

# **Risk Report and Chief Risk Officer Annual Opinion**

## **47<sup>th</sup> Board Meeting**

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### **Board Information**

Purpose of the paper: To update the Board on the status of the Global Fund risk profile, as well as progress made on risk management priorities in 2021 and priorities for 2022. The Chief Risk Officer also provides comment on the overall maturity of the risk framework and an assessment of the operating environment.

# Executive Summary

## Context

Although progress has been made in terms of scaling up COVID-19 control and containment measures, vaccines and treatment, new variants have continued to emerge giving rise to new waves of infection. Disruption has not been as significant as in 2020 but the situation remains volatile.

- i. Countries have continued to be impacted by lockdowns and restrictions on movement, which limits access to health services;
- ii. Economic uncertainty persists for many, inevitably hitting the most vulnerable the hardest;
- iii. Vaccine roll-out in developing countries remains challenging, impacting both national and international efforts to control the pandemic;
- iv. Global supply chains have seen delays with significant increases in freight costs; and,
- v. A number of implementer countries have also suffered significant upheaval as a result of civil conflict and unrest.

All of these factors are contributing to elevated levels of risk.

## Questions this paper addresses

1. What progress has been made with implementation of HTM programs and C19RM investments?
2. What is the outlook for key thematic risks and is the organization within risk appetite and on track to meet target risk levels within agreed timeframes?
3. What are the risk management priorities for 2022?
4. What is the Chief Risk Officer's opinion on the outlook for 2022 including key risks and the readiness of the organization to respond to those risks?

## Conclusions

Despite the ongoing challenges, 2021 should be regarded as a success. Programs have adapted and started to regain ground lost in 2020, awards have been made through C19RM at record pace, and significant progress has been made in strengthening how the organization uses data to monitor and oversee its investments.

At the same time risk levels remain elevated and risk events are starting to materialize. The COVID response and C19RM will continue to place material additional demands and strain on implementers and health systems, global supply chain disruption is expected to continue for at least the next 12 to 24 months, new risks are emerging, and the new strategy is ambitious.

Significant effort is being directed towards identifying and implementing mitigating actions and the results are paying off, particularly for risks related to program quality which are now starting to stabilize. However, despite best efforts to predict the trajectory of risks, a lot of uncertainty remains. The Secretariat, supported by the Committees and the Board, will need to carefully monitor developments over the coming months to understand the extent to which further trade-off decisions need to be made, leveraging risk appetite, to ensure program continuity and to deliver on the next strategy.

From a risk management perspective, 2022 will be a challenging year. However, strong foundations have been laid and at an aggregate level and risk trajectories are starting to stabilize. The expectation is that risk levels will decrease over the medium term, albeit with continued volatility.

## **Input Sought**

This report is provided for information and has been shared with all standing Committees of the Board for input on risks under the Committees' purview. It has been discussed as an agenda item at the 18th Audit and Finance Committee in March 2022. Strategy Committee and Ethics and Governance Committee members were invited to submit written comments. Key sections for the attention of the Board in this report include 'Summary of risk levels and trajectories relative to risk appetite' (page 7), 'Risk management: 2021 progress and 2022 priorities' (page 8), and the 'Chief Risk Officer annual opinion' (page 10).

## **Input Received**

The Audit and Finance Committee acknowledged that risk levels have started to stabilize compared to the previous quarter and that whilst risks at an aggregate level are expected to decrease in the medium term, the trajectory of risks at a country level may remain volatile. Matters raised through SC and EGC constituency written statements regarding the use of local institutions to curb fraud risk, the timeline for reaching target risk levels, lessons learnt, and the 'Very High' risk rating for the TB Program Quality were addressed during the AFC18 discussion.

In addition, the AFC inquired on the overall wellbeing of staff, the potential impact of the Ukraine conflict, the impact of increased LFA investment in reducing supply chain risk, and the increasing trajectory for the fraud and SEAH risks. The Chief Risk Officer's opinion that risk management in 2021 should be regarded as a success was welcomed, and the priorities for 2022 were noted. A detailed summary of the AFC18 discussion is presented in Annex 4.

# Risk Report

## Background

1. Leading into 2021 there was cautious optimism that the pandemic was starting to stabilize. This proved to be premature. Although progress has been made in terms of scaling up COVID-19 control and containment measures, vaccines, and treatment, new variants have continued to emerge giving rise to new waves of infection. Disruption was not as significant as in 2020, but it has still taken its toll and the situation remains volatile.
  - i. Countries have continued to be impacted by lockdowns and restrictions on movement, which limits access to health services;
  - ii. Economic uncertainty persists for many, inevitably hitting the most vulnerable the hardest;
  - iii. Vaccine roll-out in developing countries remains challenging, impacting both national and international efforts to control the pandemic;
  - iv. Global supply chains have seen delays with significant increases in freight costs; and,
  - v. A number of implementer countries have also suffered significant upheaval as a result of civil conflict and unrest.
2. Nonetheless, there have been successes. Through concerted efforts by implementers, and across the partnership, adaptations introduced to regain lost ground have started to bear fruit. There has been rapid roll-out and scale-up of multi-month dispensing for people on HIV and TB treatment across several countries, adaptations have successfully been made to keep malaria LLIN mass campaigns and seasonal malaria chemoprophylaxis on track, and new strategies like bi-directional screening and testing for COVID-19 and TB are gaining traction and seeing increased investments and positive outcomes.
3. In parallel, C19RM resulted in over USD 4 billion being awarded by the end of 2021 (including 2020) through C19RM and grant flexibilities. 75% of 2021 awards was directed to helping countries reinforce the national COVID response, ~10% to mitigate the impact of COVID on HTM programs, and the remaining ~14% to support urgent improvements in health and community systems.
4. The organization has also demonstrated agility in ensuring the risk management infrastructure remains aligned to the new context. Systems and tools have been updated to reflect the new risk landscape, risk appetite has been adjusted to reflect higher risk levels, and assurance, monitoring and oversight has been significantly strengthened. The second half of 2021 also saw a phased re-prioritization of routine Secretariat level risk management processes, including Country Portfolio Reviews and Key Business Process Reviews, which were necessarily de-prioritized in 2020.
5. However, the achievements of 2021 have come at a price. There is significant pressure on the system. Implementers are struggling as they try to manage implementation of both core grants and C19RM investments, and internally the risk of staff burn-out remains unacceptably high.
6. Moving into 2022 the focus is on ensuring the organization effectively leverages and builds on the progress made in 2021 to support implementation of HTM grants and C19RM investments, whilst also ensuring the organization remains agile and quickly able to respond to what will inevitably remain, an evolving and volatile risk landscape. A critical component of this will be continually balancing the need to create space for a focus on core risk management activities with the need to manage the ongoing pressures on Secretariat and implementer capacity.

## **Implementation progress for core HTM grants**

7. The pandemic has had far reaching consequences for Global Fund supported programs and underlying health systems. The pace of program implementation slowed down and implementation of interventions like systems strengthening, capacity building, and innovations to scale-up services amongst hard-to-reach population groups, have seen delays or been de-prioritized. Levels of disruption have varied often increasing in line with acute waves of infections as a result of lockdowns, disruptions to health service provision, and rechanneling of resources to manage the COVID-19 response.
8. Nonetheless CCMs, national programs and implementers, communities and partners have demonstrated resilience and continued to step up, enabling new grants to be signed throughout the course of 2020 and 2021. Close collaboration has driven a focus on implementation of prioritized program adaptations for HTM programs. Adjustments to risk appetite agreed by the Board in November have also been key in framing the trade-offs necessary to ensure continuity of critical program interventions.
9. However, despite this resilience the pandemic has further exposed the limits and vulnerability of underlying health care delivery systems notably human resources for health including gaps in community health delivery and laboratory capacity, and in-country supply chain systems. Countries with stronger health systems have fared better and countries with weaker systems have correspondingly been more negatively impacted. The ability of CCMs, PRs, LFAs and the Secretariat to exercise their oversight responsibilities has also been impacted as a result of competing priorities, pressure on operational capacity, and restrictions on movement and travel. Limits on in-country missions over the last 2 years, while compensated through virtual dialogue, have also blunted the Secretariat's ability to build partnership and engage and advocate at the highest level. As travel restrictions are lifted, country missions are being planned and will invariably be key in helping to de-bottleneck and increase the pace of implementation. COVID-19 related disruption is by no means the only challenge that implementing countries face, and even if the pandemic starts to stabilize, which is very hard to predict, global and more localized challenges will continue to test the limits of implementers and of the wider system.

## **Implementation progress for C19RM**

10. C19RM was established early in the pandemic to ensure availability of funds and equitable access to critical COVID-19 control and containment measures like PPE and diagnostics, to mitigate the impact of COVID-19 on the three diseases, and to reinforce critical health and community systems. An additional USD 3.5 billion in funds was made available in early 2021 and in the months that followed the primary focus was on awards and initial order placement.
11. Despite significant time pressures the Secretariat, working with the Global Fund partnership, has facilitated an agile and inclusive approach for funding request reviews and award building on the core principle of country ownership, ensuring engagement with CSOs and key populations groups, and alignment with national plans. Through this approach, over the course of 2021 ~USD3.2 billion was awarded to over 100 countries.
12. Good progress has also been made with initial order placement following 2021 awards, albeit with variability across countries, with ~USD 600 million in orders placed through PPM as of 28 February.
13. However, there are a number of challenges to implementation. Disruptions to global supply chains and limited in-country supply chain capacity have impacted supply and deliveries. New product introduction and / or scale-up of complex health products and technology, for example, products and technology linked to oxygen therapeutics, take time and offer limited opportunity to compress lead times. There is also significant pressure on implementer capacity as they try to manage

competing HTM and C19RM procurement and service delivery priorities. This pressure is particularly acute in countries with less resilient national health care systems.

14. Leveraging lessons learned through risk management during the earlier months of the pandemic, in particular around the need for agility, a number of measures have been introduced to address these challenges. These include front loading orders, introducing new products onto the PPM platform, making funds available for technical assistance through CMLI to support countries with new product introduction in particular diagnostics and PSA plants. There has also been collaboration through ACT-A on an allocation model for LMICs for novel therapeutics and discussions with manufacturers (brand and generic) to secure volumes before countries have finalized quantification. Some of these mitigating measures are already having a positive impact. However, a number of the root causes are either systemic or largely outside the Global Fund's control. Prioritizing engagement and support for countries to help identify and address bottlenecks, therefore, continues to be key.

## **Thematic risks and risk appetite**

### Program Quality

15. Programmatic disruptions due to COVID-19 during 2020 and most of 2021 have negatively impacted incidence reduction for the three diseases and unless gaps in coverage can be closed there is a risk that the Global Fund will fall short of its strategic targets for end 2022. Nonetheless, when taken in context, adequately supported HTM programs have demonstrated resilience in a number of key areas and in others performance is now starting to return to pre-COVID levels, despite a downturn earlier in the pandemic. There is inevitably significant regional variation but at an aggregate level the worsening risk trajectories for program quality for the three diseases now appear to have stabilized in line with the revised Board approved risk appetite. This creates space for programs to focus on implementation including the scale-up of adaptations and targeted catch-up plans. However, the recent COVID-19 omicron variant also highlights that the threat of further disruption to services persists, and the situation remains precarious. Adequate and rapid scale-up of COVID-19 services (diagnostics, PPE, therapeutics), therefore, remains critical alongside further investment in strengthening the capacity and resilience of implementers to ensure they are positioned to adapt programs quickly and flexibly, including how they engage communities and community-based organizations.

### HIV

#### *High risk, steady direction of travel*

16. Countries and partners rapidly adapted to the pandemic, leading to a forced prioritization of interventions, popularly called the '5 Must Haves' to drive precision of prevention programs and program adaptations to maintain care and treatment services. Early results from Pulse Checks and Spot Checks indicate HIV treatment has proven to be relatively resilient throughout the pandemic, with a continued increase in the number of people on ART and consistent levels of performance relative to targets. This reflects the agility of countries in adopting or scaling up priority interventions, adjusting relevant policies and guidelines for differentiated service delivery where needed, aligning operational arrangements and, most importantly, engagement of communities to scale-up multi-month dispensing.
17. HIV prevention programs including HIV testing services, especially for Key Populations and AGYWs, VMCC, PMTCT services have been more adversely affected by COVID-19 related disruption. This is further exacerbated by increased reports of violence against women and other vulnerable populations, reported increases in human rights abuses, worsening of stigma and discrimination, and the fact that the economic fall-out of the pandemic has inevitably hit these groups

the hardest. HIV self-testing has gained traction but needs greater coverage to have both a short-term gain and long-term impact.

18. The adaptations highlighted above were most notable in countries where the partnership environment is strong through joint Global Fund and PEPFAR investments, facilitating data driven decisions, and engagement and support for scaling-up community-based service delivery models.
19. Moving forward there is a need to look further at portfolios with concentrated epidemics with the aim of bringing prevention programs back to scale to ensure programs do not lose ground on the achievements made to date.

### Tuberculosis

*Very high risk, steady direction of travel*

20. Over the course of 2020 TB programs in many countries were set back by close to 5 years, with TB notifications falling to 2015 levels. TB programs continue to be far more impacted by COVID-19 related disruptions, because of the combined impact of a dependency of facility based diagnostic tools and services, the re-purposing of diagnostic capacity to support the COVID-19 response, and sub-optimal integration of diagnostic and treatment services at the primary level.
21. Programs are now showing early signs of bounce back when physical restrictions are lifted, indicating stabilization of the negative trend. However, more momentum is needed in implementing catch-up strategies in order to make up for the ground that has been lost. Nigeria, and Bangladesh are some of the success stories, with notable increases in notifications in 2020 and 2021 driven by integration and expansion of TB diagnostics and treatment services at the decentralized primary health care level and active support of community based and community led service delivery models.
22. COVID-19 driven program adaptations have led to several thematic priorities like multi-disease screening and testing in high-burden settings, community outreach, laboratory systems and sample transportation optimization that have benefited from investments under C19RM. These are all contributing to the more positive performance trends that are starting to be reported. However, going forward these need to be closely monitored for results, efficiency, and effectiveness, and to ensure they are having the impact needed to bring risk levels down.

### Malaria

*High risk, steady direction of travel*

23. Malaria case management continues to be negatively impacted. Testing rates in 2021 remained below 2019 levels with notable variations across regions and countries. Disruptions in access to malaria services are estimated to have increased malaria mortality by 13% reversing the decades of gain in several eastern and western-central African countries. However, heightened monitoring and oversight of in-country stocks of ACTs and RDTs has mitigated large scale disruptions and helped meet increased demand for diagnosis during the early part of the pandemic.
24. Global supply chain challenges, long lead times for delivery of nets and incremental freight costs have impacted the timeliness of LLIN/IRS/SMC campaigns and resulted in budget overruns. Nevertheless, over 85% of planned campaigns were completed in 2021, facilitated by a combination of improved planning and front loading of procurements, adaptations to delivery approaches at community level to enable door-to-door distribution, and a focus on availability of PPE and IPC material to reduce COVID-19 transmission amongst health workers through additional investments through C19RM. Concerted efforts by country level political leadership to approve campaigns, despite local restrictions, and advocacy and technical assistance by the Global Fund partnership have played a key role. Ensuring the timeliness of campaigns has required revised assurance arrangements to be agreed, with reduced oversight by PRs, SRs, and assurance providers. This

trade-off has been acknowledged and accepted by the Secretariat's Portfolio Performance Committee. Post campaign surveys will provide insight on the coverage, quality, and effectiveness of these adaptations.

### Monitoring and Evaluation

#### *High risk, steady direction of travel*

25. Prior to the pandemic the M&E risk had been on track to reach the target level of Moderate by 2021. However, COVID-19 moved the goalposts requiring more robust disease surveillance strategies at country level that provide implementers with early warning of disruptions including outbreaks, worsening programmatic results and supply chain challenges, as well helping to improve oversight and drive mitigation planning. As a result, the target timeframe for the M&E risk to reach Moderate was pushed out to end 2022.
26. Country-led global reporting on COVID-19 (acknowledging variations across countries) has improved. Disruptions to the completeness and timeliness of programmatic and grant reporting, observed earlier in the pandemic, also appear to be reducing. However, there continue to be constraints on PR oversight and the ability of implementers and assurance providers to undertake data quality checks. Assuming routine data quality checks, especially on patient cohorts and retention on care, and LLIN campaign coverage, revert to pre-pandemic levels in the coming months, confidence in reported results will increase and the M&E risk should reach the target level of Moderate by the end of the year. The quality of data and accuracy of reported results will need close scrutiny as restrictions are lifted.
27. Improved grant reporting by PRs through tools including Pulse Checks, and the roll out of Supply Chain and Health Services Spot checks, will also provide insights on implementation. As trend data becomes available the value these datasets can bring will further increase and help drive focus on emerging risks and support decision-making on program adaptations and reprogramming. The stabilization of these tools in the coming months will also influence the trajectory of the M&E risk.

### Procurement

#### *High risk, steady direction of travel*

28. The risks associated with health product procurement increased over the course of 2020 and 2021. but are now starting to stabilize albeit at a higher level. The primary drivers of the increased risk level are disruption to upstream global supply chains, an increased volume of products being pushed through the system, the introduction of new products linked to COVID-19, and a higher risk of procurement fraud.
29. The increase in risk levels and in particular the increased risk of procurement related fraud, some of which is now starting to materialize, is not unexpected and reflects a conscious decision to accept additional risk in an effort to accelerate C19RM implementation and maximize value for money. Measures put in place to help mitigate the increased risk include asking countries to procure strategic health products through PPM and strongly encouraging procurement of mainstream products through the same channel, the introduction of mandatory LFA pre-award procurement reviews for any country procuring strategic or mainstream products locally, and the introduction of monthly reporting for countries opting for local procurement. The introduction of monthly reporting is part of a broader effort to strengthen monitoring of order placements and health product budget conversion, to ensure pressure points are being quickly identified and escalated as needed, as well as maintaining updated analysis on the impact of increases in freight costs.
30. While some of the mitigating measures are working as intended a reduction in the overall trajectory continues to be highly dependent on reduced disruption to global supply chains, where the Global Fund's ability to influence is limited.



## In-Country Supply Chains

*High risk, steady direction of travel*

31. Global and in-country supply chains continue to be significantly disrupted by the pandemic, which has seen the direction of travel continue to trend upwards in recent quarters.
32. COVID-19 related disruption combined with C19RM related activities have placed significant additional stress on global supply chain systems. Transportation offers are limited because of a global shortage of containers, there is reduced access to raw materials because of lock downs and freight costs have increased. Already fragile supply chains in some countries have also been exposed resulting in warehouses at capacity, sub-optimal distribution and anticipated expiries and stock-outs over the coming months.
33. The supply chain risks that are now materializing at the global and country level are also not unexpected, given well known health system weaknesses, and are reflected in the extension of the timeframe to reach the target risk level of Moderate as agreed by the Board in November. Many of the root causes are systemic and take multiple years of investment to address and consequently this needs to be an ongoing area of focus and investment. Nonetheless, mitigating measures have been introduced to help manage the risk in the short-term including quarterly Supply Chain and Health Services Spot Checks<sup>1</sup> to help provide early warning of potential supply chain challenges, annual warehousing and distribution assessments by LFAs<sup>2</sup>, and front-loading of orders to help guard against supply chain challenges and shortages. In parallel the internal support model is also being revisited to ensure the level of support being provided by internal specialists to Country Teams is aligned to the level of risk.
34. Subject to ongoing disruption at a global level the current expectation is that the overall in-country supply chain risk level will ultimately reduce to Moderate in line with the agreed timeframes. However, the trajectory will be volatile and will not reduce uniformly across all countries.

## Fraud & Fiduciary

*High risk, increasing direction of travel*

35. The overall risk of fraud continues to be high and is increasing. The OIG is reporting an increase in the number of referrals and in-country audits and LFA assurance activities have also flagged exceptions to in-country procurement regulations and processes, a higher risk for procurement of non-health goods and services, challenges with health product inventory management and gaps in accounting for health products.
36. While Fiduciary Agents, Fiscal Agents and LFAs have been able to continue to deliver on their mandate, the scope and effectiveness of oversight has been impacted. Consequently, as countries reduce restrictions, and LFAs start undertaking post facto verifications and reviews, an increase in reports of plausible fraud and or potential ineligible expenses is expected.
37. As highlighted in the section on Procurement, in response to early warning signs of potential fraud, the Global Fund consciously encouraged countries to procure through the PPM or UN mechanisms for the majority of strategic and mainstream COVID-19 related health products and investments. Enhanced oversight by fiscal and fiduciary agents, pre-award procurement reviews and risk based financial verification and spot checks were also introduced to strengthen oversight and assurance. In addition, the Secretariat is currently in the process of rolling out systematic fraud risk assessments in collaboration with the OIG in prioritized portfolios, as well as improving access to,

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<sup>1</sup> Supply Chain and Health Services Spot Checks have been rolled out across 38 High Impact and Core countries.

<sup>2</sup> LFA warehousing and distribution assessments are part of the mandatory minimum assurances required for the 45 countries that account for ~90% of the C19RM investment envelope.

and review of, LFA led assurance reports by second line with oversight by the Portfolio Performance Committee and the C19RM Investment Committee.

### Human Rights and Gender Inequality

*High risk, steady direction of travel*

38. The Human Rights and Gender Inequality risk remains high. Barriers to access prevention and treatment programs as well as stigma, discrimination, and violence against women and vulnerable populations have all been reported to have increased during the COVID 19 pandemic. To address these challenges the Secretariat, leveraging its SI investments and the Centrally Managed Limited Investment fund supported under C19RM, has been prioritizing continued engagement and partnership with civil society organizations and communities to gain information, extend support, and mitigate the risks of service interruptions. This approach is also helping to address limitations in the availability of data on service disruptions and barriers to access.
39. Work to maintain momentum behind key mitigating measures initiated prior to the onset of the pandemic also continues. These measures include the Breaking Down Barriers initiative and recalibrated and more systematic and rigorous partnering with Country Teams.
40. As risk levels start to stabilize and the organization and implementers move out of crisis mode there will be a need to reflect on the opportunities the pandemic has created for greater engagement of community based and community led monitoring initiatives. The lessons from these interventions will be critical to ensure they can be sustained and scaled up beyond the current pandemic.

### Sexual Exploitation, Abuse, Harassment (SEAH), and in-country misconduct

*High risk, increasing direction of travel*

41. The SEAH risk is high, driven by challenging socio-economic contexts in certain implementer countries, which have been further exacerbated by the COVID-19 pandemic and disruption to services and the availability of personnel who support and safeguard vulnerable populations, all of which contribute to an increased risk of prohibited behavior. In the short to medium term, whilst the operating landscape remains volatile and economic uncertainty persists the expectation is the risk will continue to trend upwards.
42. As highlighted in the previous Risk Report the complex nature of this risk requires careful analysis of implementer capacity and related risks, which in turn can help inform the identification and implementation of preventative measures as needed. Work is already underway to build out the approach for PSEAH capacity assessments of PRs to ensure alignment with international good practice such as the IASC PSEA Capacity Assessment methodology. A grant level SEAH risk assessment methodology is also being developed, with a phased roll out expected to start in Q2-2022.
43. Adapting existing, and embedding new, preventative practices and supports will take time to take effect. However, as progress is made on implementation of mitigating actions the expectation is that the risk level will start to stabilize.

### **Summary of risk levels and trajectories relative to risk appetite**

44. Although risks levels were steadily increasing in 2020 and early 2021, there is now greater stability. There have been no changes in risk levels between Q3 and Q4 and the trajectories for a number of risks have stabilized relative to Q3, with direction of travel changing from 'increasing' to 'steady' for Program Quality-TB, Procurement, In-Country Supply Chain, Quality of Health Products and Human Rights & Gender Inequality. All risks remain within the adjusted risk appetite thresholds agreed by the Board in November 2021.

45. The stabilization of the risk trajectory for the program quality risks is a positive step towards reaching target risk levels in line with the agreed timeframes but as noted in the preceding section there continues to be a lot uncertainty. The M&E and Accounting and Financial Reporting risks appear to be on track to reach the target risk level of moderate by end 2022. The Procurement risk has also started to stabilize. However, the In-Country Supply Chain and Fraud risks continues to show an upward direction of travel. The trajectory and timelines to reach Moderate for the In-Country Supply Chain, Procurement and Fraud risks will largely depend on the extent of ongoing global supply chain disruptions, shocks and downstream disruptions and the ability to reinstate and maintain oversight and assurance activities.

46. Annex 1 contains the full Organizational Risk register (ORR) update for Q4 2021. The below table provides a summary of the grant-facing risks for which the Board has set risk appetite statements.

