

# **Semi-annual Risk Management Report**

GF/B48/23  
48<sup>th</sup> Board Meeting  
15-17 November 2022, Geneva, Switzerland

## **Board Information**

Purpose: to provide the Board and Committees with an update on the status of the organizations' risk profile and risk management framework, as well as the risk management priorities for 2022 and 2023.

# Executive Summary

## Context

2022 tentatively promised the beginnings of a return to normalcy as the number of cases of COVID-19 started to decrease, following initial peaks at the start of 2022 linked to the emergence of the Omicron variant. However, any sense of optimism was short-lived. Russia's invasion of Ukraine further destabilized already volatile markets, pushed up energy and commodity prices, and brought additional disruption to global supply chains. Other countries experienced political unrest and / or deteriorating security situations, whilst the impact of climate change also saw countries across the globe experience extreme temperatures, wildfires, and flooding.

Programs have shown increasing resilience to each new wave of the pandemic and the rebound in programmatic results for HIV, TB, and malaria (HTM) programs that started to take hold in mid-2021 has continued. However, pockets of malaria resurgence are being seen which need to be closely monitored. The risk of further, more severe, variants of COVID-19 also remains, while adaptations successfully implemented in 2020 and 2021 should ensure that countries are much better placed to quickly respond. Efforts currently in progress to reinvest C19RM funds present an opportunity for an increased focus on systems strengthening, which will also help lay strong foundations leading into the next strategy period.

Importantly, as global markets suffer and the very real prospect of a global food crisis looms, the Procurement and Grant-related Fraud & Fiduciary risks are likely to remain High despite initial expectations that they would have reached Moderate by the end of 2022. The Accounting & Financial Reporting by Countries risk is similarly expected to remain High as a result of the impact of COVID-19 related disruption on the ability of Principal Recipients (PRs) to effectively monitor and report on financial management.

Domestic health financing is likely to be impacted along with investments in health systems strengthening, all of which ultimately have implications for program quality. The implementation of C19RM also continues to exert pressure on countries.

Looking towards 2023, the Secretariat will need to continue to work closely with the Committees and the Board to anticipate the implications for risk levels, the risk trade-offs needed to ensure program continuity and quality, and the organization's risk appetite.

## Questions this paper addresses

- A. What are the risk levels and trajectories of key thematic risks relative to risk appetite and what progress is being made to meet target risk levels within agreed timeframes?
- B. What are the other key thematic risks facing the organization?
- C. How has risk management continued to mature in 2022 and what are the priorities moving into 2023?

## Conclusions

- A. For as long as there is volatility, the trajectory of risks will be difficult to predict. The risk levels for Procurement, Grant-related Fraud & Fiduciary, and Accounting & Financial Reporting by Countries, which had been predicted to reach Moderate by end of 2022, are likely to remain High into 2023. In the event that risk levels do indeed remain at High, an analysis will be carried out using the latest

data available in early 2023 (including information provided through the Q4-2022 ORR update) to provide an update and recommendations on target risk timeframes at the 21<sup>st</sup> AFC and SC meetings, and the 49<sup>th</sup> Board meeting.

The Monitoring and Evaluation (M&E) risk, which also has a target risk timeframe of Moderate by December 2022, remains on track. The risk level is currently High, but the direction of travel is decreasing, and the risk level is expected to reach Moderate by the end of the year.

- B. Other key thematic risks also discussed in the report are Domestic Health Financing, Human Rights and Gender Equality, as well as Sexual Exploitation, Abuse, Harassment (SEAH) and Misconduct.

In addition to the updates on any risks outside of risk appetite, the Secretariat is also planning to provide a more in-depth update in 2023 on the Drug & Insecticide Risk, due to the malaria resurgence being seen and in response to requests from the Strategy Committee.

- C. Good progress continues to be made to strengthen risk management including: using risk appetite to proactively manage risk; improving risk management and assurance; reviewing and updating risk ratings and mitigating actions to align to the operating context; an increased focus on execution of mitigating actions; enhancements to risk management tools; and strengthened monitoring and oversight.

An increasingly mature risk management culture, underpinned by strengthened tools, systems, and processes, puts the organization on a strong footing moving into 2023. Careful monitoring of early warning signs of emerging and evolving risks is going to be critical, as is a willingness to take tough but necessary trade-off decisions, to ensure programs can innovate, scale-up, and deliver with maximum impact.

