GLOBAL PARTNERSHIP *for* EDUCATION

Risk Management Framework

Meeting of the Board of the Directors
Addis Ababa, Ethiopia, 18-19 November 2013

For Decision

Requests the Board to:

- endorse the draft Risk Management Matrix (RMM)
- designate the Governance, Ethics, Risk and Finance Committee to finalize a comprehensive Risk Management Framework for submission to the Board at the June 2014 meeting.

Why a Risk Management Framework?

- Determine the *likelihood* of any adverse situation that may occur and the *consequences* (or impact) for GPE should it occur

- Identify the *potential risks* to GPE using a Risk Management Matrix

- Analyse each risk according to two criteria:
  - probability of risk occurring
  - impact of the risk on GPE if it does occur

Probability/Impact Chart

Probability	Impact			
	Minor	Moderate	Major	Severe
Very Likely	Medium	High	Critical	Critical
Likely	Low	Medium	High	Critical
Possible	Low	Low	Medium	High
Unlikely	Low	Low	Low	Low

Categorization of Risks to GPE

- strategic risk
- implementation risk
- governance risk
- financial risk
- staffing/organizational culture risk.

Examples of Risk: Lack of National Capacity

Risk:

- Lack of national capacity as well as difficult and sporadic access to insecure areas in fragile and conflict-affected states.

Impact:

- Failure to increase the number of children with access to education in fragile and conflict-affected states.

- Impact Rating - Severe
- Probability Rating - Likely
- Total Overall Risk Score – Critical (Red)

Examples of Risk: Poor Quality Assurance

Risk:

- Poor quality assurance process of grant applications

Impact:

- Poorly designed grants that are difficult to implement and do not achieve desired results

Impact Rating – Major

Probability Rating – Possible

Overall Risk Score – Medium (Yellow)

Next Steps

Secretariat to collaborate with Board sub-committee to finalize the RMF, including a Risk Management Matrix. Focus:

- Risks categorized into five areas: strategic, implementation, governance, financial and staffing/organizational culture;
- Rating of each risk as to its probability and impact;
- Determine an overall score to measure the risk;
- Summary of risk mitigation measures for each risk;
- Responsible party for implementing risk mitigation measures to address each risk; and
- Proposed timeframe for implementing the risk mitigation measures.

Next Steps

- Board of Directors, with support from the Secretariat, to monitor implementation of the risk mitigation measures and track year-to-year progress.

- Secretariat to report to the Board of Directors on implementation progress of risk mitigation measures twice per year.

- Secretariat to review and update the Matrix annually and share the revised Matrix with the Board of Directors for their inputs and comments.

Decision Requested

The Board of Directors:

- endorses the draft Risk Management Matrix in Annex 2 of BOD/2013/11 DOC XX (“Matrix”);

- designates the Governance, Ethics, Risk and Finance Committee ~~a [*sub-committee or working group of the Board of Directors]*~~ to finalize a comprehensive Risk Management Framework for the Global Partnership that includes risk mitigation measures, responsible parties and estimated timeframes for implementation for each of the identified risks; and

- requests that a comprehensive Risk Management Framework be submitted to the Board of Directors for approval at its next face-to-face meeting in June 2014.



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