Risk Name	Residual Risk	Risk Appetite	Target Risk	Target risk timeframe	Direction of travel Q3-2021	Direction of travel Q4-2021
Program Quality - HIV	High	High	Moderate	Jun 2024	Steady →	Steady →
Program Quality - TB	Very High	Very High	High	Dec 2023	Increasing ↑	Steady →
Program Quality - Malaria	High	High	Moderate	Jun 2024	Steady →	Steady →
M&E	High	High	Moderate	Dec 2022	Steady →	Steady →
Procurement	High	High	Moderate	Dec 2022	Increasing ↑	Steady →
In-Country Supply Chain	High	High	Moderate	Jun 2024	Increasing ↑	Increasing ↑
Fraud & Fiduciary	High	High	Moderate	Dec 2022	Increasing ↑	Increasing ↑
Accounting & Financial Reporting	High	High	Moderate	Dec 2022	Increasing ↑	Steady →
In-Country Governance	Moderate	Moderate	Moderate	Not Applicable	Increasing ↑	Increasing ↑
Quality of Health Products	Moderate	Moderate	Moderate	Not Applicable	Increasing ↑	Steady →

## Risk management: 2021 progress and 2022 priorities

### Risk appetite

47. At the November 2021 Board increases in risk appetite were recommended and agreed for four out of ten grant facing risks: Program Quality TB, Procurement, Accounting & Financial Reporting, and the Fraud & Fiduciary risk. Extensions to the timeframes for reaching target risk levels for five out of ten risks were also recommended and accepted: Program Quality HIV, TB and malaria, M&E and In-Country Supply Chain. The risk appetite statements for three out of the ten risks were unchanged: In-Country Governance and Quality of Health Products.

48. The changes to risk appetite reflect increases in inherent risk levels linked to COVID-19 related disruption, the Global Fund's level of programmatic ambition, the anticipated impact of prioritized mitigations on risk levels, and the expected timeframes for those mitigations to take effect.

49. The Secretariat is likely to see requests for further program adaptations and re-programming over the course of 2022 as it works to support programs in regaining lost ground and improving programmatic performance. These requests will inevitably require trade-off decisions to be made, leveraging risk appetite. Decisions on risk trade-offs and the interplay with risk appetite will be

overseen by the Portfolio Performance Committee and the C19RM Investment Committee. The priority and the challenge for both Committees will be to strike the right balance between effectively leveraging risk appetite to ensure program continuity, agility and ultimately improved performance, without undermining efforts to bring down risk levels in line with agreed target risk timeframes. Ensuring trade-off decisions are robust and evidence based will be facilitated through the reintroduction of critical country missions, Country Portfolio Reviews, as well as leveraging in-country audits and investigations.

#### Strengthened assurance, monitoring and oversight

50. Strengthening assurance, monitoring and oversight of implementation risks linked to COVID-19 and C19RM has been an organizational priority throughout 2021. A tailored assurance framework was created for C19RM investments, leveraging existing processes but with a significantly increased LFA budget. The concept of minimum mandatory assurances for portfolios representing ~90% of the C19RM investment portfolio was introduced as well as a continued focus on risk-based assurance activities, in particular procurement and financial assurances as these represent the highest risk areas.
51. New reporting and data collection tools have also been rolled out covering key indicators linked to implementation of both C19RM investments and core HTM grants. Pulse Checks provide quarterly data for all High Impact and Core portfolios on a subset of programmatic results; PR self-assessment of progress with implementation of C19RM interventions and HTM modules; and grant level financial performance. Supply Chain and Health Services Spot Checks provide data on on-shelf availability and on-time and in-full deliveries of COVID-19 and HTM health products and disruption, availability and resilience of COVID-19 and HTM health services.
52. Although data collection did not start until October for both tools and only finished for the first round of Spot Checks in January the data gathered to date is starting to provide a useful baseline for assessing progress in the translation of health product procurement into improved service delivery, as well as providing preliminary insights into, and evidence of, health systems related challenges.
53. Findings from C19RM assurance activities points towards procurement as a top area of concern, followed by expenditure compliance and supply chain and storage issue. They also highlight the need for a heightened focus on PPE. Preliminary analysis from Pulse Checks confirms greater resilience in the delivery of treatment services compared with prevention and testing for key and vulnerable populations. PR confidence levels in program implementation are relatively strong but with lower levels for TB. Spot Check data supports the conclusion that less resilient supply chains have been disproportionately impacted by the pandemic with variable levels of on-shelf availability. Results also point to potential challenges with the availability of TB diagnostic products.
54. Looking forward to 2022, the priorities are:
  - i. Stabilizing Supply Chain & Health Services spot checks, including the quarterly data collection and reporting rhythm, streamlining the end-to-end process, including country level engagement, and addressing issues with data quality;
  - ii. Strengthening data quality, completeness, and the process for non-PPM reporting to ensure increased visibility of local and UN agency procurement;
  - iii. Increasing automation of data collation and visualization tools to reduce reliance on manual processes and improve the efficiency and effectiveness of analysis; and,
  - iv. Actively leveraging the result to work with countries to identify implementation issues and problem solve. A quarterly Investment Committee review process has been established to support a holistic review of priority countries and help target organization resources where they are most needed.

### Build out the 2<sup>nd</sup> line of defense

55. Over the past two years the organization has built out the capacity of its technical teams, notably disease teams, RSSH, and Supply Operations. In parallel the pandemic has introduced additional risk and technical complexity, which has created a need and urgency to more effectively leverage this technical expertise, for better risk management especially to ensure robust monitoring, oversight and support. This needs to happen through more proactive and routine engagement with the data coming from different sources, and through collaboration between technical teams, Country Teams and countries to help identify and solve implementation challenges.
56. A target operating model for a strengthened 2<sup>nd</sup> line of defense, more fully leveraging these technical teams, was agreed in the latter half of 2021. The focus in 2022 is on implementing that target operating model through clearly articulated roles and responsibilities across the grant life cycle, linked to monitoring and oversight processes, and the design and build of supporting processes and tools.

### Optimize and reprioritize risk management tools and processes

57. In 2018 the Global Fund launched an Integrated Risk Management (IRM) tool designed to assess risks at a grant level and integrated across other grant lifecycle modules within the organization's Grant Operating System (GOS). In the intervening years significant progress has been made in strengthening risk management processes including the introduction of risk appetite, prioritization and monitoring of key mitigating actions and the routine use of tracer indicators to triangulate risk ratings. To ensure the IRM remains aligned with these advancements and facilitates robust portfolio risk assessment, a project has been launched to rebuild the tool. The new iteration of the IRM will include a simplified user interface, provide improved analytics and reporting, and drive clear accountability and responsibility between the 1<sup>st</sup> and 2<sup>nd</sup> lines of defense.
58. As already highlighted a number of core risk management processes had to be de-prioritized or deferred in 2020, by the Risk team and key business process owners, to ensure resources could be redirected towards crisis management and supporting the COVID-19 emergency response. The main processes affected were Country Portfolio Reviews, Key Business Process Reviews and Enterprise Risk Committee deep dives. Re-prioritizing these processes is a priority for 2022 taking into account other competing priorities and organizational bandwidth. Country Portfolio Reviews have already been reprioritized with reviews completed for 16 portfolios in 2021 out of a target of 25. Key Business Process Reviews have also been reprioritized albeit at a reduced frequency and the timing and focus for a renewed focus on Enterprise Risk Committee deep dives is being kept under review.

## Chief Risk Officer's Annual Opinion

59. Despite the ongoing challenges 2021 had its successes. Programs have adapted and started to regain ground lost in 2020, awards have been made through C19RM at record pace but without compromising the integrity of the process, and significant progress has been made in strengthening how the organization uses data to monitor and oversee its investments. The organization has been able to successfully update its risk management framework to ensure it remains aligned to the new operating context with recalibrated risk levels and adjusted risk appetite, and as a result of strengthened monitoring and oversight there is now more systematic monitoring of tracer indicators.
60. Nonetheless risk levels are either continuing to increase or have stabilized but at higher levels and the situation continues to be volatile. The risk of further variants persists, and other global level events also have the potential to further destabilize the operating environment for individual implementing countries but also regionally and globally.
61. This impact of the pandemic on risk levels is not unexpected. The level of disruption and ongoing uncertainty created by the pandemic have always pointed towards increased risk in a number of key areas. The capacity of implementers and health systems has been severely tested as countries have been forced to try and maintain HTM programs whilst also managing the COVID response, and economic uncertainty and volatility have incentivized and created space for negative behaviors. In parallel there has been reduced visibility due to constraints linked to restrictions on movement and reporting capacity. Consequently, as visibility starts to increase through reinstated and / or strengthened assurance and monitoring more evidence of risks materializing is inevitably starting to come to light.
62. Taking these factors into account, in combination with ongoing volatility, it is clear that the size of the challenge for 2022 is significant. The COVID response and C19RM will continue to place material additional demands and strain on implementers and health systems; global supply chain disruption is expected to continue for at least the next 12 to 24 months; and new risks are emerging including the risk of sexual exploitation, abuse, and harm. In addition, the new strategy is ambitious and as 2030 approaches the expectation and need to deliver more will only increase, all at a time when there is reduced fiscal space for domestic health financing. Thinking ahead there are some practical considerations.
63. Significant effort is being directed towards identifying and implementing mitigating actions and the results are paying off particularly in relation to risks linked to program quality, which are now starting to stabilize. However, despite best efforts to predict the trajectory of risks, a lot of uncertainty remains. The capacity of the system also has its limits. Therefore, the Secretariat, supported by the Committees and the Board, will need to carefully monitor developments over the coming months to understand the extent to which further trade-off decisions need to be made, including where and how implementers and the Secretariat invest their human capital, to safeguard program continuity and to ensure delivery on the next strategy.
64. COVID-19 has exposed weak health systems and left countries, programs, and beneficiaries even more vulnerable than before. Implementing countries with stronger health systems have proven to be more resilient whereas the converse is true of countries with weaker health systems. Disparities between countries have increased and while risk levels at an aggregate level are expected to decrease this will not be true across the board. This needs to be reflected in how we support and work with implementing countries and Country Teams, with a more differentiated internal coverage model that aligns to the level of risk as well as the level of impact. This will help ensure that scarce resources are truly being targeted where they can add the most value.

## Conclusion

65. The Global Fund reached an embedded level of maturity in 2019. With the onset of the pandemic the organization had to quickly adapt to the crisis and updated its processes, systems and tools to align with the new operating context. It is, therefore, reasonable to expect that once the pandemic starts to stabilize the Secretariat will reach a more advanced level of maturity than previously as it benefits from the progress made during 2021 but without current levels of volatility. This also puts the organization in a strong position moving forward. From a risk management perspective 2022 will be a challenging year. However, strong foundations have been laid and at an aggregate level risk trajectories are starting to stabilize. The expectation is that risk levels will decrease over the medium term, albeit with continued volatility.

## **Annexes**

The following items can be found in Annex:

- Annex 1: Organizational Risk Register (ORR) for Q4-2021
- Annex 2: Relevant past Board Decisions
- Annex 3: Links to relevant past documents and reference materials
- Annex 4: Summary of Committee Input



## Annex 1: Organizational Risk Register (ORR) for Q4-2021

ORR Summary								2021-Q4
Risk Name	Lead Committee	Residual Risk	Risk Appetite	Target Risk	Target risk timeframe	Change since last quarter	Direction of travel	Global Fund ability to mitigate
01 - Program Quality - HIV	Strategy Committee	High	High	Moderate	Jun 2024	No change	Steady →	Moderate
02 - Program Quality - TB	Strategy Committee	Very High	Very High	High	Dec 2023	No change	Steady →	Moderate
03 - Program Quality - Malaria	Strategy Committee	High	High	Moderate	Jun 2024	No change	Steady →	Moderate
04 - M&E	Strategy Committee	High	High	Moderate	Dec 2022	No change	Steady →	Moderate
05 - Procurement	Strategy Committee	High	High	Moderate	Dec 2022	No change	Steady →	Significant
06 - In-Country Supply Chain	Strategy Committee	High	High	Moderate	Jun 2024	No change	Increasing ↑	Minor
07 - Financial and Fiduciary	Audit & Finance Committee	High	High	Moderate	Dec 2022	No change	Increasing ↑	Moderate
08 - In-Country Governance	Audit & Finance Committee	Moderate	Moderate	Moderate	Not Applicable	No change	Increasing ↑	Moderate
09 - Quality of Health Products	Strategy Committee	Moderate	Moderate	Moderate	Not Applicable	No change	Steady →	Moderate
10 - Human Rights & Gender Inequality	Strategy Committee	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant
11 - Transition	Strategy Committee	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Minor
12 - Drug & Insecticide Resistance	Strategy Committee	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Moderate
13 - SEAH and Misconduct	Ethics & Governance Committee	High	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate
14 - Future Funding	Audit & Finance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate
15 - Internal Operations	Audit & Finance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant
16 - Integrated Grant Policies, Processes, Systems & Data	Audit & Finance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant
17 - Risk Management & Internal Controls	Audit & Finance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Significant
18 - Legal	Ethics & Governance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Moderate
19 - Governance & Oversight	Ethics & Governance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Significant
20 - Organizational Culture	Ethics & Governance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant
21 - Workforce Capacity, Efficiency & Wellbeing	Audit & Finance Committee	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Significant
22 - Reputation	Board	High	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate

01 - Program Quality - HIV			Risk owner: TAP		2021-Q4	Approved by MEC	
Risk Description	Inadequate quality of programs/services and/or delays and disruptions in implementation and service delivery of existing programs due to COVID19 pandemic, funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable outcomes in the fight against the HIV and the effort to strengthen resilient and sustainable systems for health.						
Risk Impact	Failure to find undiagnosed HIV cases; to reach those at high risk of HIV with effective prevention; Poor treatment outcomes and or loss of patient cohort. Leading to lack of viral suppression and ongoing HIV transmission/acquisition. Based on current information, while the current risk level is ‘High’, with ongoing efforts of various program adaptations, we expect the direction of travel to stabilize further and reverse in the coming quarters.						
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Moderate	
Residual Risk	High	Risk Appetite	High	Target Risk	Moderate	Target risk timeframe	30-06-2024
Key Partners	The Global Fund's bilateral and multilateral partners have the capacity and opportunity to influence but not control program quality risk						
Key Countries	Angola; Botswana; Cameroon; Côte d'Ivoire; Democratic Republic of the Congo; Eswatini; Ethiopia; Ghana; Kenya; Lesotho; Malawi; Mozambique; Myanmar; Namibia; Nigeria; Rwanda; South Africa; Thailand; Uganda; Ukraine; United Republic of Tanzania; Viet Nam; Zambia; Zimbabwe						
Root Cause							Related Action
COVID-19 related restrictions, use of administrative measures and other efforts to control the pandemic have negatively affected prevention programs (especially for KPs e.g. harm reduction services for PWID, services for sex workers VMCC Care and treatment activities relying on attending health facilities disrupted, including new starts on treatment have been impacted. Case finding for children highly disrupted with slower recovery. People currently on treatment retention less affected with disruptions. Diversion of government and other bilateral financial and human resources to COVID19 response resulting in limited fiscal space for HIV specific programming.							MA-6511 MA-6512 MA-6523
Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.							MA-6511 MA-6514
Key interventions not sufficiently focused on populations most in need of services or include highest impact to reduce new HIV infections and well-linked to achieving program outcomes.							MA-6513 MA-6514 MA-6515 MA-6516 MA-6519
Poor quality of health products and unstable drug supply. Mismatch of supply to demand with supplies sitting in facilities affected by restrictions- testing and therapeutics.							MA-6521
Guidelines/tools to review quality of services are not available or programs are not routinely reviewed and/or deprioritized during COVID.							MA-6514 MA-6515 MA-6520 MA-6521 MA-6522 MA-6519
Delays in development of global guidance, and in-country adoption and implementation of recommended WHO guidelines (takes an average of 18 months, and often much longer in non PEPFAR countries).							MA-6513 MA-6516 MA-6521
Insufficient and inadequate use of data for the appropriate design of quality and efficient programs aligned with epidemiological context, combined with insufficient monitoring and surveillance.							MA-6513 MA-6520
Inadequate staff capacity working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and health care worker burn out as tasked with COVID related activities.							MA-6515 MA-6516
Policy and practice obstacles to de-medicalize and ensure services can be reached in non-medical facilities, e.g., community access points, pharmacy, drug store, and through virtual or mobile means enabling self-care. Limited low-threshold access for testing and prevention.							MA-6519 MA-6523 MA-6526 MA-6524
Current controls & mitigations							Assurances
MA-6511	Ensure ARV commodity security to countries that are at maximum risk of treatment disruption - Managing risk of supply interruption leading to stock out of 1st and 2nd line ARV regimens in collaboration with GF Supply Operations, WHO and PEPFAR - Front load commodity orders where feasible - Close monitoring of delivery lead times and in-country stock management						Routine monitoring (community/facility)/ DQA-ART
MA-6512	COVID 19 Funding mechanism and grant reprogramming In addition to potential reprogramming and optimizing existing grants, the Global Fund has made available additional funding to help countries fight COVID-19, mitigate the impacts on lifesaving HIV, TB and malaria programs, and support health systems. A portion of this funding made available to mitigate impact on HIV programs.						Project management, M&E
MA-6513	Ongoing programmatic assurance Aligning program and data quality assurance with overall Risk and Assurance Planning.						Country Portfolio reviews and Monitoring and Oversight
MA-5732	Ongoing programmatic assurance Strengthening review of program quality, performance and calibration at Secretariat level through country-specific and cross-portfolio reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement.						PPC reviews
MA-6516	Optimization and expansion of differentiation HIV testing to improve efficiency and effectiveness for first 90 (90-90-90 Global Target) and as entry point to prevention. Work with technical partners to improve modalities of out of facility HIV testing, and linkages to treatment for positives and prevention for HIV-negative individuals. Upscale differentiated service models in all countries with added support through the DSD SI in 8 countries, accelerate use of HIV self-testing in all countries – special focus on those with matching funds.  Good progress has been made: Differentiated models of HIV testing including self-testing and out-of-facility testing scaled up in 66 countries through grant optimization and C19RM funding. Millions of HIVST kits have been ordered through WAMBO alone and countries now distributing through new distribution channel. All DSD SI countries have country-led DSD work plans elaborated and 9 have commenced implementation of DSD SI TA						
MA-6519	Refocusing on grant programs' quality, performance and calibration, through strengthening in-country review and dialogue with partners to identify opportunities to improve quality and leverage partner technical, financial and political resources accordingly.						Routine Programmatic analysis
MA-6520	Data analytics and use Strengthening focus on measurable outcomes that drive impact, enhancing data use for action and improvement, leveraging efficiencies to maximize value for money and strengthening mutual accountability, including roll-out of the Data Use for Action and Improvement framework (DUAP), inclusive of indicators on measuring program quality, aligned with the 2018 Corporate Priority 4 on Data systems for health and use of data for program quality and efficiency improvement.						National or disease specific reviews (IBBS/ treatment cascade analysis)
MA-6521	Product innovation and transition Global Fund grants support countries to implement changes to drug policies when necessary, accelerate uptake of innovation and behavior change communication for disease prevention and support programs to improve treatment adherence, including through strengthening of communities.						National Health Facility Assessment
MA-6522	Technical guidance and program standards Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines and tailored communication to GMD for acceleration of transition to updated technical partner guidance.						Partner reviews, Program quality spot checks

MA-6524	<b>Service delivery and innovation</b> Accelerate the implementation of the five must-haves to empower communities so they can play a more active role in service delivery, community-led monitoring for quality services and policy requirements and enable Community health workers. Pursue policy shifts to allow out of the facility dispensing, provision of testing and prevention services, and self-testing low threshold PrEP prevention access.				
MA-6526	Focused support to improve precision and adaptation of prevention programs in a subset of countries that face significant disruptions: - Re-establish VMMC services, where appropriate - Condom programs – supply, distribution to non-facility-based outlets and community sites, adapted demand creation - Support for adaptation of HIV prevention outreach services towards alternative/ redefined service delivery models (social media platforms for KPs, peer-led network-based outreach programs, including protective measures for peer/ community outreach staff) - Prioritize investment for self-testing, self-care and other rapid and community-based testing programs. Move for over the counter status and subsidy for HIV ST, condoms, PrEP - with private sector distribution and subsidy. - Additional support for gender-based violence services				
MA-6529	<b>Accelerate adoption of five Covid HIV program adaptation must haves</b> (Multi-month dispensing of prevention, care and treatment products; out-of-facility dispensing of prevention, care and treatment products; virtual service delivery through telephone or online platforms; differentiated HIV testing –including self-testing (HIVST) and out-of-facility models; and KP and AGYW Prevention Programming adaptations): Update: 1 - Technical guidance developed; and dissemination in collaboration with HIV partners and the HIV Situation Room 2 - UNAIDS virtual clinics and UNAIDS/WHO technical support through regional focal persons 3 - Streamlined support to CCM through Global Fund partnership for C19RM funding request development. Rigorous process for Secretariat and CTAG/GAC partner review of funding requests and recommendation by Investment Committee 4 - An enhanced programmatic analysis approach to further review of program performance and identify risks and outliers (portfolio wide or country specific issues) taking calibration exercise beyond high-impact countries. (Detailed reporting on progress will commence in Q1 2022)				
MA-6530	<b>Align with PEPFAR and review funding and alignment to ensure adequate support for program adaptation implementation.</b> Deep Dive look at implementation readiness, appropriateness, and scale to protect treatment across 9 high burden countries (Zambia, Malawi, Zimbabwe, Uganda, Kenya, Nigeria, South Africa, Mozambique, and Tanzania) and to protect prevention across 4 priority countries. Findings from these deep dives are shared with the HIV situation room to garner partner action and follow-up beyond the secretariat and PEPFAR.				
		<b>Overall Status</b>	Risk mitigation is on track. There are no material delays.		
<b>Controls &amp; mitigations in development or planned</b>			<b>Status</b>	<b>Target completion</b>	<b>Action owner</b>
MA-6515	<b>Further support for implementation of new guidance and action planning related to:</b> - PreP surge – accelerate introduction of HIV ST and PrEP and use of new DVP ring for prevention in females. - Working with sourcing, GMD and partners (such as PEPFAR) on TLD transition countries. - Managing risk of and transition to pediatric treatment DTG 10 mg.		Underway	31-12-2022	TAP

02 - Program Quality - TB			Risk owner: TAP		2021-Q4	Approved by MEC			
Risk Description	Inadequate quality of programs/services funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable outcomes in the fight against Tuberculosis and the effort to strengthen resilient and sustainable systems for health.								
Risk Impact	Poor adherence to international standards for prevention, diagnosis and treatment, and poor adherence to treatment regimens, or treatment disruptions contributed by the (lockdown and restriction of movement) pandemic, contributing to the reduction in case detection, treatment and prevention activities which may lead to increased drug resistance, treatment failure and heightened disease burden. Based on current information, while the current risk level is ‘Very High’, with ongoing efforts of various program adaptations, we expect the direction of travel to stabilize and reverse in the coming quarters.								
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Moderate			
Residual Risk	Very High	Risk Appetite	Very High	Target Risk	High	Target risk timeframe	31-12-2023		
Key Countries	Bangladesh, Cameroon, Cambodia, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Mozambique, Myanmar, Nigeria, Pakistan, Philippines, South Africa, Tanzania, Uganda, Ukraine, Viet Nam, Zambia								
Root Cause							Related Action		
Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.							MA-6601 MA-6604		
Slow adaptation of TB programs to the COVID-19 pandemic							MA-6598 MA-6599		
Insufficient and inadequate use of data for the appropriate design of quality and efficient programs aligned with epidemiological context, combined with insufficient monitoring and surveillance.							MA-6602		
Key interventions not sufficiently focused on populations most in need of services, or well-linked to achieving program outcomes.							MA-6596 MA-6602 MA-6603 MA-6604 MA-6610		
Guidelines/tools to review quality of services are not available or programs are not routinely reviewed.							MA-6596 MA-6600 MA-6601 MA-6603 MA-6606 MA-6610		
Programs do not adhere to approved national or WHO guidelines e.g. medicine formulations, diagnostic tools, laboratory, procurement, patient identification, prevention, care and treatment or adherence to TB treatment, or there is an absence of a clear framework to guide decision making.							MA-6600 MA-6602 MA-6605 MA-6610		
Poor quality of health products and unstable drug supply, which is further exacerbated by the pandemic							MA-6600		
Inadequate staff capacity working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and inappropriate use of drugs.							MA-6610		
Current controls & mitigations							Assurances		
MA-6596	Promoting differentiated approaches and integrated service delivery models to achieve impact in diverse country contexts, including at community level, supporting efforts to find missing TB cases.						National Health Facility Assessment		
MA-6598	Guidance (internal and from WHO) has been elaborated on how to continue with TB programs activities and mitigate the impact of Covid-19 epidemic. This guidance has been shared internally (country teams) and externally (countries).						Country evaluations, Thematic reviews		
MA-6599	Ensure continuation of treatment. Multi Month Dispensing with people taking home 1-2 months of TB drugs - follow-up by phone and report adverse reactions by phone and SMS. The Global Fund has already made available additional funding to help countries fight COVID-19, mitigate the impacts on lifesaving HIV, TB and malaria programs, and support health systems. A portion of this funding was available to mitigate impact on TB programs including for procurement of additional GeneXpert machines and cartridges.						Program quality spot checks, Prospective Country Evaluations		
MA-6600	Global Fund grant support countries to implement changes to drug policies when necessary, accelerate uptake of innovation and behavior change communication for disease prevention and support programs to improve treatment adherence.						Population based surveys		
MA-6601	Refocusing on grant programs' quality and efficiency, within current budget limitations, through strengthening in country review and dialogue with partners to identify opportunities to improve quality and leverage partner technical, financial and political resources accordingly.						Routine Programmatic analysis		
MA-6602	Aligning program and data quality assurance with overall Risk and Assurance Planning.								
MA-6604	Strengthening review of grant and program performance at the Secretariat level through country-specific and cross-portfolio reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement.						Routine monitoring (community/facility)		
MA-6606	Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.								
						Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-6597	Continue to work with priority countries with the largest level of COVID-19 disruption to develop context-specific mitigation interventions and monitoring mechanisms and implement country-specific surge-up plans after mapping priority interventions to scale-up TB screening and testing to bridge the gap in TB notification -Build on the country-specific deep dives and NTP meetings conducted in Q3/4 2021 where specific follow-up actions were agreed upon. -Have continuous quality improvement as an essential part of GF supported TB programs, with continuous and rapid identification of bottlenecks plus addressing them. Leverage the enhanced Monitoring and Oversight approach for C19RM initiated to further strengthen systematic review of program performance and identify risks and outliers (portfolio wide or country specific issues) for attention and steer from C19RM Investment Committee.						Underway	31-12-2022	TAP
MA-6603	Strengthening integrated service delivery: Integration of HIV, TB and malaria services into broader service delivery platforms (i.e.-ANC/PNC, PHC) through technical partners and implementers.						Underway	31-12-2022	TAP
MA-6610	Support implementation of latest WHO guidance on management of drug resistant TB and transition to new MDR-TB regimens - Operationalize the GLC MoU signed in July 2020; - In 2021, all the 20 countries have started rolling out the new all-oral regimens for DR-TB and over 80% of the eligible countries received TA through the GLC mechanism mainly through a flexible and remote TA to accelerate the uptake of new tools and regimens.						Underway	31-12-2022	TAP
MA-6822	The TB Strategic Initiative is being implemented in its current cycle 2021-2023 with the scope expanded to 20 countries to find and treat missing people with TB including DS-TB, DR-TB, and TB prevention: US \$14 million: TB Strategic Initiative to support the implementation of innovative approaches to find and treat missing people with TB through working with Stop TB Partnership and WHO; US \$ 150 million: Matching Fund for priority countries; US \$ 40 million multi-country investment for programs focused on migrants and cross-border issues, the mining sector, refugees, improved laboratory services.						Underway	31-12-2023	TAP

