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

<table>
<thead>
<tr>
<th>Probability</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minor</td>
</tr>
<tr>
<td>Very Likely</td>
<td>Medium</td>
</tr>
<tr>
<td>Likely</td>
<td>Low</td>
</tr>
<tr>
<td>Possible</td>
<td>Low</td>
</tr>
<tr>
<td>Unlikely</td>
<td>Low</td>
</tr>
</tbody>
</table>
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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