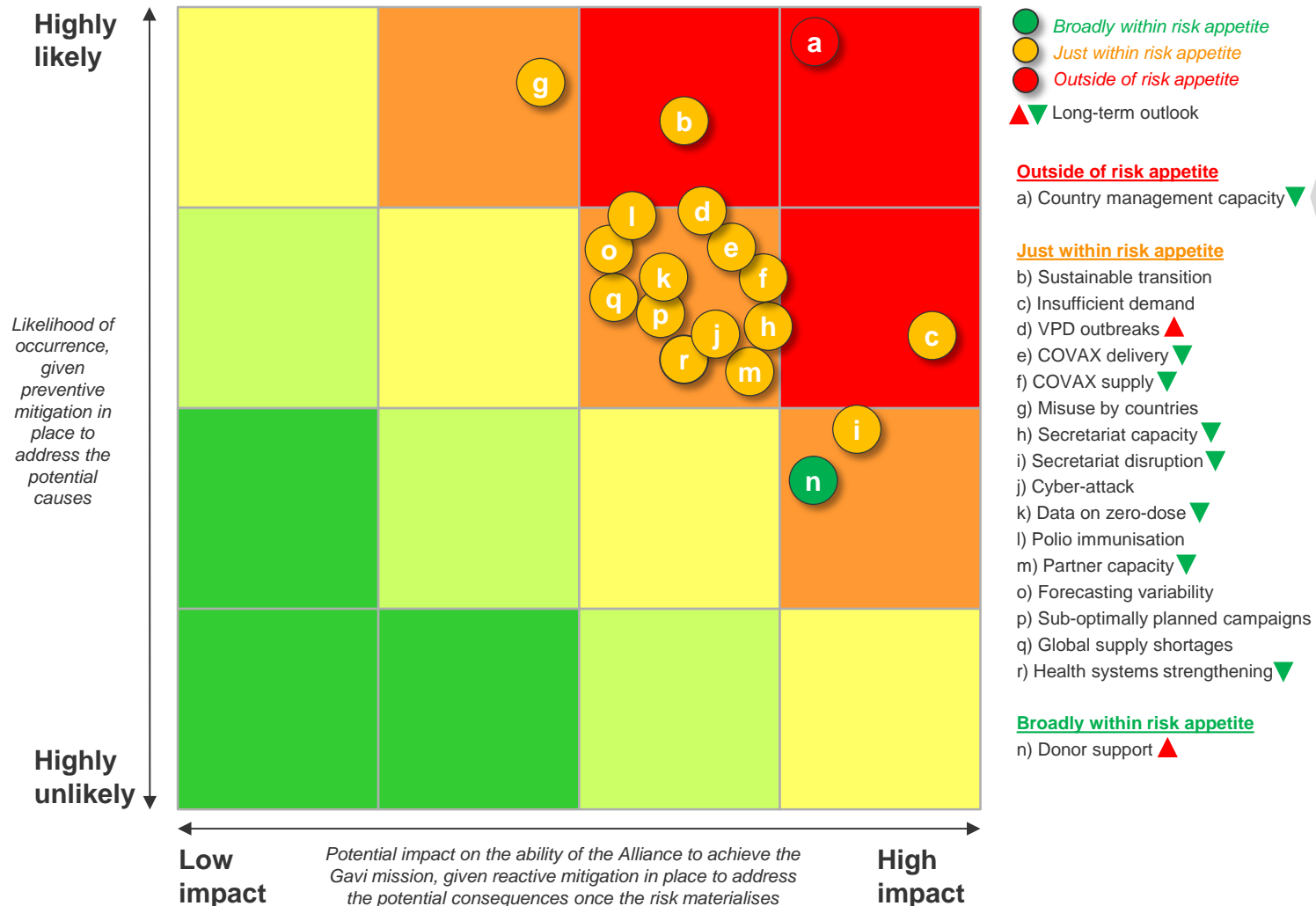
- Economic uncertainty, rising US\$ and interest rates with high debt levels, affecting fiscal space
- Reduced COVID-19 demand with Omicron and potential vaccination fatigue
- Increasing outbreaks with immunisation gaps due to pandemic, malnutrition, climate impacts
- High workload, insufficient staff, lack of strategic workforce planning and prioritisation, various ambitious priorities and new initiatives, processes and operations lag rapid growth
- External threats, staff disengagement, mental health/fatigue, high rate of change, culture
- Geopolitical developments, competing priorities, economic uncertainty for donor budgets
- COVID-19 disruption, programming delays

### 3 top risks decreased

- Coverage levels increasing, demand plateauing, still inequities and integration needs
- Sufficient supply for base case, risk of expiries, VCV and future uncertainties, incl. new variant
- Zero-dose identification happening at scale

# Most risks fall (just) within Gavi's risk appetite

Willingness to accept the current top risk exposures



## 1 risk outside of risk appetite

Requiring intensive mitigation efforts

- Countries face competing priorities and are vulnerable for future disruptions or disease outbreaks.
- Secretariat is simplifying processes (FPP, EVOLVE); provides TA (LMC), surge capacity and flexibilities (FED); and supports integration of C-19 and RI.

## 16 risks just within appetite

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

## 1 risk 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 2022 attached as Annex A to Doc 05.

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