	The signing of the grants with implementing partners WHO and Stop TB Partnership were completed by SI PMO in Q3 2021 after a significant delay. The implementation of the country component for TA was initiated after SI PMO approval in April and TA has been deployed in consultation and coordination with partners. The implementation of the SI is underway for the global and country components.			
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03 - Program Quality - Malaria			Risk owner: TAP			2021-Q4	Approved by MEC		
Risk Description		Inadequate quality of programs/services funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable outcomes in the fight against Malaria and the effort to strengthen resilient and sustainable systems for health.							
Risk Impact		Sub-optimal coverage and quality of case management and vector control interventions would result in higher incidence and increased morbidity and mortality due to malaria, especially exacerbated in high-risk environments that account for significant portion of Global Fund malaria investments. Vector control threatened by inability to achieve or maintain population coverage over time, sub-optimal use increasing insecticide resistance to pyrethroids which will reverse transmission reduction due to vector control if mitigating actions not taken. Case management challenged by insufficient access to care and poor-quality services. This includes challenges such as delayed treatment seeking, poor adherence to clinical algorithms, inaccurate reporting and recording and high service disruptions from the pandemic (delays in LLIN/IRS campaigns, procurement delays and disruptions in stocks of key products). Based on current information, while the current risk level is ‘High’, with ongoing efforts of various program adaptations, we expect the direction of travel to stabilize further and reverse in the coming quarters.							
Change since last quarter		No change	Current direction of travel		Steady	Global Fund ability to mitigate	Moderate		
Residual Risk		High	Risk Appetite		High	Target Risk	Moderate	Target risk timeframe	30-06-2024
Key Partners		The Global Fund's bilateral and multilateral partners have the capacity and opportunity to influence but not control program quality risk							
Key Countries		Bangladesh, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Nigeria, Pakistan, Rwanda, , Sudan, Tanzania, Uganda, , Viet Nam, Zambia, Zimbabwe							
Root Cause									Related Action
Programs do not adhere to approved national or WHO guidelines e.g. medicine formulations, diagnostic tools, laboratory, procurement, patient identification, prevention, care and treatment or adherence treatment, or there is an absence of a clear framework to guide decision making.									MA-6632 MA-6634 MA-6635 MA-6636
Insufficient and inadequate use of data for the appropriate design of quality and efficient programs aligned with epidemiological context, combined with insufficient monitoring and surveillance.									MA-6636
Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.									MA-6626 MA-6631 MA-6633 MA-6634
Key interventions not sufficiently focused on populations most in need of services, or well-linked to achieving program outcomes.									MA-6626 MA-6628 MA-6629 MA-6630 MA-6636 MA-6637 MA-6638
Guidelines/tools to review quality of services are not available or programs are not routinely reviewed.									MA-6625 MA-6633 MA-6634 MA-6635
Poor quality of health products and unstable drug supply. This is further exacerbated due to the pandemic, with delays reported in LLIN and IRS (more so due to supply issues for PPEs and/or insecticides).									MA-6632 MA-6635 MA-6638
Inadequate staff capacity working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and inappropriate use of drugs.									MA-6634
- Service disruptions and significant risks to the malaria program arise from delays in implementation or the inability to continue with ITN campaigns (routine or mass), IRS and SMC campaigns, and disruptions to delivery of case management due to the pandemic. - Comparatively more delays are reported for IRS owing to supply issues for PPEs and/or insecticides or both. 8 out of the 19 countries with IRS campaigns scheduled this year in 2020 reported some levels of delays again due to procurement challenges. - Delays in surveillance data, there are challenges in completeness and timeliness of data, as well as in coordinating information from different partners (some using different metrics). - Early detection and treatment: Case management may be challenging with increased needs of PPEs at health facilities and at the community (to ensure and assure continuation of services) which is a challenge in many countries, prolonged lead times for key commodities and reports of stock outs in some countries.									MA-6632 MA-6639
Current controls & mitigations									Assurances
MA-6625		Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.							
MA-6626		Strengthening review of quality at Secretariat level through country-specific and cross-portfolio reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement.							Population based surveys/ Malaria Indicator Surveys
MA-6627		WHO normative guidance regarding appropriate treatment guidelines and protocols in place.							
MA-6628		Supporting sub-national stratification to target vector control tools and other interventions to maximize impact through modeling under STC SI in support of High Burden High Impact (HBHI) initiatives. All 11 HBHI countries submitted funding requests based on outcomes of modeling and sub national stratification.							
MA-6630		Expanding access to care via appropriate channels (public, community versus private)							Partner reviews
MA-6631		Sub-national stratification to target vector control tools to maximize impact and efficiency.							Routine monitoring (community/ facility)
MA-6632		Scale up of synergist LLINs to address pyrethroid resistance. And ensuring campaigns remain on track or are accelerated (where possible): ITN, SMC campaigns are generally noted to be on track. Some challenges noted with IRS campaigns, mostly supply chain related issues linked to PPEs and/or insecticides. To note that non-COVID-19 related downstream operational and political challenges (in some countries) have also contributed to the delays in IRS campaigns.							Country evaluations, Prospective Country Evaluations
MA-6633		Refocusing on grant programs' quality and efficiency, within current budget limitations, through strengthening in country review and dialogue with partners to identify opportunities to improve quality and leverage partner technical, financial and political resources accordingly.							Routine Programmatic analysis
MA-6634		Strengthening monitoring of drug and insecticide resistance to ensure optimal choices of interventions for maximum impact and improving surveillance and enhancing entomological capacity at country level (to inform vector control strategies and track their impact on malaria transmission, focusing on the 10 highest burden countries).							
MA-6635		Global Fund grants support countries to implement changes to drug policies when necessary, accelerate uptake of innovation and behaviour change communication for disease prevention and support programs to improve treatment adherence.							National Health Facility Assessment
MA-6636		Aligning program and data quality assurance with overall Risk and Assurance Planning.							



MA-6637	Enhancing quality of service provision given access.		Program quality spot checks, Thematic reviews		
		Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned			Status	Target completion	Action owner
MA-5856	Accelerating elimination of malaria in 20 countries, through technical assistance and the use of catalytic funding of USD 7m. As at the end of Q4 and conclusion of the SI: 5/21 E2020 countries have been certified malaria-free, of which 4 are Global Fund supported. Seven of the 10 countries meeting the 2020 GTS elimination milestone were supported through this strategic initiative: Algeria, Belize, Cabo Verde, China, El Salvador, Islamic Republic of Iran and Malaysia.		Underway	30-12-2022	TAP
MA-5866	Catalyzing market entry of new LLINs through pilots in a number of high burden countries in Western Africa which have intense pyrethroid insecticide resistance. Includes USD35m in catalytic funding. As at the end of Q4 the SI had supported the cost differential of 21.3M new nets for deployment in 5 countries with critical insecticide resistance concerns.		Underway	30-12-2022	TAP
MA-5867	<p>Accelerate uptake of program adaptations, innovations and catch-up plans using existing grant resources and C19RM mechanism, through ongoing dissemination of best practices and technical guidance and support to programs through Global Fund Partnership mechanisms to maintain and expand disease prevention and treatment programs, including strengthening of communities and community responses.</p> <p>Specific measures include:</p> <ul style="list-style-type: none"><li>- Vector control: Prioritize filling gaps in vector control coverage of current geographic areas and upgrade tools (Pyrethroid-only ITNs to pyrethroid-PBO ITNs) where feasible and applicable.</li><li>- Seasonal Malaria Chemoprevention (SMC): Prioritize filling gaps in current geographic areas and expanding geographic coverage to areas identified through stratification exercises and incorporated into funding requests for (full scale up of SMC following WHO criteria is expected in 2021 onwards, subject to TRP approval)</li><li>- Work with manufacturers to maximize product availability in view of advance procurement and increased need for health products: This applies to PPEs, ACTs/RDTs, ITNs, insecticides and SMC drugs. For some products such as for SMC, manufactures' capacity for expansion beyond 2021 campaigns may be limited. Market entry for additional manufacturer is subject to PQ approval, which may bring additional capacity</li><li>- Partner mobilization and collaboration to support adaptations of mass LLIN, SMC and IRS campaigns to the COVID-19 context enabling scheduled campaigns to proceed and targeted coverage to be achieved.</li><li>- Coordinating with partners to triangulate information on stock-out situation (based on partner data/LFA survey etc.) and improve health product demand forecast (12-18months outlook).</li><li>- Minimize (and prevent) risk of potential stock outs of ACTs/RDTs by ensuring adequate stocks are maintained at the central level, including flexibilities based on increased consumption and prolonged procurement lead times.</li><li>- An enhanced Monitoring and Oversight approach for C19RM initiated to further strengthen systematic review of program performance and identify risks and outliers (portfolio wide or country specific issues) for attention and steer from C19RM Investment Committee.</li></ul>		Underway	30-12-2022	TAP

04 - M&E		Risk owner: MECA			2021-Q4	Approved by MEC	
Risk Description	Poor quality and/or unavailability of program data due to weak in-country M&E systems and/or delays or disruption in service provision (caused by the COVID-19 pandemic) that do not lead to proper planning decisions and efficient investments and therefore hamper programs' ability to reach their targets and health impact.						
Risk Impact	Poor quality data (delayed and /or incomplete data) can impede implementers' management of quality programs and the Global Fund's ability to assess their impact. This can result in programs with improper focus on relevant interventions and beneficiary populations and failure to achieve desired public health impact. While the programs were largely on track to reach moderate level in 2021, the risk has transiently increased to 'High' due to COVID-19 disruptions and repurposing of M&E staff and increase in demand for frequent and recent data. However, with integration of COVID-19 reporting into national HMIS platforms like DHIS and improved use of data for COVID-19 surveillance and localized response, contact tracing and program adaptations we expect the direction of travel to decrease in the coming quarters.						
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Moderate	
Residual Risk	High	Risk Appetite	High	Target Risk	Moderate	Target risk timeframe	30-12-2022
Key Partners	The World Health Organization, GAVI, Gates Foundation, USG (PEPFAR/OGAC, USAID, CDC), NORAD, GIZ and World Bank and University of Oslo have a moderate ability to mitigate Strategic Data Quality and Availability risk.						
Key Countries	Bangladesh, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, Guinea, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Rwanda, South Africa, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia, Zimbabwe, PNG						
Root Cause							Related Action
Poor analytical capacity							MA-6689 MA-6714 MA-6715 MA-6814
Insufficient human and financial resources, and infrastructure and/or disruptions in routine HMIS reporting contributed by reduced staff availability and capacity, and repurposing of M&E staff for COVID-19 response and reporting.							MA-6689 MA-6692 MA-6696 MA-6701
Weak management at country level and/or delays in coordination of activities with in-country stakeholders delayed due to prioritization of COVID-19 response activities.							MA-6689 MA-6693 MA-6696
Inadequate supervision (also caused by restrictions and lockdowns in country from the COVID-19 pandemic).							MA-6693
Sub-optimal access to and use of program data							MA-6690 MA-6693 MA-6697 MA-6820 MA-6817 MA-6818
Inadequate national M&E and HMIS Strategy with costed work plans							MA-6690 MA-6696 MA-6699 MA-6714
Incomplete, multiple, or non-functional in-country data systems and data sources							MA-6692 MA-6695 MA-6696 MA-6814 MA-6815 MA-6819 MA-6813
Fraud of program and performance data							MA-6689 MA-6690 MA-6692 MA-6715 MA-6814
COVID-19 pandemic related disruptions (travel restrictions, repurposing of staff etc.) affecting the implementation of routine M&E activities, surveillance and planned systems strengthening activities, including roll out of HFAs, DQRs, surveys or evaluations.							MA-6691 MA-6700 MA-6702 MA-6816
Current controls & mitigations							Assurances
MA-6689	Global Fund Data Use for Action and Improvement Framework for 2017-2022 and operational guidance supports countries in strengthening their data collection and analysis capacity and promote use of data for decision making during all stages of the program cycle, and the use of identified 3rd party service providers for data quality assurance.						- National Data Quality Reviews (DQR) - Contracts with our partners ( WHO, UIO, ect) for strengthening data quality in routine data systems
MA-6690	Through Catalytic Funding/MECA operations for Data Systems, agreements with partners on outcome deliverables to ensure: (i) availability of normative M&E tools and guidance, (ii) integration of disease reporting within countries' national HMIS (HIV-78%; TB-79% and malaria in 90% of High Impact and Core portfolios) with epi-based analytical dashboards (in over 30 countries); (iii) .support development of digital packages for HIV and TB real-time case surveillance systems and guidance and tools for malaria national data repositories.						Contracts with our partners ( WHO, UIO, etc.)
MA-6691	Rolled out LFA COVID-19 monthly monitoring survey (started in May 2020 as bi-weekly, changed to monthly since April 2021) intended to provide regular up-to-date information on extent of disruptions on the HIV, TB and malaria services, underlying health systems (HMIS, LMIS, in-country supply chain, financial management systems etc), and the extent of disruptions in key grant processes (development of funding request and grant making). Last survey round submitted and is integrated in the HS and Spot checks. This has evolved to be a part of Pulse Check, with data directly reported by PRs.						HS and SO spot checks
MA-6692	Grant supported investments for strengthening of in-country M&E systems, including routine monitoring of facility and community systems rollout and maintenance.						Contracts with our partners who strengthen HMIS/ DHIS (UiO and HISP)
MA-6693	Through Catalytic Funding, development of a pool of pre-qualified providers to increase availability of Technical Assistance for M&E to strengthen national M&E plans. Consultants in the pool (~200) have been deployed in over 40 countries, completing 82 TA requests across 8 M&E technical areas during NFM2 and over 20 TAs are currently ongoing.						Routine Programmatic analysis (use for Data Quality triangulation) TA pool for quality assurance
MA-6694	Support the systematic roll-out of enhanced portfolio and program reviews in focused portfolios. Through the 2018-2020 Strategic Initiative for Data (DATA-SI), 74/83 reviews (i.e. 89.1%) of HTM programs were successfully completed in GF Focused portfolios/countries and plans being developed for enhanced portfolio reviews in NFM 3, with built-in capacity building of national stakeholders, assessment of analytical capacity for routine analysis and collaborations with partners under NFM3.						- Contract with our selected service provider who will implement the enhanced portfolio reviews in SEA & AME. - Contract with our partners (WHO) who would implement the program reviews in LAC region (PAHO) and EECA region (WHO-EURO)

MA-6695	Outcome measurement of AGYW programs in 5 Southern Africa countries. Delays experienced due to the pandemic and Ethics Review Board approval.	
MA-6696	Guidance note on key areas for M&E investments issued and being used by Country. Resources also developed for the COVID-19 context and disseminated to Country Teams; includes digital health information systems guidance. It also supports adapting M&E global goods, normative guidance and tools to virtual versions and e-learning training courses. Continued structured review by MECA Team of the M&E and HMIS Module of all HI and Core country new Funding Requests and grants.	MECA GRO
MA-6698	Rigorous assessment of key population service coverage in 65 countries, with in-depth review in 32 countries and desk reviews for 33 countries completed. Recommendations for systems improvement being put in place. Quality assurance of Population based surveys-IBBS/PSE, MIS, TBPS under implementation in 29 countries, 9 completed.	Thematic Reviews, Population-based surveys
MA-6699	Systematic tracking of KPI6d (% of countries with fully deployed and functional HMIS) and provision of support through Data SI and through MECA team staff to countries in need. Average HTM reporting completeness in the routine HMIS in HI and Core countries increased from 86% in 2018 to 91% in end-2020. Average reporting timeliness increased from 68% in 2018 to 76% in end-2020. Currently collecting end-2021 results for all four components of KPI 6d. (deployment, integration, completeness, and timeliness). These will be available mid-February 2022.	Monitoring country data systems, M&E System Profile
MA-6700	Develop and operationalize the Monitoring and Oversight framework to track C19RM investments across core programmatic, financial, procurement and process related indicators across the C19RM grant life cycle.	
MA-6701	Thematic reviews to provide information on progress of specific cross-cutting areas supported by GF strategy, e.g. ICCM, intervention packages for KPs, factors contributing to favorable MDR-TB treatment outcomes etc.: 12/13 reviews commissioned were all completed in 2020, and dissemination of the results are continuing through 2021. Through an extensive consultative process with internal and external stakeholders, 12 key thematic areas have been identified for review during 2021-2023.	Thematic Reviews, Population-based surveys
MA-6702	Strengthening coordination with partners for Covid monitoring (e.g. with ACT-A, WHO, UNAIDS, PEPFAR, Modelling Consortium, GFA, etc.) to share data on C19 monitoring surveys, minimize any duplication/reporting burden on countries) and inclusion of a module in the evaluation protocol on COVID-19 disruptions and mitigations for upcoming evaluations.	Health Services and Supply Operations (HS & SO) spot checks
MA-6714	Through Catalytic Funding /MECA operations, joint plan established and implemented on strengthening HMIS systems with HISP University of Oslo (DHIS) and WHO (through the Strategic Initiative funding for Country Data Systems). New contracts for new Strategic Initiatives cycle 2021 – 2023 recently signed and starting new cycle of implementation. The partnership also supports deployment of DHIS2 COVID-19 surveillance and contact tracing modules in countries' national HMIS. These COVID-19 DHIS2 modules are now operational in 41 countries and in development in additional 13 countries.	Review of data systems (community/facility)
MA-6715	Through Catalytic Funding, development of a pool of universities and local institutions to strengthen analytical capacity using local network of universities: workplan for strengthening analytical capacity done in two regions (20 countries). SEA and WCA groups beginning implementation phase of project in Q1. EECA and Asia regions are in development.	National or Disease Specific Program Reviews
		<b>Overall Status</b>
		Risk mitigation is on track. There are no material delays.
<b>Controls &amp; mitigations in development or planned</b>		<b>Status</b>
MA-6697	Undertake independent quality assurance of external QA of surveys in prioritized countries. 13/40 completed in Q4 2021; 27/40 continuing in 2022	Underway
MA-6813	As part of current Data-SI, focus on improved digitalization at country level: 1. Support HMIS and DHIS platform in all high impact and core countries: 2) improve data quality (completeness, timeliness and accuracy); 3) building strong and interoperable HMIS systems: for interoperability between HMIS, LMIS, Lab IS, HRHIS, GIS. 4) Strengthening of M&E related KPIs.	Underway
MA-6814	Develop and finalize the next Data SI cycle, with strategic focus on a) Data generation, Analytics and Use of data at all levels, with the objective to strengthen the partnership between MoH and academic institutions to improve analytical capacity (e.g. in Eastern and Southern Africa region)	Planned
MA-6816	Operationalize the C19RM M&O Framework, including roll-out of new reporting mechanisms and tools (Pulse Checks and Supply Chain and Health Service spot checks) to have frequent, recent data and data analytics to inform program adaptations, and impact of C19RM investments on the three disease programs, C19 response and to strengthen grant assurance.	Underway
MA-6818	Development of data quality tool in order to improve the quality of internal GF data – to be integrated in the GOS system.	Underway
MA-6817	Improve availability and use of disaggregated data through the revised KPI 6e that monitor availability and use of disaggregated data to assess inequities at country level.	Underway
MA-6819	Development of Community level data quality review tool, led by WHO through Data SI.	Underway
MA-6821	Develop the M&E framework and M&E plan for the new GF strategy.	Underway



05 - Procurement			Risk owner: SO		2021-Q4	Approved by MEC	
Risk Description		Procurement challenges and failures that lead to poor value for money or financial losses, incorrect or sub-standard products or delayed delivery, potentially leading to stock out, treatment disruption; poor quality of services or wastage of funds or products.					
Risk Impact		Global Fund exposure to health commodities procurement is material, as it captures between 40% and 60% of grant funding across the portfolio. The risk is concentrated in sub-Saharan Africa, with up to 75% of grant funds in the region budgeted for health commodities. Generally, about 59% of the Global Fund health commodities projected spend is procured centrally through the Pooled Procurement Mechanism (PPM), presenting an important market shaping opportunity, the balance is procured through a wide range of procurement channels, including national systems (20% of projected spend) and international organizations (e.g., UN agencies) (21% of projected spend). Health commodities procured through PPM have any associated risks managed directly by the Secretariat. Those commodities procured through the national systems can encounter challenges (& potential risks managed by the country) requiring Global Fund awareness, so as to enable mitigation and support; challenges include, but are not limited to, poorly managed and lengthy procurement processes, inadequate capacity to maximize value opportunities through strategic sourcing approaches and fraud that negatively affects value for money and the continuity of supply. Based on current information, while the current risk level is 'High', with ongoing efforts on articulating the health product segmentation framework to manage procurement related risks, and additional grant assurance activities, we expect the direction of travel to stabilize next quarter and start reversing in the coming quarters.					
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Significant	
Residual Risk	High	Risk Appetite	High	Target Risk	Moderate	Target risk timeframe	31-12-2022
Key Partners	Donors including the World Bank, US and France provide focused technical assistance related to health commodity procurement.						
Key Countries	Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, Guinea, India, Kenya, Malawi, Mozambique, Myanmar, Nigeria, Pakistan, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia						
Root Cause							Related Action
Lack of critical mass (volume) for, and limited market knowledge of, critical health product portfolios, decreasing leverage							MA-6612 MA-6613 MA-6619 MA-6620
Restricted availability and/or increased workloads of the workforces involved in commodities' production, import/export documentation and controls, freight and logistics service providers, the Secretariat, and Procurement Services Agents (PSAs) and Partner Organizations as a result of COVID-19.							MA-6609 MA-6617 MA-6620
Inadequate procurement planning and lack of coordination with international partners							MA-6608 MA-6611 MA-6612 MA-6614 MA-6615 MA-6618 MA-6620
Potentially lengthy processes, and other governance challenges to the national procurement approaches.							MA-6608 MA-6611 MA-6620 MA-6621
Less than mature sourcing strategies and supplier relationship management, reducing value for money opportunity.							MA-6607
Freight and logistics disruptions, increased costs, including but not limited to the COVID-19 pandemic, driven by (a) origin and/or destination countries adopting different restrictions (b) reduced air and ocean freight capacity (c) origin and destination customs capacity.							MA-6609 MA-6612 MA-6615 MA-6616 MA-6617 MA-6620
Suppliers prioritizing the production and supply of COVID-19 and other commodities before core health commodities needed by Global Fund programs. This particularly affects diagnostics.							MA-6607 MA-6609 MA-6616 MA-6617 MA-6619 MA-6620
PR disruptions, such as COVID-19 pandemic lockdown restrictions and workforce illness, leading to late order submission or delayed order approvals/engagement, further limiting options for timely product delivery.							MA-6609 MA-6612 MA-6615 MA-6616 MA-6617 MA-6620
Export restrictions or limited supply availability of health commodities and/or associated raw materials could impact a countries health commodity supply security, whether COVID-19 or HTM.							MA-6609 MA-6615 MA-6616 MA-6617 MA-6619 MA-6620
Reductions in non-Global Fund funded and/or partner procurement for the three diseases, could lead to in-country health commodity shortages and urgent, unanticipated requests to the Global Fund to fulfill the shortfall.							MA-6609 MA-6615 MA-6616 MA-6617 MA-6620
Implications of the continued COVID-19 pandemic have resulted in an increased requirement for commodities for oxygen supply for recipient countries. This is a complex product category with very different product characteristics unfamiliar to Global Fund and international partners, which makes it more difficult to ensure supply at the international/global level, whether for oxygen (cylinders, PSA plants etc.) or equipment (concentrators).							MA-6622 MA-6623 MA-6624
Current controls & mitigations						Assurances	
MA-6607	Developing, updating and implementing health product sourcing strategies in line with Market Shaping Strategy, with the supply of core health products through performance-based framework agreements with suppliers.					Market Shaping Strategy was reviewed by Technical Evaluation Reference Group, the progress was reported to the Committees and the Board and acknowledged to be on-track. Implementation continues.	
MA-6608	Support access and compliance on a common platform (wambo.org), allowing PRs to transact orders using grant and non-GF grant funding, while extending PPM-negotiated prices and conditions to non-PPM procurements by other interested buyers through the Leveraging Impact Framework.					Only QA compliant products are purchased through Wambo.org	
MA-6609	Regular coordination with suppliers, PSAs and partner organizations to monitor, assess, identify and mitigate risks and health commodity supply impact (and potential shortages); such as rerouting and/or changing transportation mode to leverage available logistics capacity, production reallocation and product volume allocation. Mobilizing internal and external PSA resources as required.					Regular performance reviews of Framework Agreement suppliers and Procurement Services Agents (PSAs) and Partner Organizations, include key performance indicator metrics (such as On-Time-In-Full (OTIF)) setting and monitoring. Quarterly Supply Operations reporting through the Performance Accountability Framework.	
MA-6612	Rapid Supply Mechanism (RSM) managed by the Supply Operations Department available to all PRs that responds to emergency needs of countries and addresses stock out situations for key health products.					Supplier monitoring of stock which can be made available through Rapid Supply Mechanism (RSM) to ensure availability of commodities as required, as per Framework Agreements.	
MA-6613	Grant budgeting guidance requiring use of PPM reference prices as a budget price for all PRs (Guidelines for Grant Budgeting).					LFA reviews of health product purchases for compliance with QA Policy and grant budgeting guidance.	
MA-6615	Monitor unutilized budget and PO closure to maximize available funds for current grants, as well as heightened follow up with PRs for on-time order placement. Communicate Global Fund supply risk assessment and revised lead-times on the external website.					Supply Operations Steering Committee quarterly review of exceptions report.	
MA-6617	Define and deploy a cross-function supply chain operational risk management forum in response to major risk areas.						
MA-6618	New version of HPMT for 2021-2023 grant cycle and demand consolidation tool rolled out this year to support						

	demand planning by the PRs	
MA-6619	Increase and expand alternative products and supply options, such as determining possible product and supplier shortlists in case alternate supply is required (MRDT, 2nd line ARVs, PBO LLINs, PPE, commodities for oxygen supply).	
MA-6620	Leverage partnerships to optimize supply, logistics solutions and accelerate regulatory approval pathway; jointly manage demand with common recipient countries; regular coordination with other multilateral organizations (such as USG, South Africa, etc.).	
MA-6622	Partner with organizations with commodities for oxygen supply knowledge, UNICEF and i+solutions (following a PSA category selection tender) to ensure oxygen supply product availability whilst the commodities for oxygen supply strategy is developed (as applicable).	
		<b>Overall Status</b>
		Risk mitigation is on track. There are no material delays.
<b>Controls &amp; mitigations in development or planned</b>		<b>Status</b>
MA-6611	Continued expansion of procurement by country organizations using non-grant funding to reach an additional US\$50 million spend, subject to further revision by the Strategy Committee.	Underway
MA-6614	Design and implement a fit-for-purpose demand management process to maximize value (delivery performance, savings, secure the supply, etc.)	Underway
MA-6616	Improve the due diligence process that assesses the supply risk and price increase requests.	Underway
MA-6621	Regular communication with PRs/countries on product lead-times and order placement deadlines	Underway
MA-6623	Order placement is being strengthened leveraging Wambo/PPM mechanisms as the preferred procurement channel for C19RM grants, with an established standardized review system of any request for deviation.	Underway
MA-6624	Conduct systematic pre-award LFA procurement reviews for procurement of COVID-19 HP conducted outside of Wambo/PPM, as part of the standard assurances package for C19RM funding.	Not started

06 - In-Country Supply Chain				Risk owner: SO		2021-Q4	Approved by MEC			
Risk Description		Disruption or poor performance of in-country health product supply chain services, from central warehouse to point of service delivery that could result in inadequate availability of commodities and/or wastage of grant-funded commodities through expiries or diversion. Gaps may be in supply systems arrangements, systems and capacity, data process and analytics, physical logistics and/or financing and can prevent achievement of grant objectives.								
Risk Impact		Inadequate availability of commodities or wastage of grant-funded commodities through expiries or diversion. Significant proportion of grant funding allocated to health commodities, high volumes of lifesaving products flow through in-country supply chains that are often fragile, insecure, and poorly managed and coordinated, which can lead to multiple risk events, including treatment disruption, poor quality of services, increased drug resistance, health products wastage and poor value for money. Ultimately, this can lead to reduced impact of Global Fund investments and increased mortality and morbidity.								
Change since last quarter		No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Low			
Residual Risk		High	Risk Appetite	High	Target Risk	Moderate	Target risk timeframe	30-06-2024		
Key Partners		Agencies of the US Government, Bill and Melinda Gates Foundation, Gavi, World Bank, World Health Organization and Interagency Supply Chain Group								
Key Countries		Bangladesh, Cameroon, Chad, Congo (Democratic Republic),Côte d'Ivoire, Ethiopia, the Gambia, Ghana, India, Malawi, Mali, Nigeria, Pakistan, Sudan, Tanzania (United Republic), Uganda, Burkina Faso, Haiti, Liberia, Niger, South Africa								
Root Cause								Related Action		
Inadequate in-country supply chain leadership, lack of in-country coordination, limited capacity of in-country actors to perform supply chain functions in many instances exacerbated by national response measures to COVID-19 and in-country disruptions.								MA-6474 MA-6475 MA-6476 MA-6476 MA-6833		
Lack of data availability or visibility and/or data quality related to consumption, stock of key commodities and patient information, resulting in lack of oversight, inaccurate quantification, forecasting and resupply.								MA-6472 MA-6473 MA-6474 MA-6833MA-6477 MA-6478 MA-6479 MA-6476		
Inadequate facility/storage capacity and conditions, logistics information planning and distribution capacity; poor inventory management including insufficient inventory turns. Need for storage of COVID-19 products contributes to scarcity of warehousing.								MA-6474 MA-6476 MA-6477 MA-6476		
Lack of coordination among donors and key stakeholders that are involved in or support the supply management cycle of health products in country.								MA-6472 MA-6474		
Upstream challenges, including shipment delays, can result in unavailability of products within the in-country supply chain, increase supply planning challenges and heighten pressure on in-country systems.								MA-6472 MA-6475 MA-6477 MA-6478		
As a result of COVID-19, reduced Secretariat and implementer capacity/resources to drive implementation of agreed Transformation plans and reduced mobility of service providers to provide TA and collect data.								MA-6472 MA-6475 MA-6833		
Diversion of existing scarce resources across Global Fund and partners to support logistics relevant to COVID-19 response rather than the three diseases								MA-6472 MA-6474 MA-6477 MA-6833		
Insufficient number and quality of service providers to provide in-country supply chain related technical assistance								MA-6474 MA-6476		
Current controls & mitigations								Assurances		
MA-6472		The Cross-Donor Secretariat has been developed to allow a range of donors to align on and coordinate efforts related to in-country supply chain strengthening, data availability and COVID-19 response.								
MA-6474		Ongoing implementation of revamped, overarching Supply Chain Roadmap over the next 4 years to better leverage grant and SI funds, both for the 3 diseases and COVID. This includes implementation of supply chain strengthening transformation plans.								
MA-6478		New data collection system for OSA, OTIF, SATP and LMIS quarterly reporting rate for 45 priority countries for HTM diseases and Covid-19 to improve downstream supply chain visibility.								
MA-6476		Supply Chain transformation plans are (i) ongoing in 16 countries and (ii) focus will be extended to 30-33 countries with identifying area for strengthening by end of 2022.						Continued monitoring of country capacity for distribution given increased volumes of PPE, diagnostics, and other COVID-19 specific commodities		
MA-6833		Warehousing and distribution LFA assessments will be conducted in high and core countries.								
							Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned								Status	Target completion	Action owner
MA-6477		Design of supply chain strategic initiatives (SIs) to focus on delivering more resilience across in-country supply chains and providing countries with a range of options/interventions to strengthen supply chains. Restructured technical assistance modalities are planned with particular focus on regional and remote technical assistance						Underway	31-12-2023	SO

07 - Financial and Fiduciary		Risk owner: F&A		2021-Q4		Approved by MEC	
Risk Description	Misuse of funds due to wrongdoing and inadequate financial/fiduciary control, including for procurement practices and incomplete, incorrect, delayed or inadequately supported financial records by PRs or SRs due to inadequate financial management systems.						
Risk Impact	Fraud and weaknesses in internal control environments can result in financial losses that affect value for money and lead to inadequate program coverage, execution and suboptimal impact against the diseases, as well as causing reputation damage. Misallocation of resources; reduced grant coverage, performance and impact. COVID-19 related disruptions and volatility (at macro-economic and portfolio level) have increased the inherent financial and fiduciary risk. Based on the current information, this risk is rated as ‘High’ and with ongoing efforts of various adaptations and additional assurances under the C19RM mechanism, we anticipate being able to mitigate the risk for our grants to a large extent and expect the direction of travel to stabilize and reverse in the coming quarters.  Note: Financial and Fiduciary risk consists of two sub-risks: Grant-Related Fraud & Fiduciary (Current residual risk level: “HIGH”) and Accounting & Financial Reporting by Countries (Current residual risk level: “HIGH”).						
Change since last quarter	No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Moderate	
Residual Risk	High	Risk Appetite	High	Target Risk	Moderate	Target risk timeframe	31-12-2022
Key Partners	The World Bank and US Government agencies have a moderate ability to mitigate the risk of poor Accounting & Financial Reporting by Countries. Additional Partners: International Professional Accounting Bodies and Supreme Audit Institutions (SAI).						
Key Countries	Bangladesh, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Nigeria, Pakistan, Rwanda, South Africa, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia, Zimbabwe						
Root Cause							Related Action
Grant-Related Fraud & Fiduciary: Weaknesses in PR and SR internal control frameworks							MA-6543 MA-6551
Grant-Related Fraud & Fiduciary: At a macro-economic level in-country, foreign exchange risk, bank default risk, inflation and economic disruptions have all increased due to the COVID-19 disruptions, which may cause changes to banking and treasury operations at the micro-level. Increased risk of cyber fraud - evolving risk landscape in system & cybersecurity virtual work operating environment and other disruptions caused by the COVID-19 pandemic. Travel and movement restrictions, and remote working requirements, resulting in:- difficulties timely access to people and supporting documentation by assurance providers to provide oversight and or undertake on-field verifications and spot-checks; Disruption of PR’s ability to adequately monitor SRs. Difficulties for PR staff and TA consultants in executing capacity strengthening initiatives. Delays in routine monitoring (FMIR) and in-country deep dive/diagnostic review missions. Up to 6- 12 months delays of Grant-related work on PCFC.							MA-6537 MA-6538 MA-6825
Grant-Related Fraud & Fiduciary: Budget with presence of significant activities prone to misuse							MA-6539 MA-6541 MA-6552 MA-6825
Grant-Related Fraud & Fiduciary: Weak PR management							MA-6543 MA-6547
Grant-Related Fraud & Fiduciary: Weak bank and cash management procedures							MA-6544 MA-6546
Grant-Related Fraud & Fiduciary: Weak SR oversight							MA-6542 MA-6545
Grant-Related Fraud & Fiduciary: Weak ethical environment							MA-6540 MA-6548
Grant-Related Fraud & Fiduciary: Risk of fraud due to cybersecurity issues, including phishing							MA-6553
Grant-Related Fraud & Fiduciary: Risk of under absorption due to increased funding related to C19RM.							MA-6824
Accounting & Financial Reporting by Countries: Inadequate human resource capacity							MA-6680 MA-6674 MA-6679
Accounting & Financial Reporting by countries: Weak processes and internal controls at PRs / SR levels.							MA-6680 MA-6674 MA-6681 MA-6675 MA-6679
Accounting & Financial Reporting by Countries: Weak or nonexistent financial management systems							MA-6680 MA-6674 MA-6681 MA-6675 MA-6679
Current controls & mitigations							Assurances
MA-6541	Grant-Related Fraud & Fiduciary: Strengthening of fiduciary controls including over procurement such as the use of Pooled Procurement Mechanism or outsourcing of procurement to third-party procurement agents for Non-Health and Health Products procurement during grant design and implementation.						External & Internal Audit Reports
MA-6542	Grant-Related Fraud & Fiduciary: Effective implementation of Financial Guidelines (e.g. Financial risk management, Budgeting and Financial reporting guidelines) for Country Teams and implementers.						FRO Reviews
MA-6543	Grant-Related Fraud & Fiduciary: Use of Fiduciary/Fiscal Agents in selected high risk countries at PR and/or SR levels including fraud specialist and monitoring the performance of the Fiscal Agent by the Grant Finance Managers.						OIG Reports / FRO reviews
MA-6544	Grant-Related Fraud & Fiduciary: Financial Control Environment Review pilot recommendations and cross cutting Agreed Management Actions jointly monitored by Risk Department and FISA.						
MA-6545	Grant-Related Fraud & Fiduciary: Revised financial audit Terms of Reference emphasizing risk-based assessment of PR internal controls, and updated guidelines for grant audits ongoing to reflect additional due diligence. For 2020 audits, communication sent out to External Auditors via Principal Recipients requiring the External Auditors to apply additional procedures and document the results via Key Audit Matters, including adequate disclosures in the Management Letter, considering the global COVID-19 pandemic given that financial controls may have been impacted due to the evolving risk landscape and operating environment.						GFM Self-audit / FRO Reviews
MA-6546	Grant-Related Fraud & Fiduciary: Support to implementers in the optimization and use of innovative cost-efficient technological approaches, such as mobile money and mobile device solutions, for financial management risk mitigation.						LFA reports and spotchecks on use of Mobile money as well as review of expenditures by LFAs and Auditors.
MA-6548	Grant-Related Fraud & Fiduciary: Pre-qualification of professional service providers for technical assistance toward effective capacity building and fraud risk management at the implementer level.						
MA-6553	Grant-Related Fraud and Fiduciary: Multiple mitigating measures at the corporate level and at the PR/ grant level including mandatory GF direct payment to certain suppliers, new interim measures for Bank Account Management, 2-factor authentication, fraud risk assessment to be inclusive of cybersecurity risks, etc. This is an ongoing Mitigating measure.						Audit reports of grants + self-audits of the internal GF processes.
MA-6674	Accounting & Financial Reporting by Countries: Integrated approach to capacity strengthening and in-country risk reviews instituted through joint assessments/deep dives of implementers to assess root causes and effectiveness of mitigating measures at country level.						Review of progress of Capacity-Building action plans
MA-6680	Accounting & Financial Reporting by Countries: Continuous monitoring of outcomes of assessment of implementers in financial management (via the FMIR tool targeting High Impact and core countries) and reporting on improvements across 6 key financial management areas including financial absorption as part of supporting optimal grant management by implementers.						Review of progress and actions taken in case of delays.

MA-6681	Accounting & Financial Reporting by Countries: Proactive monitoring by Finance senior management via Monthly Monitoring Meetings (MMM) to continue performing quality assurance, monitor timely validation, and improve the overall reconciliation and closure process as well as achievement of the Key Mitigating Actions and Closing of OIG AMAs.			
		Overall Status		Risk mitigation is on track. There are no material delays.
Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-6537	Grant-Related Fraud & Fiduciary: Most of the HI and Core countries have or are planning to put into place additional mitigating actions to address the additional risks and challenges to core financial processes due to COVID-19. Example of these include: - LFA review of the procurement processes for all major procurements, including mandatory minimum assurance in the prioritized 45 high investment portfolios- Increased use of mobile payments and indirect cash transfers - Pooling of PPE procurements - Increased LFA oversight of SRs - Revision of the FM manual to document new controls aimed at addressing challenges associated with the new COVID-19 environment - Inclusion of fraud experts in the LFA teams - Increased information sharing on payments and markets operations affected by COVID-19 in countries - Introduction of strong Quality assurance review of the C19RM 21 submissions. This is an ongoing Mitigating action and will continue throughout the cycle. Timeline for completion updated.	Underway	31-12-2022	PFC
MA-6538	Grant-Related Fraud & Fiduciary: Perform desk reviews (as opposed to in-country diagnostic travel missions) to maximize coverage on countries for in-country capacity strengthening. This will be applicable to the new cohort of countries for 2021 as per SO-2g KPI 6c targets. Mitigating action reconducted for 2022.	Underway	31-12-2022	PFC
MA-6539	Grant-Related Fraud & Fiduciary: Provision of oversight and monitoring of grant-level financial Key Mitigating Actions (KMAs) across the portfolio	Underway	31-12-2022	PFC
MA-6540	Grant-Related Fraud & Fiduciary: Develop, update and implement anti-Fraud Risk Guidelines to provide guidance to Country Teams on how to manage fraud within the context of wider discussions on implementation of the Policy to Combat Fraud and Corruption (PCFC). The Development and updating of anti-Fraud Risk Guidelines was deprioritized due to lack of resources. Reprioritization status update to be provided in the next ORR reporting.	Underway	31-03-2022	Ethics
MA-6547	Grant-Related Fraud & Fiduciary: Enhance the governance and oversight in the process to change implementers (PRs) and the financial risk and assurance model for IOs/INGOs in order to enhance the financial assurance and effectiveness of mitigating measures.	Underway	31-12-2022	PFC
MA-6551	Grant-Related Fraud & Fiduciary: Assess effectiveness of the fiscal agent model and develop a robust transition approach (including impact analysis) for removal of fiscal agents based on the recently approved risk appetite framework.	Underway	31-12-2022	PFC
MA-6552	Grant-Related Fraud & Fiduciary: Develop systems-generated reports linking recoveries and PUDR-reported ineligible. These reports to be aligned with the new OPN on recoveries.	Underway	31-12-2022	PFC
MA-6824	Grant-Related Fraud & Fiduciary: Improve absorption oversight through increased levels of reporting by PRs via pulse checks and other regular reporting to ensure adequate follow-up of the execution of C19RM activities. Finance to act as an early warning in case of signs of potential under absorption.	Underway	31-12-2022	PFC
MA-6825	Grant-Related Fraud & Fiduciary: Conduct a Fraud Risk Assessment in 10 HI and Core countries selected based on risk profile.	Underway	31-12-2022	PFC
MA-6675	Accounting & Financial Reporting by Countries: Optimization of the cash management processes and foreign exchange risk exposure through the roll-out of a Foreign Exchange in Grants framework (as approved by MEC in November 2018) for grant implementation including PPM charge back to manage FX on cross-currency grant disbursements.	Underway	31-12-2022	PFC
MA-6679	Accounting & Financial Reporting by Countries: Financial management strengthening initiatives result in action plans put in place and achieving an 80% completion rate for actions due, in 54 cumulative targeted countries (i.e. 44 cumulative by 31st December 2020 and 10 new countries by 31st December 2021)	Underway	31-12-2022	PFC



08 - In-Country Governance		Risk owner: GMD		2021-Q4		Approved by MEC			
Risk Description	Inadequate national program governance, Principal Recipient (PR) oversight of grants, and non-compliance with Global Fund requirements for the effective management of grants.								
Risk Impact	Poor national program governance and grant oversight results in under-performance of grant supported programs, poor value for money, fraud, reputation damage to the Global Fund and ultimately failure to achieve impact against the three diseases.								
Change since last quarter	No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Moderate			
Residual Risk	Moderate	Risk Appetite	Moderate	Target Risk	Moderate	Target risk timeframe	Not Applicable		
Key Partners	Bilateral donors such as the US and France provide focused technical assistance to PRs on grant management.								
Key Countries	Bangladesh, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Nigeria, Pakistan, Rwanda, South Africa, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia, Zimbabwe								
Root Cause							Related Action		
<div>- COVID-19 restrictions have limited the ability especially those in-charge of governance to undertake oversight visits or hold regular in-person meetings with implementers, beneficiaries, multilateral and bilateral partners, technical assistance providers and other stakeholders to monitor progress of grant activities and take corrective action as required. CCM members are providing “alternative” ways to prove dialogue and inclusiveness: electronic messages, emails, social network messages, etc to demonstrate compliance to eligibility requirements.</div> <div>- Poor IT infrastructure, internet connectivity and personal skills to manage technology has also created inequalities in access and attendance to online meetings and have led to various limitations to strong engaged stakeholder coordination and management</div> <div>- Further, the full effects of implementation disruptions and impact to beneficiaries cannot be easily measured or quantified through routine data systems and this poses an additional challenge for PR management to monitor to grants.</div> <div>Inadequate PR management and reporting capacity, and inadequate oversight of PRs due to weaknesses in CCM engagement structures and coordination.</div> <div>Inadequate processes for SR selection and limited SR oversight.</div> <div>Suboptimal human resource capacity at the PR level.</div> <div>Ineffective or absent internal controls at the PR level.</div> <div>Ineffective government oversight over the implementation of the disease strategies by national programs</div> <div>Unclear lines of authority and responsibility from national to subnational levels to implement disease strategies.</div> <div>Inadequate policies, processes, procedures, tools and protocols to identify and mitigate risks at PR and SR level</div> <div>Absence of human resource capacity development plans and consequent gaps in health staff training for the delivery of health services.</div> <div>Suboptimal collaboration between PRs, national disease programs, government and non-government stakeholders.</div> <div>Insufficient prioritization of financial and human resources allocation to disease programs by national and subnational governments.</div> <div>Ineffective planning, budgeting, implementation and supervision performed by national disease programs</div>							MA-6785		
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							Current controls & mitigations		
MA-6786	Implementation arrangement mapping conducted for all new grants.					LFA spot checks reports			
MA-6787	PR selection, prior to Technical Review Panel and Grant Approvals Committee approval, that meet Global Fund minimum standards for internal controls and capacity.					External audit reports			
MA-6788	Grant making actions specifically to address implementation and capacity challenges prior to grant signing.					Review design and/or effectiveness of the internal control environment			
MA-6789	Grant implementation monitoring focusing on oversight and supervision done by government entities and national disease programs respectively.					Joint programmatic, supply chain and financial spot checks			
MA-6790	Comprehensive assurance plans developed for all High Impact and Core portfolios highlighting agreed upon mitigating actions to address national program governance and grant oversight.								
MA-6792	Updated Operational Policy Notes released for differentiated risk management across the grant lifecycle; strengthened assurances with additional resources made available to country teams allowing improved Global Fund oversight and compliance monitoring.								
MA-6793	Integrated Risk Management Module rolled out to ensure better analysis of PR oversight and management of risks and the identification and roll out of mitigating actions to improve implementer capacity as well as national program governance.								
Overall Status						Risk mitigation is on track. There are no material delays.			
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-6785	Comprehensive measures planned and initiated to mitigate this risk and ensure that the new risk drivers will not have long term consequences to Global fund grants. Specific initiatives include: - Monitor COVID-19 disruptions through the COVID-19 country monitoring tool (systemized survey tool administered by LFAs and integrated into Pulse Checks through Q4 2021), to recognize when grant flexibilities and GF intervention is needed to try and mitigate downstream risk impact - Business Contingency flexibilities for the Grant Life Cycle processes in response to the COVID-19 disruptions, and to lower the burden on in-country partners including e.g. on capacity assessments for new implementers, Funding Request development, grant-making etc. Processes are also in place for close follow-up to ensure compliance. - Roll-out the enhanced framework for assessment of in-country governance risks. The new framework integrated into the IRM delineates 5 levels of in-country governance and allows for better analysis of the coordination, management and oversight issues in the broader health sector, the national disease programs, the CCM and PR/SR level implementation effectiveness relationships and risks. - Support to CCMs, PRs and implementers to continue remote meetings and shifting planned trainings and cross-learning events to online format where appropriate. Grant flexibilities approved to enhance IT infrastructure for PRs and SRs - Support to PRs to develop contingency plans to ensure continuity of services and safeguard GF assets and alternative approaches for providing assurance including higher reliance on use of partners or communities.					Underway	31-12-2022	GMD-CT	
MA-6794	Roll out of CCM Evolution to strengthen CCM capacity in all High impact, core and focused portfolios.					Underway	01-12-2023	GMD (GPS)	
MA-6791	Develop, test and implement initiatives aimed at improving implementer capacity, internal controls, risk management and overall PR management processes for improved grant oversight.					Planned	31-12-2023	GMD (GPS)	
MA-6795	Development and roll out of front line risk management approach (aligned to the roll out of CCM evolution).					Planned	01-12-2023	Risk	

09 - Quality of Health Products				Risk owner: SO		2021-Q4	Approved by MEC				
Risk Description		Patients exposed to health products of substandard quality; i.e. health products (purchased by Global Fund-supported programs) that are not safe, effective and/or of good quality.									
Risk Impact		Substandard quality resulting in poor health outcomes for patients, including death or morbidity; increased drug resistance; and reduced impact of Global Fund investments.									
Change since last quarter		No change	Current direction of travel		Steady	Global Fund ability to mitigate		Moderate			
Residual Risk		Moderate	Risk Appetite		Moderate	Target Risk		Moderate	Target risk timeframe		Not Applicable
Key Partners		Agencies of the US Government, World Bank, World Health Organization, UNICEF, STOP TB and GAVI have a minor to moderate ability to mitigate health product quality risk.									
Key Countries		Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, Guinea, India, Kenya, Malawi, Mozambique, Myanmar, Nigeria, Pakistan, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia									
Root Cause									Related Action		
Weaknesses in downstream in-country QA mechanisms, including gaps in national pharmacovigilance and post-market surveillance.									MA-6726 MA-6728 MA-6729 MA-6730 MA-6732 MA-6733 MA-6735 MA-6738 MA-6739 MA-6740		
Weaknesses in the upstream HP lifecycle (incl. limitations in market authorization mechanisms), leading to increased risk of entry of inadequate HPs in the market. Of current note, COVID-19 has reduced workforce capacity and mobility of sampling and Quality Control service providers to conduct timely pre-shipment sampling and testing.									MA-6724 MA-6725 MA-6726 MA-6727 MA-6728 MA-6734 MA-6736 MA-6739 MA-6740		
Procurement of substandard health products i.e. procurements outside the list of commodities which are WHO prequalified / SRA approved or Expert Review Panel (ERP) recommended. Of note, limited quantities of quality assured COVID-19 focused commodities, especially PPE and oxygen, on the global market have the potential to encourage non-PPM procurement of commodities of non-assured quality.									MA-6724 MA-6725 MA-6727 MA-6728 MA-6731 MA-6734 MA-6736 MA-6739 MA-6740 MA-6737 MA-6830		
Weak supply chain systems that store, transport, distribute, control, monitor and maintain product quality throughout the in-country supply chain.									MA-6724 MA-6728 MA-6729 MA-6730 MA-6732 MA-6733 MA-6738		
Lack of implementation of good dispensing practices.									MA-6726 MA-6727 MA-6729 MA-6732 MA-6738 MA-6739 MA-6740		
Relying on WHO or SRA Emergency procedures for COVID-19 commodities which are less stringent mechanisms on less documented evidence to allow the products to be procured as per TGF interim guidance.									MA-6737 MA-6830		
Current controls & mitigations									Assurances		
MA-6724		Ongoing engagement with partners and other donors to ensure alignment of quality standards. When needed, coordination with partners, manufacturers, and stringent regulatory authorities to issue information notes on quality or safety issues related to products that have been procured with Global Fund resources.									
MA-6725		ERP process to support introduction and provide access to innovative health products established in collaboration with WHO.									
MA-6727		Implementation of Global Fund Quality Assurance (QA) policies and continuous improvement of the QA requirements based on evolving needs, including issuance of interim QA Requirements for the Procurement of COVID-19 medical devices, diagnostics and pharmaceutical products procured with Global Fund resources and revision of PSM guide to update PPE QA requirements.							Enhanced non-compliance database is regularly updated to track and consolidate instances of non-compliance with the Global Fund QA policy and outcomes. Verification of product eligibility within procurement transactions through PQR.		
MA-6729		Implementation of country-specific Quality Assurance/Quality Control plans using grant funds to monitor product quality throughout the in-country supply chain as per grant requirements.							Review of in-country quality monitoring activities		
MA-6731		Procurement through PPM, and UN agencies through memorandum of understanding, provide increased assurance that products meet internationally recognized standards of quality as centralized procurement facilitates QA compliance monitoring by GF.									
MA-6732		Many grants support supply chain strengthening and logistics operations, in particular storage and distribution which indirectly contribute to maintaining product quality by ensuring compliance with best practices.									
MA-6733		Targeted RSSH investments for strengthening selected countries pharmacovigilance systems in order to identify and take appropriate action in response to adverse reactions.									
MA-6736		Health Product Risk Committee (HPRC) established to review risks related to quality of health products, with authority to approve on a case-by-case basis, flexibilities authorized by the Board, as well as review and decide on situations where health products ordered by implementers do not meet the expected specifications with respect to quality or other characteristics.									
									Overall Status		Risk mitigation is progressing but there are also some material delays.
Controls & mitigations in development or planned									Status	Target completion	Action owner
MA-6726		Clarify the Secretariat Quality Assurance mandate, which is phase one of the QA strategy, through 'As-is/To-be process' including the necessary activities, roles and responsibilities, in turn supporting implementation of actionable quality assurance plans.							Underway	30-06-2022	SO
MA-6728		Develop guidance and tools that support implementers to comply with quality control testing requirements for LLINs (linked to GF-OIG-21-001, AMA #4.2)							Underway	30-06-2022	SO
MA-6730		Development of procedures to investigate and support countries to identify and remove ineffective or dangerous products from the market. Collecting and considering publication by stringent regulators such as Notice of Concern by WHO, Warning and Notice of Violation Letters by SRAs esp. USFDA to capture external risk identified.							Underway	30-06-2022	SO
MA-6734		Ongoing support via Strategic Initiatives to the Expert Review Panel (ERP), coordinated by the WHO, to accelerate access to innovative diagnostics and medicines, permitting more innovative products to be eligible for procurement with GF-funding sooner, including COVID-19 related products.							Underway	30-12-2023	SO
MA-6735		Strategic Initiatives funding to support pharmacovigilance (PV) for innovative medicines by building in-country PV capacity in selected pilot countries to improve surveillance on patient outcomes from innovative medicines.							Underway	30-12-2023	SO
MA-6737		Strategic Initiative funding to strengthen WHO capacity to review new health products (3 diseases and COVID), including development of well-defined PQ processes for medical devices and PPE that are essential to the COVID response.							Underway	30-12-2023	SO
MA-6738		Implement upcoming QA related As-Is-To-Be recommendations.							Underway	30-12-2023	SO
MA-6739		Recruitment of one additional staff position to support QA activities for Medical devices and PPE							Underway	30-09-2021	SO
MA-6830		Development and publication of new guidance documents and lists to advise recipients on the best practices to implement the newly published QA requirements on PPE or MD for Oxygens procurement.							Planned	31-12-2022	SO

10 - Human Rights & Gender Inequality		Risk owner: CRG		2021-Q4		Approved by MEC		
Risk Description	Human rights and gender related barriers, including stigma and discrimination, and insufficient investment in programs to reduce those barriers, limit access to health services.							
Risk Impact	Failure to address human rights and gender related barriers can result in failure to achieve impact through Global Fund investments, in as much as they hinder access to and retention in services for key and vulnerable populations.							
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Significant		
Residual Risk	High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable	
Key Partners	UN, Bilateral, Foundation and Civil Society partners provide advocacy support							
Key Countries	a) Human Rights-risk indicator related countries: DRC, Mozambique, Uganda, Botswana, Kenya, South Africa, Indonesia, Côte d'Ivoire, Honduras, Jamaica, Cameroon, Senegal, Benin, Nepal, Philippines, Kyrgyzstan, Tunisia, Sierra Leone, Ukraine, Ghana; b) Gender inequality risk-related countries: Lesotho, Tanzania, Mozambique, Swaziland, Uganda, Malawi, Botswana, Kenya, South Africa, Namibia, Cameroon, Zambia, Zimbabwe							
Root Cause						Related Action		
Limited recognition of the specific and unique expertise key and vulnerable populations have in contributing to effective programming.						MA-6676		
Country capacity and/or unwillingness to collect and analyze gender and age disaggregated data, and data on key and marginalized communities, hinders the development and implementation of interventions that act to remove barriers for these communities.						MA-6659		
COVID-19 has resulted in increased human rights violations, including a spike in gender-based violence and in police violence against criminalized and marginalized populations. Disruptions have also limited the engagement of communities in programs and Global Fund processes. COVID-19 related restrictions, use of administrative measures and other efforts to control the pandemic have penalized the most vulnerable and marginalized- women and young girls (increase in GBV), sex workers (loss of livelihood, food, shelter or access to care), LGBTI (law enforcement agencies used to harm, harass and arrest) and led to serious avoidance of health facilities and disrupting and/or delaying the delivery of programs to reduce human rights and gender-related barriers to services and programs for key and vulnerable populations. Need for further work to articulate what gender-responsive program adjustments should look like, and very few C19RM proposals and grants include specific provisions to address increased human rights- and gender-related barriers.						MA-6657		
Harmful and / or discriminatory social and cultural practices place key and vulnerable populations at increased risk of contracting HIV, TB and malaria and limit their access to health services.						MA-6656 MA-6658 MA-6660 MA-6661		
Limited political will and leadership to address human rights and gender related barriers prevents appropriate interventions from being incorporated into programs, and their implementation.						MA-6656 MA-6658 MA-6659 MA-6660 MA-6661 MA-6662		
Harmful laws, regulations, policies, or practices hinder access to services for key and vulnerable populations.						MA-6656 MA-6658 MA-6660 MA-6661		
Limited understanding of how failure to address human rights related barriers to services reduces the impact of the disease response, and of which programs are effective at reducing these barriers, prevents them from being prioritized for investment.						MA-6658 MA-6659		
Gender and age often impact on risk to disease, ability to access services, and the quality of services provided. If services do not address gender and age-related risks and barriers, they will be less effective and result in poorer health outcomes.						MA-6703 MA-6704		
Limited understanding of how failure to address barriers reduces the impact of the response, and which programs are effective at reducing barriers, prevents incorporation of programs to reduce these barriers.						MA-6704 MA-6705		
Current controls & mitigations						Assurances		
MA-6656	Implementation of the 'Accelerate' initiative to transform CRG's operating model to enable a more systematic and rigorous approach to partnering with Country Teams.							
MA-6659	In BDB countries, longer-term implementation support TA is being put in place to ensure human rights interventions in new grants are quality, integrated interventions and will be implemented effectively and efficiently. Other focus is on ensuring programming evolves to reflect lessons learned from mid-term assessments; and that in priority countries detailed, jointly owned workplans will be developed, with GMD and TAP, to enable reaching KPI 9a targets.					Regular reporting on progress on KPIs 5, 8 and 9; KPI 8 reporting includes a qualitative review of 2017-2019 funding applications and the most recent reporting on KPI 8 indicators; all updated technical briefs are published and on-line;		
MA-6676	For the 2020-2022 implementation cycle the CRG SI has successfully contracted 26 pre-approved TA providers; 11 KVP networks and organizations across the 3 diseases; and 6 civil society and community organizations to host regional communication and coordination platforms to support meaningful engagement of civil society and community in GF-related processes. The CRG SI Coordination mechanism is supporting coordination with technical and bilateral partners as well as other SIs to maximize efficiency and avoid duplication and most recently the CRG SI partnerships have been leveraged to support civil society and community engagement in C19RM.							
MA-6704	Improving gender-responsive programming: The Global Fund launched a "precision prevention" focus in order to improve the coverage and quality of prevention interventions in focus countries, including the AGYW portfolio. The AGYW SI is scaling up targeted TA in specific areas including SRHR integration, and design and costing of the package of interventions. An additional piece of guidance has been developed on how to ensure that the human rights investments are gender responsive and transformative.					Gender equity IRM has indicator to track TRP assessment of gender responsive grants. AGWY SI has a MEL framework which will be reported to the Secretariat.		
						Overall Status	Risk mitigation is progressing but there are also some material delays.	
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-6657	Breaking Down Barriers - Long-term TA support to enable countries and implementers build upon the lessons learned from mid-term assessments to (a) overcome delays in delivery of programs and (b) adapt and/or expand programming to respond to increased or different needs; Support the implementation of human rights and GBV and broader CRG components of C19RM grants,					Underway	31-12-2022	CRG
MA-6658	Revised KPI 9c includes benchmarks and targets for domestic spending on key population prevention programs, including PrEP; and programs to reduce human rights-related barriers to services. Work is starting in priority countries to ensure benchmarks and targets are met and to ensure human rights and key population prevention programs become important focus of the overall Global Fund domestic health financing agenda, as critical to the sustainability of the work in these areas.					Underway	15-12-2022	CRG
MA-6660	Support selected CTs in WCA and LAC to ensure safety & security concerns of implementers and clients of KP services are addressed; and more broadly on building Secretariat understanding of how safety and security needs can be addressed more proactively and routinely, with funds reserved for measures and programs to address risk.					Underway	15-12-2022	CRG
MA-6661	Document lessons learned from BDB and human rights work to guide operationalization of the human rights, gender equality and equity component of the new Global Fund Strategy (2023-2028) and allow for scale up of comprehensive programs and approaches to remove human rights and gender-related barriers across the portfolio.					Underway	15-12-2022	CRG



MA-6662	Assessment of effectiveness of integration of human rights considerations into grant life cycle and policy making processes, and identification of opportunities for strengthening.	Underway	31-03-2022	CRG
MA-6832	Review of implementation of “Accelerate” initiative to identify lessons learned and make adjustments needed at CRG and GMD level to ensure that objectives of initiative are met.	Planned	15-12-2022	MECA
MA-6703	Data driven decision making 1. Draft, pilot and use gender equity indicators to improve gender inequality risk assessment and implement appropriate mitigation plans. Trainings undertaken, together with the Human Rights Risk trainings. 2. Support the use of data collection tools on gender through the grants as appropriate including UNAIDS gender assessment, Stop TB's CRG Assessments, and RBM's Malaria Matchbox. 3. Document lessons learned to inform the Strategy Delivery Working Group on Human Rights, Gender Equality and Equity, to ensure greater focus in the new Global Fund Strategy (2023-28) translates into optimizing the change levers to advance it.	Underway	15-12-2022	MECA

11 - Transition		Risk owner: HFD			2021-Q4		Approved by MEC			
Risk Description		Countries are unable to sustain and scale impact when they transition towards full domestic financing and program implementation of the national disease response/s.								
Risk Impact		Unsuccessful transition can result in, among other things, service disruption or lack of continuity of services (especially for key and vulnerable populations), inability to continue to scale service provision in line with global and national targets, a reduction in the quality of services provided (including access to quality assured and affordable health products and commodities), and limited ability of existing national civil society and community organizations to sustain programs and build capacity without external financing. As a result, the three diseases could remain public health threats in countries no longer eligible for Global Fund support or a continued epidemiological challenge could threaten the past gains of GF and national financing.								
Change since last quarter		No change	Current direction of travel		Steady	Global Fund ability to mitigate		Minor		
Residual Risk		High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable		
Key Partners		Development banks, the World Health Organization, UNAIDS, civil society organizations, private foundations and others.								
Key Countries		Under the Sustainability, Transition and Co-Financing (STC) Policy, all Upper Middle-Income Countries (UMIC) and Lower Middle-Income Countries (LMIC) with "Not High" high disease burden are considered "Transition Preparedness" priorities. For 2020-2022, this is a cohort of approximately 66 disease components (including those receiving transition funding but not including COEs or components within multi-country grants). Of these 66 components, 17 components are projected to fully transition from Global Fund financing prior to or during the 2026-2028 allocation cycle, 6 components are receiving transition funding in 2020-2022.								
Root Cause								Related Action		
Dependence on Global Fund financing for key interventions of the national disease response.								MA-6682 MA-6683 MA-6684 MA-6685 MA-6686		
Limited country ownership of the transition process, including lack of advanced planning.								MA-6682 MA-6686		
Unclear financial resources for transition contexts, given uncertainty in long-term GF allocations, unclear trends in financing of other major development and health partners, and changing environment for overall global health financing.								MA-6682 MA-6683 MA-6686		
Limited political will to address the underlying economic, political, legal and social issues that affect transition preparedness.								MA-6682 MA-6685 MA-6686		
Continued epidemiological challenges and programmatic gaps in the national disease responses, particularly amongst key and vulnerable populations.								MA-6682 MA-6683 MA-6686		
Current controls & mitigations								Assurances		
MA-6683	Embedding STC Principles and Practices through the operationalization of the STC policy - including (but not limited to): a) publication of updated 2019 STC Guidance Note with specific disease and technical area annexes, and other related guidance (i.e., OPN on co-financing, 2020 transition projections document, Value for Money Technical Note, "social contracting" diagnostic); b) setting co-financing incentive amounts for 2020-2020 allocation, inclusion of tailored co-financing messages in allocation letters, and negotiation of specific co-financing commitments as part of 2020-2022 grant approvals; c) enhancement of 2020-2022 funding requests to strengthen sustainability, transition, and co-financing focus in line with lessons learned; d) Ongoing incorporation of STC considerations into CCM Evolution initiative; e) Development and AFC endorsement of structured approach to innovative finance and Framework for Investments in Blended Finance; f) continued provision of transition funding to components who have become ineligible; continued implementation of 2017-2019 transition funding grants and provision of allocations for previously ineligible grants with continued epidemiological challenges; as relevant, extensions of transition grants to support continued efforts to address transition challenges; overall increases in allocations to "transition preparedness" cohort countries in 2020-2022 cycle; g) approval of expanded use of Wambo for non-grant funding (including domestic financing), including in transitioned countries; h) integration of SISF experts into the Technical Review Panel, and continued focus of TRP on STC considerations; i) development and ongoing implementation of Secretariat efforts to enhance internal capacity on STC and Health Financing.							Transition Readiness Assessments; Co-financing compliance monitoring; Ongoing review of transition preparedness activities in GAC review of grants		
MA-6684	Strengthened organizational focus and Secretariat coordination on transition and STC, in collaboration with Grant Management Division, including: development of Health Finance department to support overall health financing and sustainability / transition efforts (with increases in available resources), in addition to continued prioritization of Grant Management. This is a major Secretariat initiative to step up the Global Fund Secretariat's engagement in health financing and efforts to strengthen overall sustainability/value for money.									
MA-6687	Strengthened organizational focus and Secretariat coordination on transition and STC, in collaboration with Grant Management Division -- development of joint OIG, TRP, TERC, and Secretariat recommendations to guide STC policy implementation in 2020-2022; b) embedded sustainability / transition specialists within AELAC.							2018 OIG audit on Transition, TERC 2019 Thematic Review on STC Policy		
MA-6688	While the COVID impact on national disease programs and macro-economic conditions is increasingly becoming clearer, it is still not completely clear exactly how COVID-19 will affect the Global Fund's overall efforts to support successful transitions, and implications are likely to vary significantly based on country context. In the short term, there are operational challenges as countries continue to grapple with lockdowns, programmatic performance of countries is impacted, and national stakeholders increasingly focus on COVID-19 priorities. In the long term, COVID-19 is likely to impact domestic financing for externally financed interventions and other aspects of the Global Fund's transition preparedness efforts. At present, the STC Policy offers the appropriate flexibility, tools, and focus to support ongoing efforts to enhance transition preparedness despite the challenges presented by COVID-19. In the short term, two critical areas that may be potentially impacted include: i) continued provision of services for Key and Vulnerable Populations (KVPs) and ii) realization of co-financing commitments for specific interventions critical to the national disease responses. Maintaining focus on strengthening sustainability of these services and continuing to advocate for realization of co-financing commitments (with appropriate flexibility, as needed) will be essential as part of the broader efforts to support countries to successfully transition from Global fund financing. Supporting countries to strengthen transition preparedness will remain a long-term strategic priority and key pillars of our transition efforts (including strengthening health systems, enhancing national planning, raising additional domestic financing and strengthening domestic uptake of key interventions, etc.) will continue. Most existing controls / mitigations related to the transition risk are embedded into Global Fund operations and processes and will continue despite COVID-19, with some modifications to timelines and implementation arrangements, based on country context.									
Overall Status								Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned								Status	Target completion	Action owner
MA-6682	Implementation of STE-SI -- Implementation of the GAC approved Sustainability, Transition & Efficiency Strategic Initiative for the 2020-2022 cycle, with a continued focus on (but not limited to): i) advancing robust national (and regional) transition planning, including in portfolios beyond the transition preparedness cohort to enhance focus on early, robust planning in line with joint recommendations; ii) provision of TA to address transition bottlenecks, including those related to RSSH transition challenges; iii) strengthening public financing of CSO service delivery (i.e., "social							Underway	31-12-2022	SI

	contracting"); iv) ongoing efforts to enhance expenditure tracking across Global Fund portfolio; v) ongoing efforts to enhance efficiency across Global Fund portfolio.			
MA-6685	Strategic Partnerships, in collaboration with Grant Management Division - 1) Maintain engagement and collaboration on sustainability and transition planning with development partners, including (but not limited to) UNAIDS, USAID, GIZ, OSF, WHO, STOP TB and GDF; 2) maintain health financing collaborations with partners, particularly with GAVI, GFF, WB, Regional Development Banks, and other relevant agencies; 3) Maintain efforts to ensure high quality engagement with civil society and community groups to effectively engage in and support the STC agenda, including via CRG Strategic Initiative implementation in the 2020-2022 cycle.	Underway	31-12-2022	SI
MA-6686	Embedding STC Principles and Practice through the operationalization of the STC policy, in collaboration with Health Finance Department: i) Systematic review of STC considerations and co-financing compliance for remaining portfolio grants to be approved in 2021, including grants in the transition preparedness portfolio; ii) continued support for cross-Secretariat coordination through a joint STC and Health Finance Steering Committee; and iii) continued coordination with sustainability/transition specialists within AELAC on key regional priorities.	Underway	31-12-2022	GMD
MA-6823	Review of transition grants and case by case consideration of extensions in exceptional circumstances to mitigate ongoing transition challenges. Secretariat has conducted a review of existing transition grants and on a case-by-case basis is leveraging flexibilities in the STC Policy where needed to consider extending transition grants and/or leveraging Portfolio Optimization funding to support these extensions, in order to mitigate transition challenges (including those exacerbated by Covid-19).	Underway	31-12-2022	GMD

12 - Drug & Insecticide Resistance			Risk owner: TAP		2021-Q4	Approved by MEC		
Risk Description		Increased resistance to drugs and insecticides used to fight the three diseases can lead to increased morbidity and mortality. Inconsistent treatment regimens, low quality pharmaceuticals, and interruptions in health product supply foster drug resistance that threatens public health. Insecticide resistance on the other hand is the risk that the effectiveness of existing insecticide-based vector control tools are undermined by the increasing development of mosquitoes resistance to insecticides used in long-lasting treated nets (LLINs) and indoor residual spraying (IRS)						
Risk Impact		Drug resistance can lead to treatment failures and heightened disease burdens across portfolios, negatively impacting the Global Fund mission and investments. The development of resistance to insecticides used in LLINs and IRS diminishes the effectiveness of vector control tools which have been critical in interrupting transmission and can negatively impact investments in Malaria control.						
Change since last quarter		No change	Current direction of travel		Steady	Global Fund ability to mitigate		Moderate
Residual Risk		High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable
Key Partners		WHO, RBM, US Government agencies, the World Bank, the Alliance for Malaria Prevention, and the Innovative Vector Control Consortium are key partners in mitigating the risk of Drug and Insecticide Resistance.						
Key Countries		Top countries by allocation amount and catalytic investments* (new LLINs) : Nigeria,Tanzania,DRC,Mozambique*,India,Zimbabwe,Uganda,Malawi,Ethiopia,Benin*,Kenya,South Africa,Zambia,Myanmar,Indonesia,Côte d'Ivoire,Rwanda*,Pakistan,Ghana,Cameroon,Bangladesh,Burkina Faso*,Sudan,Viet Nam,Ukraine,Mali*						
Root Cause								Related Action
Root Causes of Drug Resistance include: (a) insufficient financing for effective response activities; (b) inadequate diagnostics and poor treatment adherence; (c) poor quality health products; (d) instability of drug supply; (e) undertrained public health workers and inappropriate use of drugs								MA-6643 MA-6644 MA-6646 MA-6647 MA-6649 MA-6650 MA-6651 MA-6653 MA-6655
Root Causes of Insecticide Resistance include: (a) insufficient financing to procure new vector control tools; (b) inadequate and inconsistent insecticide resistance monitoring and surveillance; (c) insufficient data on IR and in-country capacity to collect and analyze data; (d) lack of a clear framework to define and guide how and what is sufficient capacity for entomology and vector control monitoring and implementation								MA-6644 MA-6645 MA-6646 MA-6648 MA-6649 MA-6651 MA-6652 MA-6654
The COVID-19 pandemic has significant implications to programs supported by the Global Fund as it is likely to negatively impact communities affected by HIV, along with the health systems that serve them. Key and vulnerable populations and AGYW are likely to be affected disproportionately more than others, particularly with regards to HIV risk. The operation of prevention programs, such as VMMC, could be impacted as they may be considered non-essential, or people cannot access prevention and treatment services due to lock downs and physical distancing policies, or essential commodities for prevention and treatment do not reach clients. Probable outcomes and impact of COVID: decrease in HIV testing & diagnosis, limited access to key prevention interventions, drop in adherence to ART, potentially leading to increased HIV incidence and AIDS-related deaths								MA-6640 MA-6641
Vector control threatened by inability to achieve or maintain coverage over time. For LLINs specifically, lack of usage may also limit impact even if sufficient ownership. Insecticide resistance to pyrethroids will continue to develop and reversal of transmission reduction due to vector control will occur if mitigating actions not taken. Case management challenged by insufficient access to care and poor quality services (including lack of parasitological diagnosis, poor adherence to clinical algorithms and accurate reporting and recording) (The impact is exacerbated in high-risk environments that account for a significant portion of Global Fund investments.								MA-6642
The COVID-19 has disproportionately affected TB due to the fact they are both respiratory diseases and there is overlap of symptoms and approaches to respond to both diseases. Many of TB resources were diverted to COVID-19 responses including diagnostics such as GeneXpert machines and MDR-TB wards. This caused wide disruption to TB services especially Drug Resistant TB. Data from the Global Fund Indicator Monitoring survey showed that there was a decline of 27% for drug susceptible TB and 39% for MDR-TB in September 2020.								MA-6650
Current controls & mitigations								Assurances
MA-6640	The Global Fund has made available funding of up to US\$1 billion to help countries fight COVID-19, mitigate the impacts on lifesaving HIV, TB and malaria programs, and support health systems. A portion of this funding will be available to mitigate impact on HIV programs.							WHO Insecticide resistance 'threats maps'
MA-6641	Guidance (internal and from WHO) has been elaborated on how to prioritize continuation of essential HIV programs activities and mitigate the impact of COVID-19 epidemic. This guidance was shared with country teams and an external information note on COVID/HIV mitigation published in April 2020.							Therapeutic efficacy studies (with Global Fund resources and/or other sources of funding)
MA-6642	i. Sub-national stratification to target vector control tools to maximize impact and efficiency. ii. Expanding access to care via appropriate channels (public, community versus private). iii. Enhancing quality of service provision given access. iv. Scale up of synergist LLINs to address pyrethroid resistance							Five in-country deep-dives designed to validate country supply chain segmentation
MA-6643	Global Fund Quality Assurance policies for finished pharmaceutical products & diagnostics help ensure products meet efficacy standards; this reduces the risk of drug resistance.							Supply chain diagnostics in twenty prioritized countries to gain insight into stability of drug supply
MA-6644	WHO normative guidance regarding appropriate treatment guidelines and protocols in place; Global Fund support for implementation of new WHO guidelines regarding Drug Resistant Tuberculosis and for the development of national insecticide resistance management strategies.							Reports from LFA spot checks
MA-6645	Regional Artemisinin Resistance (RAI) program in the Greater Mekong Sub-region, working towards malaria elimination in the region.							Technical partner reports
MA-6647	Global Fund grant support for behavior change communication, fixed dose combination therapies and support programs to improve patient adherence to antimalarial treatment.							
MA-6646	Global Fund grants support countries to implement changes in drug policy when necessary; accelerated uptake of innovation to maximize value for money (e.g. change to DTG for treatment of HIV, shorter TB regimens, next generation of bed nets).							
MA-6648	Global Fund support for the WHO Innovation to Impact (I2I) Initiative; I2I works to develop and deliver new vector control products to stay ahead of resistance.							Drug resistance surveillance reports
MA-6649	Significant ongoing attention to ensure the quality and efficiency of grant-funded services (within current budget limitations and leveraging partners as needed); effective treatment and prevention reduce opportunities for drug and insecticide resistance to develop.							
MA-6650	Global Fund support for implementation of new WHO guidelines for drug-resistant TB, including short regimens for multidrug-resistant TB (MDR-TB) and new drugs; updated Green Light Committee (GLC) MoU for MDR-TB (new simplified and central payment mechanism for GLC payments from TB grants); and support for the scale-up of new diagnostics for rapid detection of TB/DR-TB cases, as well as new drugs. COVID Information Note for TB released in April, 2020 and updated in October, 2020 and April, 2021 emphasized the need for countries to rapidly shift to oral MDR-TB medication as a mitigation measure against COVID-19.							
MA-6651	Global Fund grant support for work with local communities and private sectors to find missing TB cases and ensure							

	funding requests include insecticide resistance monitoring.	
MA-6652	Improving surveillance and enhancing capacity for public health entomology in malaria endemic countries to inform vector control strategies and track their impact on malaria transmission across the portfolio, focusing on the 10 highest burden countries.	
MA-6654	Reward innovation of new vector control tools (LLINs and IRS) that have enhanced effectiveness in areas with pyrethroid resistance by: (a) encouraging exploratory deployment and roll out to appropriate settings as indicated by the emerging global evidence-base and supported by the iterative process of normative guidance development, and (b) covering the cost differential relative to existing tools and the associated need for enhanced monitoring through a special initiative	
MA-6655	a) Support implementation of the new Global Action Plan for drug resistance (2017-21) developed under the leadership of WHO, in collaboration with CDC, PEPFAR and the Global Fund. b) Internal technical brief issued by GF (January 2019) to support fast and safe transition to new WHO regimens. ART transition guidance for GMD updated in line with July 2019 treatment guidelines (July 2019, February and March 2020).	
		<b>Overall Status</b>
		Risk mitigation is on track. There are no material delays.
<b>Controls &amp; mitigations in development or planned</b>		<b>Status</b>
		<b>Target completion</b>
		<b>Action owner</b>
MA-6653	The TB Strategic Initiative is being implemented in its current cycle 2021-2023 with scope expanded to 20 countries to find and treat missing people with TB including DS-TB, DR-TB, and TB prevention: US \$ 14 million: TB Strategic Initiative to support implementation of innovative approaches to find and treat missing people with TB through working with Stop TB Partnership and WHO; US \$ 150 million: Matching Fund for priority countries; US \$ 40 million multi-country investment for programs focused on migrants and cross-border issues, the mining sector, refugees, improved laboratory services. The signing of the grants with implementing partners WHO and Stop TB Partnership were completed by SI PMO in Q3 2021 after significant delay. The implementation of the country component for TA was initiated after SI PMO approval in April and TA has been deployed in consultation	Underway
		30-12-2022
		TAP

13 - SEAH and Misconduct			Risk owner: Ethics		2021-Q4		Approved by MEC	
Risk Description		SEAH: Failure to prevent, detect, and respond to sexual exploitation and abuse and sexual harassment (SEAH) and related abuse of power across the Global Fund partnership including: failure to raise awareness of SEAH and to identify and mitigate risk of SEAH; failure to support victims/survivors in a victim/survivor-centered, trauma-informed manner; failure to create fit-for-purpose safe spaces and reporting channels where disclosure and reporting are encouraged and supported; failure to protect the Global Fund's reputation and to uphold the Global Funds values and behaviors needed to achieve our core mission which depends on the delivery of people-centered services that are freely available to all, without fear or favor; failure to share, learn, and incorporate international best practices and to engage and empower local in-country PSEAH mechanisms and support systems. Other conduct and ethics related matters (Other C&ERM): Implementers, suppliers and other in-country partners act in contravention of the Global Fund's corporate values, its Codes of Conduct or applicable policies on ethical behavior and conduct.						
Risk Impact		SEAH: Re-traumatization of victim/survivors. Inability to provide access to GF services, medicine, and programs to vulnerable populations due to SEAH or threat of SEAH. Diminished capacity within GF or implementer workforce due to incidents of SEAH and related abuse of power. Harm to the Global Fund's reputation and resulting negative impact on relationship with donors. Other conduct and ethics related matters (Other C&ERM): Poor decision-making, potential fraud, financial loss, and / or reputation damage limits the organization's ability to deliver on its Strategic Objectives and maximize impact against the three diseases.						
Change since last quarter	No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Moderate		
Residual Risk	High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable	
Key Partners	Not Applicable							
Key Countries	Not Applicable							
Root Cause						Related Action		
Other C&ERM: Existing conflicts of interest and competing agendas						MA-6713 MA-6720 MA-6722 MA-6723		
Other C&ERM: Inadequate due diligence of new implementers, suppliers and contracts						MA-6713 MA-6718 MA-6721 MA-6722		
Other C&ERM: Inadequate implementer, supplier or partner people management capability limiting ability to drive behavioral change						MA-6713 MA-6720 MA-6723		
Other C&ERM: Inadequate grant oversight by PRs, CCMs, LFAs and the Secretariat						MA-6713 MA-6719 MA-6722 MA-6723		
SEAH: Inadequate prevention of or protection from Sexual Exploitation, Abuse or Harassment, or forms of Child Abuse.						MA-6759 MA-6760 MA-6761 MA-6762 MA-6763 MA-6769		
Current controls & mitigations						Assurances		
MA-6707	Other C&ERM: Ethics and Integrity Framework and Ethics Policy, including Conflicts of Interest, in place, underpinned by processes for Ethics case management and conflict of interest reviews					3rd Line OIG audit/investigation and annual reports.		
MA-6708	Other C&ERM: Codes of Conduct in place for grant recipients, suppliers and LFAs					LFA spot checks and reviews		
MA-6709	Other C&ERM: Policy to Combat Fraud & Corruption (PCFC) was approved by the Board in November 2017					PSEAH Training		
MA-6710	Other C&ERM: Capacity assessment of new implementers include assessment of control environment							
MA-6711	Other C&ERM: Ongoing grant implementation monitoring by Country Teams							
MA-6712	Other C&ERM: LFA and partner engagement in procurement and recruitment processes							
MA-6713	Other C&ERM: Enhancement of Conflict-of-Interest (CoI) management process, including approval and launch of an updated CoI Framework.					Evidence of communications issued. OIG clearance of associated AMA.		
MA-6717	Other C&ERM: Ongoing monitoring through OIG Whistleblower reporting and OIG investigations							
MA-6719	Other C&ERM: PCFC implementation - development of risk-based implementation plan for PCFC operationalization (including lessons learned from 3 fraud risk assessment pilots). Corresponds to AMA 3 of the 2019 OIG Audit of Ethics & Integrity.					OIG agreed to close the AMA, based on the Secretariat approved implementation plan. Implementation is now in progress.		
MA-6720	Other C&ERM: Ethics Office review of Codes of Conduct and Policies within the Ethics and Integrity Framework. Corresponds to AMA 4 of the 2019 OIG Audit of Ethics & Integrity							
MA-6722	Other C&ERM: Roll out Code of Conduct for CCM Members in collaboration with CCM Evolution. i) 12 country engagements over 3 years for enhanced due diligence of key implementer staff and key assurance providers. Part of the ongoing CCM Code of Conduct Strategic Initiative.					CCM Hub and Ethics Office tracking of DD exercises within the metrics for the overall SI.		
MA-6723	Other C&ERM: Roll out Code of Conduct for CCM Members in collaboration with CCM Evolution. ii) Roll out Code of Conduct for CCM Members (including enhancement of COI process for CCMs), with performance-based enforcement mechanism. Part of the CCM Code of Conduct Strategic Initiative.					Further updates to the Codes and other areas of the EIF will be planned and executed as continuous improvements.		
MA-6759	SEAH: Global Fund has communicated to all principal recipients and CCMs the updated prohibitions against sexual exploitation, sexual abuse and sexual harassment in funding agreements and codes of conduct, as well as the actions to be taken as part of their Prevention of Sexual Exploitation and Abuse and Sexual Harassment (PSEAH) obligations. This was done in application of an agreed action coming out of the Ghana investigation (OIG).					CCM Hub and Ethics Office monitoring of progress within the CCM Code rollout SI. Metrics for code adoption, training completion, etc. will be in the EO Annual Report & Opinion.		
MA-6760	SEAH: Developed training plan and completed the first annual cycle of trainings for relevant Global Fund staff, tailored to their specific roles. Corresponds to AMA 2 of the Ghana investigation.							
MA-6761	SEAH: PSEAH framework defines Global Fund approach to prevent and protect from harassment including sexual harassment, bullying and abuse of power in the context of Global Fund programs. This was put in place in application of an agreed action coming out of the Ghana investigation (OIG).					Board approved the update CoI Policy in June 2020. CoI management process for Governance and Secretariat now embedded.		
MA-6762	SEAH: All Codes of Conduct updated to incorporate prohibitions of SEAH and Child Abuse.							
MA-6769	SEAH: Develop an operational framework to clarify accountability and expectations around the prevention, detection and response to sexual exploitation and abuse and sexual harassment within the activities supported by the Global Fund. Corresponds to AMA 3 of the 03/2021 Ghana investigation.					The Operational Framework for PSEAH and Related Abuse of Power		
						Overall Status	Risk mitigation is progressing but there are also some material delays.	
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-6721	Other C&ERM: Roll out of the Integrity Due Diligence framework. i) (Exc. GMD) The framework is already up and running in Governance, PSE, Direct and indirect Procurement. HR is the remaining area to finalize. Corresponds to AMA 6 of the 2019 OIG Audit of Ethics & Integrity.					Underway	31-03-2022	Ethics
MA-6718	Other C&ERM: Roll out of the Integrity Due Diligence framework. ii) (GMD) Complete roll-out with risk-based approach applied to all categories of implementers. Corresponds to AMA 6 of the 2019 OIG Audit of Ethics & Integrity.					Underway	31-03-2022	Ethics
MA-6763	SEAH: Assess SEAH risk (covering implementer capacity and inherent program risk) and commence prioritized interventions required for a robust PSEAH operational plan across the portfolio. Corresponds to AMA 4 of the Ghana investigation.					Underway	23-12-2022	Ethics



14 - Future Funding			Risk owner: ERCD / HFD		2021-Q4	Approved by MEC	
Risk Description		Failure to meet the Global Fund's financial target for the Sixth Replenishment and, following the Sixth Replenishment, failure to convert pledges due to loss of donor support and confidence, major reputational damage or external factors outside of the Global Fund's control. Failure to mobilize adequate levels of sustainable domestic funding and/or effectively use existing resources to fight HIV, tuberculosis and malaria and build more resilient and sustainable systems for health.					
Risk Impact		Inability to mobilize a robust pool of new funding for country allocations for the 2020-2022 allocation period to sustain Global Fund-supported programs, and inability to maximize and sustain health and disease outcomes, particularly for key and vulnerable populations.					
Change since last quarter	No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Moderate	
Residual Risk	Moderate	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable
Key Partners	Not Applicable						
Key Countries	Not Applicable						
Root Cause						Related Action	
Donor Funding: Perceived de-prioritization or lack of responsiveness by the Global Fund to issues of concern/priority to donors (for example, RSSH, gender equality, geographic focus areas, pandemic response, etc.).						MA-6741 MA-6743 MA-6744 MA-6750 MA-6753	
Donor Funding: A negative shift in sentiment towards the Global Fund among major donors, whether due to shifts in national politics or international priorities, fatigue with the three diseases, re-prioritization of health versus other SDG priorities, or reductions in ODA more generally as a result of budgetary pressures.						MA-6741 MA-6742 MA-6743 MA-6744 MA-6745 MA-6747 MA-6750 MA-6753	
Donor Funding: Competition for resources with other institutions or new priorities, and failure to coordinate with partners and organizations working in the global health space to demonstrate complementarity and respective roles/contributions towards the achievement of SDG3 and in the broader health and development context.						MA-6741 MA-6742 MA-6743 MA-6745 MA-6748 MA-6749 MA-6750 MA-6753	
Donor Funding: Travel to donor countries, missions focused on resource mobilization and other advocacy events/political fora have been cancelled, postponed or in some cases turned virtual.						MA-6756	
Donor Funding: COVID-19 has affected the economies of donor countries, which could potentially impinge on pledge conversion schedules and impact domestic resource mobilization as governments will be unable to effectively invest in their own health systems.						MA-6747 MA-6756	
Donor Funding: The current COVID-19 context may gradually shift the attention towards emerging issues such as global health security and immunization, thereby reducing the profile of the Global Fund diseases and impacting funding.						MA-6741 MA-6752 MA-6755 MA-6757	
Donor Funding: Underinvestment in external relations activities leading to inadequate engagement of key decision-makers and influencers, a lack of adequate visibility in key donor markets, or weak advocacy through civil society or the media.						MA-6741 MA-6745	
Donor Funding: Failure to meet donor expectations, criteria or conditions for continued funding or technical/in-kind support, including under-delivery in innovation and catalytic investment-related partnerships.						MA-6741 MA-6744 MA-6745 MA-6747 MA-6749 MA-6750 MA-6751 MA-6752 MA-6753	
Donor Funding: Perceived under-performance of the Global Fund, particularly with relation to the investment case for the Sixth Replenishment, the new grant cycle, and/or misunderstanding and misperceptions related to the Global Fund model.						MA-6741 MA-6742 MA-6743 MA-6744 MA-6745 MA-6747 MA-6749 MA-6750 MA-6751 MA-6752 MA-6753	
Donor Funding: Perceived lack of data on effectiveness and impact of C19RM interventions on the ground and potential effect on donor trust and commitments.						MA-6754 MA-6756 MA-6758	
DHF: Inefficient use of available resources including ineffective Public Financial Management, fragmentation of financing (particularly in decentralized settings).						MA-6797 MA-6801 MA-6804	
DHF: De-prioritization of the 3 diseases in face of economic downturn/COVID.						MA-6801 MA-6803	
DHF: Failure to adequately finance and purchase critical commodities with domestic funds, for a variety of reasons - technical, financial, legal, or structural.						MA-6797 MA-6801 MA-6802 MA-6804	
DHF: Organizational deficiencies in the coordination of and financing of the health system.						MA-6800 MA-6801 MA-6804	
DHF: Lack of data and systems to reliably measure co-financing commitments in a standardized manner on a routine basis; Constraints in tracking expenditure through existing country systems and processes.						MA-6800 MA-6801 MA-6804	
DHF: De-prioritization of the health sector in face of economic downturn (COVID-19 pandemic), political or social instability and/or competing priorities; Inability to borrow, spend.						MA-6798 MA-6799 MA-6801 MA-6803	
Current controls & mitigations						Assurances	
MA-6741	Donor Funding: Sustaining and strategically expanding advocacy support base					Interdependency and close work with Global Fund Advocacy Network chapters and other critical stakeholders, regular monitoring process on visibility of Global Fund messaging through traditional and social media, and provision of updates and organization of informative townhalls	
MA-6743	Donor Funding: Facilitated the engagement of donors and other key stakeholders in the design of the upcoming Global Fund strategy and the new grant cycle, thereby increasing their ownership and involvement in the definition of the organization's programmatic aspirations						
MA-6744	Donor Funding: Close monitoring of political transitions and building strong cross-party support for Global Fund in key donor countries to address increasingly challenging political landscape.					KPI reporting, Sixth Replenishment multi-stakeholder evaluation exercise and corporate strategy design process and bodies, including engagement in partnership fora discussions	
MA-6745	Donor Funding: Matured performance and accountability processes based on lessons learned from the Sixth Replenishment, setting the foundations and paving the way for a successful Seventh Replenishment						
MA-6746	Donor Funding: Engaging with Board stakeholders around political and governance issues, ensuring that additional public donors continue to be part of key conversations.					Internal discussions with LGD to ensure the accommodation of new donors who may leave the Board if not provided with relevant governance roles. Pressure from new donors themselves.	
MA-6747	Donor Funding: Ongoing monitoring to ensure the Global Fund meets agreed terms and conditions in donor contribution agreements to ensure payments as scheduled.					Regular resource mobilization updates to MEC and Global Fund governance bodies and regular monitoring process on visibility of Global Fund messaging through traditional and social media	

MA-6748	Donor Funding: Monitoring of developments in relation to other replenishment exercises and fundraising efforts in global health planned over 2020-2022, and relevant coordination.	Board-monitored partnerships with key actors who function under replenishment models
MA-6749	Donor Funding: Continuing and strengthening internal processes for screening, due diligence and risk management in relation to private sector partnerships, including the operationalization of policies around private sector engagement.	Ongoing engagement of the Private Sector Engagement Risk Committee, an inter-divisional/departmental body overseeing risk management tasks associated with private sector partnerships
MA-6750	Donor Funding: Led the redefinition of the Global Fund brand, to continue increasing the visibility of the organization's mandate and results	
MA-6751	Donor Funding: Strengthened oversight of performance to ensure delivery of results through enhanced monitoring across the grant life-cycle, including through regular reporting, Portfolio Performance Committee, KPI reporting, and the Performance and Accountability Framework.	Pressure from civil society platforms for governments to increase national health budgets and Sixth Replenishment multi-stakeholder evaluation exercise
MA-6752	Donor Funding: Continued resource mobilization efforts across different markets to secure timely pledge conversion for the Sixth Replenishment, including, to the largest extent possible, the mobilization of additional USD 100 million, as committed in the Lyon pledging conference	
MA-6753	Donor Funding: Monitored of budgetary processes and mobilization of political and civil society advocacy partners as well as high-level influencers, particularly where pledge conversion is at risk or where opportunities for an increased pledge has been identified	Donor government budgets reflect commitments to the Global Fund and regular resource mobilization updates to MEC and the Global Fund governance bodies
MA-6754	Donor Funding: Supported the engagement of the Global Fund in the Access to COVID-19 Tools Accelerator (ACT-A), particularly on the diagnostics and therapeutics pillars and health system connector, and to position the partnership as a key actor in the pandemic response and in the global health landscape and to mobilize additional resources.	Participation in weekly internal and external meetings focused on ACT-A and providing regular guidance to the ED on this area of work
MA-6755	Donor Funding: Established new partnerships in the context of the pandemic, including with private sector actors, creating new opportunities for collaboration, resource mobilization and advocacy	
MA-6756	Donor Funding: Increased interactions with donors, partners and advocates to ensure the Global Fund effective positioning in the new context, and to monitor and protect financial commitments	Additional monitoring work to better assess the potential impact of global macroeconomic downturns and exchange rate fluctuations on pledge conversions
MA-6757	Donor Funding: Devised new ways of working with civil society groups and communities, including increasing financial support to the Global Fund advocacy networks, providing connectivity tools to maintain the right levels of communications across partners, and creating the right messaging to maintain key stakeholders informed on international action to fight COVID-19	Partnership with major technology companies/partners and MEC discussions during OPEX reforecasting to increase advocacy resourcing
MA-6797	DHF: Identification of at-risk countries during grant approval and incorporation of mitigation actions in grant agreements. Use of grant flexibilities on a country-by-country basis in exceptional circumstances.	Grant approvals and grant agreements
MA-6798	DHF: Use of alternative financing mechanisms to strengthen DRM, including Debt2Health, leveraging WB framework agreement for joint financing.	Internal Steering Committee oversight;
MA-6800	DHF: Implementation of the GAC-approved Strategic Initiative on Sustainability, Transition and Efficiency to support countries with technical assistance on health financing, strengthen resource tracking, advocacy and improve value for money.	STE Management oversight; External evaluation
MA-6803	DHF: Consistent implementation of the Sustainability, Transition and Co-financing (STC) policy to strengthen overall health spending and financing of specific disease interventions.	A2F guidance and GAC Recommendation of Grants
MA-6804	DHF: Strengthened Global Fund Secretariat efforts to enhance capacity to support country teams / countries and leverage partners through the creation of a Health Financing Department.	MEC oversight

<b>Overall Status</b>	Risk mitigation is on track. There are no material delays.
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Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-6758	Donor Funding: Timely reporting of C19RM results to donors and key stakeholders through specific consultations, impact stories, and public data releases in line with the M&E and assurance framework.	Underway	31-12-2022	ERCD
MA-6799	DHF: Strategic use of the Innovative Finance Strategic Initiative to approve additional joint investments and strengthen alternative sources of DRM.	Underway	31-12-2022	HFD
MA-6801	DHF: Leveraging partners via the Sustainable Financing for Health Accelerator (SFHA) to enhance DRM, VfM, and more effective development assistance.	Underway	31-12-2022	HFD
MA-6029	DHF: Development of a health finance risk framework to more comprehensively identify health finance related risk, and efforts to integrate into existing Global Fund risk management processes, including further integration of health finance considerations into the Integrated Risk Management (IRM) tool.	Underway	31-12-2022	HFD



15 - Internal Operations		Risk owner: IT, F&A, Sourcing			2021-Q4		Approved by MEC	
Risk Description		Risks affecting the smooth operation of the Secretariat, reflecting key enterprise level operations at the Secretariat, including enterprise-wide projects, Information Technology (IT), sourcing (indirect procurement), administration and financial controlling.						
Risk Impact		Decreased ability of the Global Fund to operate effectively to deliver on its mission.						
Change since last quarter		No change	Current direction of travel		Steady	Global Fund ability to mitigate		Significant
Residual Risk		Moderate	Risk Appetite		Not Applicable	Target Risk		Not Applicable
Key Partners		Not Applicable						
Key Countries		Not Applicable						
Root Cause								Related Action
FC: OPEX potential underspend at Secretariat level related to delays in hiring, cancellations of conferences/meetings and travel ban enforced.								MA-6444
FC: Value for money of HR 'investment' (provisions for MAS/VES, talent pool, reorganization) for the organization in the absence of structured Strategic Workforce Planning process.								MA-6448
FC: Improper/incomplete reconciliation of grant closure process.								MA-6447
FC: Improper/incomplete reconciliation of closing SI 2017-2019 cycle.								MA-6451
FC: Low absorption level for implemented grants								MA-6446
FC: Misalignment between Secretariat OPEX for current and next allocation period and GF ambition								MA-6449 MA-6450
FC: Grant forecasting accuracy might be impacted as full impact of COVID-19 on in country activities is captured with a lag time through PR expenditure reporting.								MA-6445
IT Operational Risk: System performance and reliability failures, including unavailability, loss and recoverability of data, as well as disruption of critical IT service providers.								MA-6459 MA-6460 MA-6465 MA-6467 MA-6468 MA-6469
IT Vendor Risk: Poor contract oversight and supplier performance.								MA-6462
IT Solution (Project) Risk: Lack of scope control, cost overruns, quality issues & timeline failures.								MA-6458 MA-6461 MA-6466
IT Information Security Risk: Cyber security incidents, accidental or malicious loss of sensitive Global Fund information.								MA-6463 MA-6464 MA-6469
IT Operational Risk: External 3rd party IT systems at country level and partners could be hacked leading to possible negative impacts to Global Fund.								MA-6470 MA-6471
Sourcing: Delay in non-critical RFPs and upturn in COVID related procurements and items for the GHC								MA-6497 MA-6498
Sourcing: The Global Fund issues solicitations or contracts that fail to protect the Organization's commercial interests and operations								MA-6490 MA-6491 MA-6492 MA-6493 MA-6494 MA-6495 MA-6496 MA-6812
FX: Assets and Liabilities Management (ALM) changes (i.e. donor pledges or grant commitment changes leading to different FX exposures).								MA-6591
FX: Due to the changes in the economic environment and continued market volatility caused by COVID-19, FX liquidity for currencies may create issues when rolling over hedges, some banks may show bigger spreads, which may impact FX settlements and counter party credit risk may increase.								MA-6589
FX: Foreign Exchange (Fx) market volatility								MA-6590 MA-6591 MA-6592 MA-6593
FX: Poor internal Fx limit management (Fx Policy)								MA-6591 MA-6592
FX: Internal and external poor Fx execution								MA-6591 MA-6594
FX: Internal operational risk for Model risk								MA-6591 MA-6595
Admin: Facility/Security/Assets/Travel: Technical building failure and/or security incidents at the Global Health Campus (GHC).								MA-6668 MA-6670
Admin: Lack of business continuity management systems, staff compliance with existing security procedures and frameworks and lack of or partial asset reconciliation								MA-6665 MA-6666 MA-6667 MA-6671
Admin: Enhancement of GHC operational guidance and clarification on roles and responsibilities								MA-6664
Admin: Impact of Covid-19 on staff travel and GHC building operations								MA-6663 MA-6673
Current controls & mitigations								Assurances
MA-6444	FC: 2021 Budget has integrated a reduction of travel & meeting, plus anticipation of recruitment at the end of 2020 for 2021. Additional decisions as part of pre-F1 forecast and F1 forecast were taken to ensure reallocation of potential savings.							
MA-6445	FC: BCPs were developed for all finance processes, flexibilities are triggered as required. Additionally, close monitoring of BCP is performed on a regular basis to make sure smooth operations.							
MA-6446	FC: Quarterly grant re-forecast including when available update on absorption shared with MEC and AFC to ascertain impact of Covid-19 on GF program. Identification of funds available for Portfolio Optimization or reallocation to C19RM fund.							
MA-6447	FC: Monthly Monitoring Meeting within Program Finance and reporting to MEC and AFC on closure.							
MA-6448	FC: Involvement of Financial Controlling in reorg memo drafting in terms of modeling, determination of budgetary impact, and alignment with new budgeting framework.							
MA-6449	FC: Budgeting framework implemented to help with alignment of Secretariat OPEX for current and next allocation period and GF ambition.							
MA-6458	IT Solution (Project) Risk: Remediation action plan to address late projects and IT Operational issues in place.							OIG audits
MA-6459	IT Operational Risk: All key Secretariat applications migrated to the "cloud" or external high availability service providers reducing GHC Data Center requirements to a bare minimum.							Quarterly reporting to the Audit and Finance Committee (AFC)
MA-6460	IT Operational Risk: Monthly IT operations and project performance review by CIO and IT Leadership Team.							Treasury Dashboard
MA-6461	IT Solution (Project) Risk: Project management training delivered to IT Staff and key project teams; regular review by CIO.							
MA-6462	IT Vendor Risk: Establishment of an IT transformation & Vendor Management office to ensure alignment of projects with the Global Fund's Strategy as well as enhanced governance framework, risk management and control implementation around vendors.							
MA-6463	IT Information Security Risk: Information security controls embedded in the organization, Global Fund's ISMS for Treasury cash payments data & processes, OIG and Ethics and all related IT operational management processes and facilities are ISO-27001 certified.							
MA-6464	IT Information Security Risk: Mandatory on-line information security awareness trainings rolled out to Secretariat staff. As well as focused and targeted trainings for high risk individuals as it relates to cyber-attacks / fraud / phishing / social engineering.							
MA-6466	IT Solution (Project) Risk: Reinforced IT governance, including new "control gates" for demand review, project approval and operations acceptance, defined and finalized.							
MA-6467	IT Operational Risk: Service Level Agreement monitoring are in place for all tickets and reviewed daily to avoid delay in							

	the processing of user tickets.	
MA-6468	IT Operational Risk: BCPs in place, regular updates are done on BCP status and flexibilities that are being used.	
MA-6469	IT Information Security Risk: Rolled out 3rd party Information Security Platform to review 3rd party information security risk exposure from breaches / phishing / ransomware attacks.	
MA-6470	IT Operational Risk: Continuous monitoring, review and impact analysis of new emerging cyber threats e.g. ransomware etc.	
MA-6490	Sourcing: Monthly report is generated on all OPEX and SI procurement transactions and available to CRO and the Head of Supply Operations for review.	
MA-6492	Sourcing: Procurement Framework is in place, which includes Procurement Policy, Regulations and Procedures, and all procurement activities are conducted in the GFS ERP system.	
MA-6493	Sourcing: The Supply Operations Department and Technical Evaluation Committee (TEC) ensure that selection memoranda reflect the Global Fund's Procurement Policy and Regulations.	
MA-6494	Sourcing: ERC subcommittee reviews proposed contracts that incorporate non-standard terms and conditions.	
MA-6497	Sourcing: BCP's developed and are in place and flexibilities triggered to ensure smooth operations.	
MA-6498	Sourcing: Additional resources granted to support COVID related procurement activities.	
MA-6812	Sourcing: Updated approach to preferred suppliers in light of the Fusion upgrade. "Preferred" has now been updated to "Approved" with a revised definition added to the Procurement Procedures. An approach to a "pre-qualified" list of suppliers has been introduced and a cleansing/reduction of the ASL has been undertaken	
MA-6588	FX: Conservative Fx limit established that limits exposure well within the limit, 6th Replenishment positions fully hedged.	
MA-6589	FX: Close monitoring of the FX and regular reporting on "rolling of hedges".	
MA-6590	FX: Global FX Management Framework in place to ensure that contribution agreements, adjusted pledges and other exposures are consistently hedged.	
MA-6591	FX: Revised and approved Treasury, Cash and FX Management Procedure is in place.	
MA-6592	FX: Regular update to AFC on hedging position	
MA-6593	FX: Foreign exchange risk is being significantly reduced with a systematic hedging strategy. VaR limit utilization ratio of 53% at the end of Q4-21, with VaR limit at \$7.5m and absolute VaR after hedges standing at US \$4.0m (before hedges: \$14m).	
MA-6594	FX: Foreign exchange in grants (FEiG) is ongoing, and implemented on a need basis (country request and/or quality of execution/spread) with 2 countries executing disbursements in local currencies, and some benchmarking in other countries. Multi-currency disbursements for EUR grants is being deployed, pending deployment of Oracle / Fusion.	
MA-6595	FX: Fully automated dashboard in Tableau to monitor net FX exposure, including Bloomberg VAR calculation. The project is in production, has been verified and replaced previous model.	
MA-6663	Admin: Situation Response Team (SRT) and Covid-19 Steer-Co set up to monitor the situation related to COVID-19 disruption and initiate early responses as needed including recommendations on staff travel and GHC operations.	
MA-6666	Admin: Dedicated Senior Security Officer (SSO) and team overseeing security policy and procedures.	
MA-6667	Admin: Global Fund-GAVI Partnership Agreement defines responsibilities for governance of GHC.	
MA-6668	Admin: GHC - Maintenance/repairs contracts are in place with a dashboard and annual schedule for all maintenance contracts.	
MA-6669	Admin: 2 companies were selected to perform security on field.	
MA-6670	Admin: Robust security framework, travel security policy, asset management framework, procedures and SOPs are in place	
MA-6671	Admin: GF Crisis Management Plan endorsed by MEC and moved to implementation phase.	
		<b>Overall Status</b>
		Risk mitigation is on track. There are no material delays.
<b>Controls &amp; mitigations in development or planned</b>		<b>Status</b>
		<b>Target completion</b>
		<b>Action owner</b>
MA-6450	FC: High-level principles presented to AFC and Board in 2021. As agreed will AFC Costing methodology will be developed in 2022.	Planned
MA-6451	FC: SI closure process for 2017-2019 cycle is under finalization.	Underway
MA-6465	IT Operational Risk: Development and implementation of a Business Continuity Management System (BCMS) in conformity with the ISO-22310 standard.	Underway
MA-6471	IT Operational Risk: Roll out Phishing training to PR's/SR's and recommend Multi-factor authentication for PR's/SR's email accounts to reduce risk of phishing attacks (joint initiative by GMD, Finance and IT).	Underway
MA-6664	Admin: Subleases have been updated and sent to subtenants representative for signature beginning January 2022.	Underway
MA-6665	Admin: A Physical check and financial reconciliation will be conducted as part of the initiative to develop and implement an asset management tool.	Planned
MA-6672	Admin: Training workshops planned with Crisis Management team members. Operationalization of the Crisis Management Plan in progress and implementation of IT tool to inform of crisis events.	Underway
MA-6673	Admin: Future of Work project in progress, which will perform a lesson-learned on COVID-19 situation and then result in redesign and adaptation of the working environment at the GHC.	Underway

16 - Integrated Grant Policies, Processes, Systems & Data			Risk owner: GMD (GPS)		2021-Q4	Approved by MEC			
Risk Description		Lack of integrated policies, processes, systems and data to manage programs throughout the grant life cycle.							
Risk Impact		Weaknesses in grant and risk management, inefficiency and high transaction costs in managing grants, and weakened internal controls.							
Change since last quarter		No change	Current direction of travel		Steady	Global Fund ability to mitigate	Significant		
Residual Risk		Moderate	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable	
Key Partners		Not Applicable							
Key Countries		Not Applicable							
Root Cause							Related Action		
Limited assessment of the operational feasibility and implications of Board-approved policies.							MA-6484		
Limited internal capacity to assess and implement changes to grant management systems resulting from new business requirements.							MA-6480 MA-6484		
Frequent changes to processes that limit the Secretariat's ability to maintain up to date policies, procedures systems and data.							MA-6483 MA-6484		
Nascent change control structures to identify and manage interdependencies between systems, processes and data.							MA-6483		
Limited monitoring of business process controls.							MA-6481 MA-6485		
Lack of standards and guidance on data management, and limited data availability.							MA-6482 MA-6486		
COVID-19 disruption causing diversion of resources from business-as-usual activities, impacting timeline of operational launches, development of new procedures and crisis response mechanisms.							MA-6487 MA-6488 MA-6489		
Complexity of integrating operationalization of COVID-19 response, including C19RM, in grant lifecycle processes, and meet donor demands.							MA-6487		
Current controls & mitigations							Assurances		
MA-6480		Majority of grant lifecycle (from Funding Request to Grant Closure) and cross-functional processes (GED, Differentiation, IFH) are integrated from a process, policy and data point of view and automated in the Grant Operating System (GOS).					Monitoring of business process controls		
MA-6481		Regular exception reporting to monitor performance of key grant management business processes.					OIG audits		
MA-6482		Data Governance Committee established, and program of work agreed, to review and implement improvements to the Secretariat's approach to data management.							
MA-6483		Operational Efficiency team strengthened to help identify and manage interdependencies between systems, processes, policies, and data.							
MA-6484		Implementation of the Operational Launch Planning (inclusive of proposed changes reviewed by the Operational Change Group) enhancing the Secretariat's ability to maintain up to date processes, systems and data.							
MA-6485		Comprehensive suite of dashboards for monitoring performance: programmatic, financial, operational and effectiveness of processes has been developed.							
MA-6488		C19RM 2021 guidelines and process operationalization.							
MA-6489		Business Contingency Plans in place and operational flexibilities covering grant lifecycle processes are executed as required. (extended until 31 March 2022 as needed, regularly re-assessed)							
					Overall Status		Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-6486		Implementation of the Data Governance Program, currently focused on developing data lifecycle regulations.					Underway	31-01-2022	IT
MA-6487		Periodic updates of C19RM guidelines and process based on lessons learned and opportunities for process improvement.					Underway	30-06-2022	A2F

17 - Risk Management & Internal Controls			Risk owner: Risk		2021-Q4	Approved by MEC	
<b>Risk Description</b>	Weaknesses in identification of key risks, corresponding controls, assessment of impact, and prioritization and monitoring of controls and mitigating actions for both grant-facing and internal risks.						
<b>Risk Impact</b>	Divergent understanding of risks leading to ambiguity in accepting or managing risks, and inconsistency of responses across the first and second lines of defense. Inadequate risk management and internal control gaps resulting in the Global Fund not meeting its objectives.						
<b>Change since last quarter</b>	No change	<b>Current direction of travel</b>		Increasing	<b>Global Fund ability to mitigate</b>	Significant	
<b>Residual Risk</b>	Moderate	<b>Risk Appetite</b>	Not Applicable	<b>Target Risk</b>	Not Applicable	<b>Target risk timeframe</b>	Not Applicable
<b>Key Partners</b>	Not Applicable						
<b>Key Countries</b>	Not Applicable						
<b>Root Cause</b>							<b>Related Action</b>
De-prioritization of certain risk management activities to free capacity to design and implement activities for second line assurance over modified or new Secretariat activities.							MA-6777
Reduced coordination between the second line oversight and first line of defense. In-country disruptions, especially travel restrictions, are also contributing to delays or inability to undertake planned assurance activities.							MA-6783 MA-6826
Rapid change of the external and internal operating environment resulting in the need to continually evolve risk management tools and processes and simultaneously adapt second line oversight over changing operations and new Secretariat activities introduced in response to COVID-19.							MA-6775 MA-6776 MA-6777 MA-6783 MA-6826 MA-6828 MA-6829
Lack/non-use of standardized risk approaches and tools for decision-making and risk acceptance							MA-6765 MA-6766 MA-6768 MA-6771 MA-6781 MA-6828
Inadequate implementation and follow up of prioritized risk mitigations, and quality and timely assurances							MA-6767 MA-6781 MA-6826 MA-6828
Limited operationalization of key policies, processes and tools							MA-6779
Variable understanding of risk management responsibilities across the first two lines of defense							MA-6778 MA-6782 MA-6827
Risk management not adequately embedded into Global Fund operations, and decision making processes							MA-6764 MA-6770 MA-6772 MA-6774 MA-6778 MA-6781 MA-6828
Weakness in the control environment including inadequate standards, processes and structures that provide the basis for internal controls.							MA-6805 MA-6806 MA-6807 MA-6808 MA-6809 MA-6810 MA-6811
<b>Current controls &amp; mitigations</b>							<b>Assurances</b>
MA-6764	Conduct review of key risks and effectiveness of key mitigation measures, internal controls and assurance arrangements with international non-governmental organizations by a cross functional team to identify changes needed to strengthen assurance arrangements and/or framework agreements.						
MA-6765	Ongoing application of CoE flexibilities to improve program delivery in contexts with high external risks.						
MA-6766	Active risk management undertaken by Secretariat business units through selected use of departmental risk registers to structure risk assessment and mitigation, and exception reporting for monitoring of select key business process controls.						
MA-6768	Risk measurement framework in place to ensure standardized and objective risk assessment across the portfolio and to facilitate ongoing Risk Appetite-based decision-making for 11 key organizational risks.						
MA-6770	Ongoing risk oversight of funding requests, grant-making and approvals, and annual funding decisions and disbursements to ensure effective embedding of risk management across the grant lifecycle.						
MA-6771	Ongoing Global Risk Owner engagement in risk rating validations using outcome indicators, prioritization of mitigation actions and assurance to ensure improved alignment across second line of defense functions.						
MA-6772	Matured Enterprise Risk Committee process driving improvement in managing key organizational risks with greater focus on mitigating actions and ensuring linkages with strategic goals.						
MA-6773	Finance and Controlling risk monitoring, management and exception reporting for key external and internal controls, to strengthen the control environment through an active feedback loop focused on improvement.						
MA-6775	Risk Assurance Monitoring and Oversight framework developed for C19RM 2021 - an end to end deep dive of the process was undertaken to assess control gaps and inform process enhancements..						
MA-6777	Secretariat developed Business Contingency Plans for 52 Global Fund processes. BCPs allow an informed and graded risk-based response to the various scenarios of disruptions, with defined flexibilities across processes including delivery of grants and standards of assurance across various defined scenarios of disruptions. These are being monitoring every quarter.						Chief Risk Officer's Annual Opinion and Semi-Annual Risk Management Report
MA-6778	Proactive risk management across the grant life cycle, with clear roles and responsibilities of the first and second lines of defense with respect to differentiated risk assessments for High Impact, Core and Focused portfolios, risk identification, prioritization and mitigation, capacity assessments, comprehensive assurance planning and monitoring, in-country validation and reporting, and related activities.						OIG Annual Report and Opinion on Governance, Risk Management and Internal Controls of the Global Fund
MA-6779	Use of Integrated Risk Management module to facilitate improved and streamlined risk identification/planning of mitigations, assurances and follow up						Integrated Risk Module (IRM)
MA-6780	Secretariat developed and rolled out the COVID-19 Country Monitoring Survey to allow timely assessment of in-country disruption levels as a result of the pandemic.						
MA-6781	Portfolio Performance Committee driving greater focus on key risks and mitigations linked to objectives in prioritized countries. Use of Country Risk Management Memorandum to facilitate structured approach to risk trade-offs and risk acceptance with a focus on key mitigating and assurance actions for Core and High Impact portfolios.						Organizational Risk Register (ORR)
MA-6782	Develop framework and associated policies and procedures for coordination of second line oversight and risk management, to improve consistency and efficiency across all second line functions, based on an assessment of the current state and opportunities for improvement.						
MA-6783	The Secretariat is making adjustments to risk management tools and processes to shift from acute crisis response to the new business normal, which includes revision to risk ratings, risk appetite, root causes, mitigations and assessment of PR capacity.						
MA-6784	Conduct disease specific thematic deep-dives to inform prioritized adaptations and mitigation plans and drive grant performance under the oversight of Portfolio Performance Committee.						
MA-6805	Ongoing implementation of improvement actions by the Business Process Owners to strengthen internal controls for key business processes in line with the COSO framework.						
MA-6806	Key Business Process Reviews performed to assess the system of internal controls for prioritized processes.						
MA-6807	Performance & Accountability framework, in place to drive process performance and accountability across the Secretariat, with routine monitoring of process efficiency and effectiveness metrics through reporting to Management Executive Committee.						

MA-6808	Oversight over control monitoring, including exception reporting and handling for selected key controls, to strengthen the control environment through an active feedback loop focused on improvement.	
MA-6809	Active risk management undertaken by Secretariat business units through selected use of departmental risk registers to structure risk assessment and mitigation.	
MA-6810	Implement action plans to advance maturity of Secretariat business processes to drive process improvement and quality and effectiveness of controls.	
MA-6811	Business Process Oversight Framework is in place to describe the Global Fund's approach to managing business process risks and outline roles and responsibilities of key actors.	Regular work plan monitoring to ensure Key Business Process Reviews are conducted as planned. Monitoring implementation of improvement actions resulting from the Key Business Process Reviews.
		<b>Overall Status</b>
		Risk mitigation is on track. There are no material delays.
<b>Controls &amp; mitigations in development or planned</b>		<b>Status</b>
MA-6767	Routine monitoring of key mitigating actions and assurance activities to drive greater progress and completion.	Underway
MA-6776	Leverage existing Global Fund processes, controls, and frameworks to strengthen the end to end risk assurance approach for C19RM investments. Acknowledging the increase level of risks across key portfolio risk categories, and the unique risks posed through significantly higher C19RM funding, the following additional measures initiated and planned: - Develop and implement the Risk and Control Matrices (RCMs) for C19RM funding mechanism. - Develop and operationalize the monitoring and oversight (M&O) framework to track C19RM investments. - Plan, implement and monitor additional risk-based grant assurances to cover C19RM investments. This includes enhanced mandatory minimum assurance activities (pulse checks, Supply chain and health service spot checks, procurement, warehousing and inventory management reviews and targeted programmatic and financial spot checks) across the top 45 portfolios (accounting for 90% of C19RM investments) under the oversight of Investment Committee.	Underway
MA-6826	Strengthen Monitoring and Oversight (M&O) of C19RM and HTM investments to monitor implementation of C19RM and HTM interventions, address implementation bottlenecks, and mitigate and manage emerging risks to drive results and impact. Continuous use of spot check and pulse check results and strengthened oversight of LFA assurance plan execution and use of assurance findings/results for management actions.	Underway
MA-6828	Risk OPN and related risk management documents to be updated to improve risk management and oversight at the PR, CCM and Secretariat levels. This will include updates in relation to: IRM rebuild, updated risk appetite, 2nd line roles and responsibilities, increased focus on assurance activities, and M&O functions.	Underway
MA-6827	Operationalize the 2nd line risk management, assurance and oversight of grants approach to refine the roles and responsibilities of Business Risk Owners, the performance and accountability metrics and incorporating them into existing OPNs and related risk management documentation.	Underway
MA-6829	Prepare to implement the next Strategy by rolling-out of initiatives to build on lessons learned from C19RM to support continuous improvement and cross-organizational efforts to strengthen oversight of grant implementation and internal business processes and increased accountability; and co-leading work to integrate pandemic preparedness and response into GF operations.	Underway



18 - Legal		Risk owner: LGD		2021-Q4		Approved by MEC			
Risk Description		1.Contract risk: exposure to counterparty risk and assumption of legal obligations to counterparties. 2.External legal risk: exposure to local laws, regulatory and judicial processes and compliance costs. P&I risk: absence of legal protections vis-à-vis countries where Global Fund is active (e.g. grant management, audits/investigations, procurement, financial transactions) or has assets, including where certain activities may be outside the scope of P&Is granted in certain countries. Internal legal risk: failure to observe Global Fund policies, rules and procedures; inconsistencies and/or overlap among policies, rules and procedures.							
Risk Impact		1. Contract risk: business teams' acceptance of terms that provide less protection, oversight and/or assurance of Global Fund resources and interests; authority and enforceability issues; contract obligations inconsistent with Global Fund policies, regulations and procedures. 2. External legal risk: compliance costs; potential violation of local laws by Global Fund or implementers; potential inquiry, investigation and/or enforcement by external authority. 3. P&I risk: limited ability to protect and maximize impact of Global Fund resources; conduct resource mobilization; protect governance officials and staff; deliver life-saving commodities; protect data and information assets; pursue recoveries. 4. Internal legal risk: weak foundation for governance and internal controls; decisions, exceptions and waivers approved by function without authority to do so; transaction inefficiencies; framework not in place for new initiatives/business evolution.							
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Moderate			
Residual Risk	Moderate	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable		
Key Partners		Not Applicable							
Key Countries		Contract risk: countries where counterparties are organized and/or active. External legal risk: countries where the Global Fund is active or has assets. P&I risk: There are 21 signatories to the P&I Agreement (of which 16 have ratified or otherwise approved, indicated by *): Afghanistan*, Burkina Faso*, Burundi, Côte d'Ivoire*, Eswatini*, Ethiopia*, Gabon, Georgia*, Ghana, Lesotho*, Liberia*, Malawi*, Moldova*, Montenegro, Mozambique*, Niger, Rwanda*, Senegal*, Togo*, Uganda*, and Zimbabwe*. In addition, Kenya, Switzerland, Uganda, the United States and Zimbabwe have granted the Global Fund certain privileges and immunities under domestic laws or through bilateral agreements. In total, the Global Fund has P&Is in 19 countries.							
Root Cause							Related Action		
Contract risk: inconsistent use of standard terms and templates results in GF accepting legal obligations, incurring compliance costs, and lacking appropriate protections against grant implementers, suppliers, partners, licensees and other third parties, particularly in connection with increasing procurement from suppliers of COVID-19 health products. COVID-19 may also affect counterparties' ability to amend, execute or deliver on their contractual obligations, including purchase orders through wambo.org, whether due to restrictions on activities, decreased financial or operational capacity, increased costs, supply chain issues or otherwise. Mechanisms for expedited implementer approvals, modified/simplified forms for agreements and deferred/alternative execution may increase the potential for contract claims or re-negotiations. New procurement modalities for COVID-19 health products may also increase financial risk.							MA-6453		
External legal risk: claims against or involving the Global Fund; compliance costs; potential violation of local laws by Global Fund or implementers; potential inquiry, investigation and/or enforcement by external authority. Increasing focus on sanctions compliance in connection with Global Fund grants and procurement. In addition, risks may arise from the simultaneous development of the operational framework for C19RM and its implementation.							MA-6454		
P&I risk: limited ability to dismiss claims; protect and maximize impact of Global Fund resources; conduct resource mobilization; protect governance officials and staff; deliver life-saving commodities; protect data and information assets; pursue recoveries. Negotiation of P&Is will continue to be, affected in implementing countries, as programmatic objectives are prioritized. Among donor countries, the current absence of P&Is in France are an impediment to expansion of tele-working arrangements for staff residing in France.							MA-6455		
Internal legal risk: lack of centralized knowledge management system for Global Fund policies, rules and procedures; decentralized rulemaking, implementation and training/communication; no formal compliance structure. BCP flexibilities and exceptions introduced as urgent responses to ensure continuity of essential activities, may heighten internal controls and compliance. Compliance risk in relation to Q&A policies heightened, given the increasing procurement of Covid-19 products.							MA-6456 MA-6457		
Current controls & mitigations							Assurances		
MA-6453	Contract risk: Grant procurement and contribution and other agreements of strategic importance are prioritized. GF standard terms and templates have been developed for grants, procurement and contributions; procurement services agents' contracts for the procurement of certain COVID-related health products are leveraged where GF terms are not accepted. Delegations of Signature Authority require business, financial, legal and certain specialized (risk, ethics and/or assurance) contract clearance.						Tracking of selected contract deviations presented by business teams; escalation mechanism for acceptance of counterparty contract terms		
MA-6454	External legal risk: engagement with Swiss mission on legal status; assertion of P&Is (where available); advice of local counsel in selected areas (where external risks identified); contractual limitations of liability (where standard terms and templates are used); updated guidance on arbitration and governing law provisions; streamlined process to engage external legal advisers; monitoring of sanctions and obtaining licenses (where appropriate); personal data privacy clauses included in grant confirmations and procurement terms and conditions as standard.						Protection of P&Is (where granted) in countries where the Global Fund is active or has assets; legal opinions of local counsel		
MA-6455	P&I risk: GF standard terms and template contracts address P&Is and dispute resolution.						Signed and ratified country-specific P&I Agreements. Entry into force of P&I Agreement. P&Is under domestic laws in certain countries.		
MA-6456	Internal legal risk: LGD guidance to governance bodies and advice to the Secretariat on the development and application of GF policies; LGD collaboration enables timely Board approvals and extensions of C19RM policy framework and COVID-19 flexibilities. Legal review of GF rules and procedures at the MEC level, C19RM contribution conditions and reporting requests. Legal clearance of C19RM guidelines and processes; embedded Legal Counsels advise CTs on C19RM and other grant requirements; existing controls and assurance mechanisms (including Legal input into the C19RM monitoring and oversight framework) for grants aim to mitigate risks associated with simultaneous development of C19RM and its implementation. Two Legal surge positions for C19RM grants and procurement have been recruited.						Legal acts as independent advisor to Board, Committees, Secretariat and OIG on internal policies, rules and procedures		
					Overall Status		Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-6457	Internal legal risk: Collaboration with SPH to clarify delegations of authority and mandates of internal governance bodies. Potential revisions to Terms of Reference of various internal governance bodies contingent upon ED decision and MEC deliberation. Revisions to Delegations of Signature Authority to clarify procurement review/clearance and to procurement standard terms and conditions; development of new Procurement Procedures for Direct Procurement.						Underway	31-12-2022	LGD

19 - Governance & Oversight			Risk owner: LGD		2021-Q4	Approved by MEC		
Risk Description	Structures and processes to take decisions and conduct oversight, in pursuit of the organization’s mission and strategic objectives, are not effective.							
Risk Impact	Weaknesses in governance limit Board’s ability to provide clear direction, to undertake an effective oversight role, and to take informed, timely and strategic decisions in the best interests of the Global Fund.							
Change since last quarter	No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Significant		
Residual Risk	Moderate	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable	
Key Partners	Not Applicable							
Key Countries	Not Applicable							
Root Cause						Related Action		
Trust, collaboration and accountability: Instances of lack of trust between Board, Committees and Secretariat may lead to a culture of over-consultation, insufficient delegation, large volume of information and a resulting lack of focus on strategic issues and hampering of oversight and decision-making processes. Lack of clarity around roles, responsibilities and accountabilities.						MA-6561 MA-6567 MA-6574		
Board size, structure and composition in a changing landscape: Global Fund governance structure, composition and operations remain largely unchanged since its inception despite significant changes in global health architecture.						MA-6555 MA-6560		
Existing conflicts of interest and inadequate due diligence on nominated individuals.						MA-6556 MA-6573		
Level of Board Discussions & Leveraging the role of committees: Challenges in aligning Board and committee agendas, linked to strategic objectives at the appropriate level. Large volume of information may pose challenges to oversight and decision making.						MA-6557 MA-6559 MA-6563 MA-6565 MA-6567		
Leadership, Continuity & Institutional Memory: Short-Term lengths for Board Leadership and Committee members do not support continuity, may pose limitations to leadership effectiveness, and require frequent, resource-intensive selection processes, resulting in governance burden. Committee selection processes have historically faced perceived or actual challenges around balanced representation, transparency, candidate pools, diversity, technical skills and procedural clarity.						MA-6550 MA-6554		
Constituency engagement and voice: Inconsistent levels of engagement by Board constituencies, including differing levels of capacity to engage.						MA-6558 MA-6562 MA-6564 MA-6571		
Governance continuity in crisis setting: COVID-19 disruption causing reduced engagement or increased membership turnover due to capacity constraints, complex governance processes place limitation on agility in urgent decision-making, and virtual environment impacts on efficiency and trust.						MA-6549 MA-6566 MA-6568 MA-6570 MA-6572 MA-6575		
Current controls & mitigations						Assurances		
MA-6555	- Additional Public Donors Constituency allows routes for additional donors. - Revised Donor Group Framework provides routes for voluntary and guaranteed integration of additional donors into the voting donor constituencies of the Board. - Board Leadership role to support resource mobilization efforts. - Donor Group review of Framework for Allocation of Seats ahead of each Replenishment (every 3 years)							
MA-6557	Strategic agenda setting is a focus of the CG and Board Leadership. Continuous attention to timely progress of initiatives, and leveraging the role of committees to enable strategic discussions at Board level.							
MA-6558	Onboarding Framework (2018) in routine implementation for Board and committees. Dedicated on-boarding and ongoing advisory support to constituencies. Behavioral nudges by leadership to enable balance in constituency voice in discussions.							
MA-6561	Onboarding and training of Governance officials and leadership. Existing Governance Performance Assessment Framework.							
MA-6570	Expedited decision-making processes for the adoption of urgent decisions required to enable the COVID-19 response and safeguard the GF mission, with ongoing transparent and regular reporting.							
MA-6572	Sustained attention to enable effective and on time delivery of key Board-level priorities and governance activity per Board and Committee work plans, in a continuing crisis environment.							
MA-6574	GAP 2.0: Revise the Governance Performance Assessment Framework, aligned to the Strategy Cycle, with appropriate frequency of assessments of Board, Committees and their leadership, in line with good practice.							
					Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-6549	BCOP define procedures for delegation of authority, and provide for how key leadership roles would be filled in the event of a vacancy.					Underway	30-04-2022	LGD
MA-6550	GAP 2.0: Review of term lengths (Board Leadership and Committees), in line with strategic cycles and priorities, and principles of balance, continuity and renewal.					Underway	30-06-2022	LGD
MA-6554	Strengthened Board Leadership and Committee Selection Processes, with enhanced attention to skills and competencies in the selection of committee members. Onboarding program for Board leadership and Committee leadership.					Underway	31-05-2022	LGD
MA-6556	- Ethics and Integrity Framework and Code of Conduct for Governance Officials guides behaviors in decision-making. - Ethics training is part of standard onboarding of Governance Officials. - Updates to Codes of Conduct to reflect (1) key findings from the Governance Culture initiative (2020) and (2) international standards on SEAH (Feb 2021) - Routine annual Declarations of Interest and Code of Conduct Certification for all Governance Officials - Ongoing implementation through training and awareness of Ethics and Integrity Framework: policies and codes of conduct, including PSEAH/safeguarding					Underway	30-06-2022	LGD
MA-6559	Board documents adapted to focus on strategic input needed for decision making.					Underway	30-06-2022	LGD
MA-6560	Placeholder to continue monitoring the existing governance structure is fit for purpose as and when deemed necessary by the EGC or Board.					Planned	30-12-2023	LGD
MA-6562	- Constituency Management Guidelines, provide best practice guidance on constituency management (2019). - Guidance Note for Constituency Dispute Resolution (2018) (provides guidance and an escalation mechanism in case of dispute within a constituency). - Support to constituencies on routine review and continuous improvement of internal practices.					Underway	31-03-2022	LGD
MA-6563	Strengthened role of Coordinating Group, facilitating coordination between the Board / committees on cross-cutting issues.					Underway	30-06-2022	LGD
MA-6564	Funding provided to Implementer Constituencies to support their effective engagement at the governance level.					Underway	30-06-2022	LGD
MA-6565	GAP 2.0: Effective Reporting: renewed attention to continuous improvement, streamlining, and simplification of reporting, as well as alternative methods of information-sharing (e.g. Financial Dashboard 2021)					Underway	30-09-2022	LGD
MA-6566	GAP 2.0: additional operational enhancements to enhance interaction and support meeting modalities and constituency engagement in virtual settings and beyond					Underway	31-12-2022	LGD
MA-6567	GAP 2.0: review of committee mandates.					Underway	31-03-2022	LGD
MA-6568	Flexibilities and contingency approaches developed for the continuity of governance operations, engagement of constituencies, and leadership continuity.					Underway	30-06-2022	LGD
MA-6571	Flexibilities in Constituency Funding to support continuous engagement by implementer constituencies.					Underway	31-03-2022	LGD

MA-6573	Roll out of the Integrity Due Diligence framework.	Underway	31-12-2022	LGD
MA-6575	Review BCOP based on lessons learned from 2020-2022.	Underway	31-12-2022	LGD
MA-6831	GAP 2.0: CG and leadership onboarding on culture of trust; regular engagement to discuss culture and trust, including with Management.	Underway	28-12-2023	LGD

20 - Organizational Culture					Risk owner: HR		2021-Q4	Approved by MEC	
Risk Description	Failure to drive a performance based and ethical culture and ensure all staff and governance officials uphold and demonstrate the Global Fund's corporate values, protect its reputation, and the behaviors needed to maximize operational efficiency and effectiveness.								
Risk Impact	Operational inefficiency, reduced workforce capacity and operational effectiveness, harm to the Fund’s reputation and a negative impact on staff well-being.								
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate	Significant			
Residual Risk	Moderate	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable		
Key Partners	Not Applicable								
Key Countries	Not Applicable								

Root Cause		Related Action
Direction from senior management on aspirational culture is not consistently cascaded or demonstrated		MA-6501 MA-6503 MA-6507 MA-6509 MA-6517 MA-6518
Variable people management capability results in inconsistent articulation of expected performance levels to staff, an inability to address poor performance, and limits staff development		MA-6503 MA-6504
Operational inefficiencies, lack of process definition and performance targets and lack of accountability limits prioritization of work, collaboration, and increases staff workload		MA-6507 MA-6518
Lack of an attractive rewards philosophy, hinders the organization's ability to attract, retain, motivate and reward talent and align organizational need and capacity		MA-6501 MA-6506 MA-6507 MA-6517
Breaches of the code of conduct, unethical behaviour and conflicts of interest.		MA-6499 MA-6500 MA-6502 MA-6505 MA-6508 MA-6510

Current controls & mitigations		Assurances
MA-6499	Code of Conduct for Board and governance officials in place.	
MA-6500	Ethics and Integrity framework, and Ethics Policy, including Conflicts of Interest, in place, underpinned by processes for Ethics case management and conflict of interest reviews.	
MA-6501	Continued focus on staff wellness through deployment of a wellness strategy, providing support, to staff and teams by executing targeted interventions, where required. Conducting regular pulse check surveys, adjusting annual leave policy to cater to increased workload and providing further staff support service from ombudsman, staff counselor and occupational health advisor.	OIG Functional Audit Pulse Survey Check
MA-6502	Updated Code of Conduct for Staff, updated Bullying and Harassment Policy, and updated investigations and disciplinary procedures facilitating enhanced accountability and control.	
MA-6503	Leadership capability being enhanced through focused development programs for managers. The initiative is further supported by offers on Manager and employee capability development programs aligned to organization strategy.	
MA-6504	Leadership and manager capability development to drive accountability, performance, psychological safety and staff wellbeing. Continued implementation of the leadership program 'Elevate', launched in 2019.	Engagement Survey and Pulse Surveys
MA-6505	Continued awareness raising and related trainings on ethics and integrity.	
MA-6506	Total rewards review was implemented in 2019 and launched in January of 2021 for all employees. The rewards philosophy has been articulated reflecting aspects of our aspirational cultural values.	
MA-6507	Performance and talent management review in place to provide the organization and people managers with tools and capabilities to evaluate performance objectively, take accountability, nurture talent and recognize performance.	
MA-6508	Sustaining the revised investigation and disciplinary process launched in 2020, resulting in better case management for the organization.	
MA-6510	Ethics Office review of Codes of Conduct and Policies within the Ethics and Integrity Framework. Corresponds to AMA 4 of the 2019 OIG Audit of Ethics & Integrity	
MA-6518	Integrated organizational planning and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, aligned workforce requirements and budget requirements.	
		<b>Overall Status</b>
		Risk mitigation is on track. There are no material delays.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-6509	Organizational and Divisional / Departmental / Team action plans based on the survey results, continue to be planned and implemented as required.	Underway	30-12-2022	MEC
MA-6517	Working on evolving organizational culture through various initiatives (Sustainable & measurable diversity & inclusion strategy & embed it into existing processes, Future of Work, Aspirational Culture, Wellbeing Strategy)	Underway	31-12-2022	HR



21 - Workforce Capacity, Efficiency & Wellbeing				Risk owner: HR		2021-Q4	Approved by MEC		
Risk Description		Lack of work planning and resource prioritization, over commitment at Division / Department level, inefficient business processes and in some cases supervisory weakness, create conflicting priorities, workload pressures and have a negative impact on staff health and wellbeing.							
Risk Impact		Unable to deliver on organizational objectives as a consequence of inadequate work planning, inadequate prioritization, process inefficiency, and poor staff management. This results in some employees being overstretched, which has a negative impact on the ability of the organization to deliver on its objectives and, in some cases, a negative impact on personal well-being and the well-being of team members, who are required to take on additional work.							
Change since last quarter		No change	Current direction of travel		Increasing	Global Fund ability to mitigate	Significant		
Residual Risk		Moderate	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable	
Key Partners		Not Applicable							
Key Countries		Not Applicable							
Root Cause							Related Action		
Inadequate people management capability to drive performance and support talent development.							MA-6579 MA-6582 MA-6584		
Possibility of delays in long-term activities planned due to reduced capacity of Secretariat, as teams are engaged in C19RM and managing business as usual activities in parallel.							MA-6576 MA-6580 MA-6583 MA-6584 MA-6586		
Developing divisional and departmental priorities insufficiently aligned to organizational priorities is an issues, leading to led to uneven, ad hoc and unsustainable workloads, due to budgetary constraints.							MA-6576 MA-6581 MA-6582 MA-6583 MA-6584 MA-6587		
Inefficient business processes driving down productivity.							MA-6576 MA-6580 MA-6584		
Significant organizational change and shifting priorities, in combination with a lack of staff resilience, leading to change fatigue and loss of motivation / engagement.							MA-6577 MA-6578 MA-6579 MA-6585 MA-6587		
Changing restrictions by the Swiss and neighboring governments impacting the business continuity of the Global Fund.							MA-6586 MA-6587		
Increased risk of staff burnout due to increase workload and productivity loss due to COVID-19 impact on employees.							MA-6576 MA-6578 MA-6583 MA-6585 MA-6586		
Current controls & mitigations							Assurances		
MA-6576		Integrated organizational planning and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, aligned workforce requirements and budget requirements.					OIG functional Audit		
MA-6577		Continued focus on managing change effectively through various learning and development programs is being offered to employees to strengthen organization's internal capability.							
MA-6579		Leadership capability being enhanced through focused development programs for managers. The initiative is further supported by offers on employee capability development programs aligned to organization strategy.							
MA-6580		Performance and Accountability reporting done on quarterly basis focusing on areas for efficiency / effectiveness.							
MA-6581		To support operational workforce planning, position management has been implemented. Incremental implementation of workforce planning processes (Strategic) is underway to prepare for the next strategy cycle.							
MA-6582		New performance & development cycle implemented as well as the recognition framework – further embedment in 2021 and 2022.							
MA-6583		Continued monitoring of workforce needs across the organization, with redeployment or, if required, recruitment of resources being done to meet the business needs.							
MA-6584		Continued work to embed the Business Process Model and further strengthen the use of metrics for performance management and decision-making. The BPM will also be leveraged in planning for the implementation of the next Global Fund Strategy.							
MA-6585		Regular two-way communication is in place: regular (and well-attended) Townhalls were held throughout the crisis and managers are encouraged to proactively reach out to their teams to compensate for lack of interaction at workplace.							
						Overall Status		Risk mitigation is on track. There are no material delays.	
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-6587		Future of work project underway, which looks at the workspace, polices and processes to support our new ways of working and enabling technologies.					Underway	31-12-2022	MEC
MA-6586		Continue to adapt to the impact caused by COVID disruption through: Situation Response Team (SRT) that manages the response to COVID crisis, Business Contingency Plan (BCP) across Secretariat, engagement with Swiss authorities to address any legal, tax, pension fund, social security issues, and adapting to the Swiss government guidance and regulations.					Underway	31-12-2022	MEC

22 - Reputation		Risk owner: ERCD			2021-Q4		Approved by MEC			
Risk Description		Reputational harm can be caused by problems that emerge unexpectedly from control weaknesses, performance issues, poor governance or oversight, or events beyond the control of the Global Fund. Misleading or disproportionately negative media coverage of misuse of funds or other inappropriate activities can amplify reputational harm.								
Risk Impact		Damage to reputation can lead to potential loss of future donor funding and ability to achieve impact against the three diseases.								
Change since last quarter		No change	Current direction of travel		Increasing	Global Fund ability to mitigate		Moderate		
Residual Risk		High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable		
Key Partners		Not Applicable								
Key Countries		Not Applicable								
Root Cause								Related Action		
Potential misstep in Board selection process								MA-6534		
Political factors can influence news coverage								MA-6533 MA-6536		
Complexity of global health operations allow for misinterpretation								MA-6528 MA-6532 MA-6535		
OIG and other reports that identify misuse of funds or other serious issues								MA-6528		
Performance issues or internal control weaknesses								MA-6531		
Current controls & mitigations								Assurances		
MA-6527	Constant coordination with external relations teams to adjust communications plans to priorities and emerging risks in key markets and audiences							Frequent exchanges of the ERCD Leadership Team and internal working groups (Situation Response Team and COVID-19 Steering Committee)		
MA-6528	Proactive identification of potential issues by country teams and senior management with relevant teams.							Country Teams reports		
MA-6531	Performance and Accountability Framework in place to drive process performance and accountability across the Secretariat, with routine monitoring of process efficiency and effectiveness metrics through reporting to Management Executive Committee.							Quarterly reporting, SPH active monitoring, and MEC discussion on the status of P&A indicators		
MA-6532	Continual focus on strengthening organizational maturity of risk management, internal controls, governance, and increasing transparency.									
MA-6533	Proactive, agile communications strategy by Communications Department.									
MA-6534	Ethics and Integrity Framework and Ethics Policy, including Conflicts of Interest, in place, underpinned by processes for Ethics case management and conflict of interest reviews									
MA-6535	Release of situation reports, and updated key messages and information on COVID-19 response on digital platforms							Regular review of the situation by MEC and internal COVID-19 working groups (Situation Response Team and COVID-19 Steering Committee)		
MA-6536	Proactive media outreach and regular monitoring of media coverage							Review of monthly media coverage as part of ERCD Leadership Team discussions		
							Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned								Status	Target completion	Action owner

## Annex 2 – Relevant past Board Decisions

Relevant past Decision Point	Summary and Impact
GF/B32/DP11: Approval of the Risk Management Policy (November 2014) <sup>3</sup>	Based on the recommendation of the Finance and Operational Performance Committee, the Board approves the Risk Management Policy, as set forth in Annex 3 to GF/B32/13.
GF/B46/DP05: Amended Risk Appetite Statements (November 2021) <sup>4</sup>	<p>Based upon the recommendation of the Audit and Finance Committee, the Board approves the amended Risk Appetite Statements, including risk appetites, target risk levels and timeframes to achieve target risk, as set forth in Annex 1 to GF/B46/06, acknowledging that the target risk level for each risk shall become the revised risk appetite at the target due date.</p> <p>This decision point and the amended Risk Appetite Statements approved by it shall supersede decision point GF/B39/DP11 (May 2018).</p>

<sup>3</sup> <https://www.theglobalfund.org/board-decisions/b32-dp11/>

<sup>4</sup> <https://www.theglobalfund.org/board-decisions/b46-dp05/>

### **Annex 3 – Relevant Past Documents & Reference Materials**

- [Risk Management Report GF/B46/19](#) (November 2021)
- [Updates to Risk Appetite GF/B46/06](#) (November 2021)
- [Risk Management Report and CRO's Annual Opinion GF/B45/17](#) (May 2021)
- [Risk Management Policy](#) (November 2014)

## Annex 4 – Summary of Committee Input

Extract from the Report of the AFC18 Committee Meeting:

### Presentation

The Secretariat summarized the current operating environment and risk landscape and progress to manage and mitigate risks by leveraging adjustments made to risk appetite. The Secretariat highlighted that the trajectory of many risk levels started to stabilize in Q4 2021 while risk trade-off decisions need to continue over coming months. The Secretariat also highlighted the anticipated challenges and key risk management priorities for 2022 covered in the background document GF/AFC18/07.

### AFC Discussion

The AFC sought clarification on the following points:

- i. **Staff wellbeing** and the adequacy of human resources to meet operational demands.
- ii. The potential impact of the **Ukraine conflict** on the risk profile, and what secondary impacts can be expected.
- iii. **Risk-based decision making at country level.**
- iv. **Ability of the Global Fund to achieve target risk levels** by the agreed timeframes, and the potential need for further adjustments.
- v. The **impact of increased investment in LFAs** including to help address supply chain issues and reduce risk exposure.
- vi. Increasing fraud risk and findings from OIG reports regarding **fiscal agents and ineligible expenses.**
- vii. The reasons why the risk trajectory for the sexual exploitation, abuse and harassment (**SEAH**) **risk** is increasing.
- viii. **Tuberculosis (TB) program disruption:** The risk level for TB is the highest in the risk profile. Further detail sought on the expected trajectory of this risk.

### Secretariat Response

- i. **Staff wellbeing:** A range of wellbeing measures are in place to support staff. Pressure is anticipated to decrease as new staff are onboarded and settle into posts.
- ii. **Ukraine conflict:** The scale of the global impact of conflict in Ukraine is not yet known. A greater focus on country self-sufficiency can be expected, which may influence global supply chains. A crisis management team meets daily to continually assess the situation.
- iii. **Risk-based decision making at country level:** Improved M&O is enabling more informed and consistent risk trade-off decisions to be made through Country Portfolio Reviews. This is bringing further stability to the risk profile.
- iv. **Target timeframes:** Provided volatility does not increase the current assumption is that target risk timeframes will not need to be adjusted. However, while risk levels at an aggregate level are expected to decrease this will not be true across the board. The target timeframes for fraud risk are likely to be the most challenging. Improved assurance measures will help to improve visibility and facilitate necessary trade off decisions.
- v. **Investment in LFAs:** The increase in the LFA budget is adequate and the LFA operating model has proven to be robust during the course of the pandemic. LFAs play an important role in

balancing the necessary oversight of programmatic risks, such as fraud risk, with a consideration for the level of burden these activities can have on programmatic performance. The benefits of increased LFA assurance activities are expected to manifest over the next 12 months.

- vi. **Fiscal agent issues:** Fiscal agents play an important role in first line risk mitigation. Fiscal agents are located in many countries and the experience has been positive. Issues with individual agents needs to be addressed through the appropriate measures.
- vii. **SEAH risk trajectory:** The increasing trajectory of this risk is due to an enhanced maturity and capacity in SEAH risk management. The organisation has improved its ability to identify SEAH risks. As further progress is made in assessments, the trajectory will stabilize.
- viii. **Tuberculosis (TB) program disruption:** Covid-19 disruptions have impacted TB notification rates to varying levels across countries. At an aggregate level, this disruption has started to decrease. This can be attributed to countries developing contingency plans, implementing adaptations, and community engagement programs to maintain notification rates. TB continues to be acutely impacted when there are restrictions and lockdowns, which continue to be monitored closely.