## **Input Sought**

This report has been shared with all standing Committees of the Board for input on risks under the purview of each Committee, as outlined in Annex 1. Matters highlighted in this report were raised at AFC20, SC20, and EGC20 as part of a revised model of embedded risk discussions during relevant thematic sessions, according to the meeting agenda. The AFC was provided with a comprehensive review of the Grant-related Fraud and Fiduciary risk, as well as a discussion on overall risk management, with EGC and SC leadership in attendance. SC and EGC leadership also provided a summary of discussions held during their respective committee meetings to the AFC, in support of the AFCs mandate of overall oversight of risk management.

## **Input Received**

The SC expressed support for the revised model of embedded risk discussions and highlighted the benefits of discussing risk as part of the relevant subject matter. The SC was pleased to note the decreasing direction of travel for the TB program quality risk and acknowledged that the Procurement risk is not expected to reach Moderate by the target date of December 2022 and that the Secretariat will provide an update and recommendation at the 21<sup>st</sup> SC meeting. The SC also noted that work is underway to develop more mature approaches to mitigate the Human Rights and Gender Equality risk within countries.

The EGC welcomed progress made in implementing SEAH mitigating actions and noted that the direction of travel for the Governance risk has stabilized. The EGC also provided oversight over efforts to strengthen ethics through CCMs and requested clarification on the allocation of cross-cutting risks relating to CCMs.

The AFC noted that the Grant-related Fraud and Fiduciary and Accounting & Financial Reporting by Countries risks are not expected to reach Moderate by the target date of December 2022, and that the Secretariat will provide an update and recommendations on revised target risk timeframes at the 21<sup>st</sup> AFC meeting. The AFC also discussed how the embedded risk discussion model can address gaps in oversight over emerging risk areas. The level and maturity of in-country assurances in supporting oversight across the three lines of defense was also discussed. A detailed summary of the AFC20 discussion, including EGC and SC input to the AFC, is presented in Annex 4.

## BACKGROUND

1. 2022 tentatively promised the beginnings of a return to normalcy, as the number of COVID-19 cases started to decrease following initial peaks at the start of 2022 linked to the emergence of Omicron variant. However, any sense of optimism was short-lived. Russia's invasion of Ukraine further destabilized already volatile markets, pushed up energy and commodity prices, and brought additional disruption to global supply chains. Other countries experienced political unrest and / or deteriorating security situations, whilst the impact of climate change also saw countries across the globe experience extreme temperatures, wildfires, and flooding.
2. Despite the persistent volatility and uncertainty of the past two and a half years, the rebound in programmatic results for HIV, TB, and malaria programs that started to take hold in mid-2021 has continued. The [2022 Results Report](#) demonstrates that HIV programs have remained relatively resilient throughout the pandemic, with the percentage of people in need of antiretroviral therapy who received it improving steadily to 75% in 2021, in the countries the Global Fund invests in. TB programs, which were the worst affected, are now starting to bounce back with increases in the number of people treated in 2021 compared to 2020 for both TB (12%) and Multidrug-resistant TB (9%). Malaria programs are also showing signs of recovery, with the number of people treated having increased by 8% between 2020 and 2021. However, pockets of malaria resurgence are also being seen, which need to be closely monitored.
3. Overall, these results indicate an increasing resilience of programs to each new wave of the pandemic. This is a success of which countries, implementers, and the wider partnership should be proud. However, much remains to be done in what is likely to remain a very challenging environment. COVID-19 related disruption seen in the early days of the pandemic has abated, with the majority of countries now dropping most, if not all, restrictions. The risk of further, more severe, variants remains, but the adaptations successfully implemented in 2020 and 2021 should ensure that countries are much better placed to quickly respond. However, as global markets suffer, and the very real prospect of a global food crisis looms, the Procurement and Grant-related Fraud & Fiduciary risks are likely to remain elevated for longer.
4. Domestic health financing is also likely to be impacted along with the investments in health systems strengthening, all of which ultimately have implications for program quality.
5. Implementation of C19RM also continues to exert pressure on countries, as they work to balance implementation of HTM programs with the need to ensure appropriate levels of preparedness in the event of future waves, as well as laying the foundations for broader investments in pandemic preparedness. Demand, in particular, for diagnostics and PPE has inevitably plateaued in line with declining case numbers, hospitalizations, and deaths. Therefore, the current focus on ensuring reinvestment towards increased support for systems strengthening and HTM mitigation, whilst simultaneously ensuring countries have sufficient stocks for any future waves, is critical.
6. The Global Fund's ambitious new strategy for 2023-2028 doubles down on the collective effort in the fight against HTM, after key programmatic results declined for the first time in 2020. This level of ambition is the only way the global community will reach the Sustainable Development Goal (SDG) goal of ending the three epidemics by 2030. Delivering on this ambition will have implications for risk levels, and more risk trade-offs will inevitably be required.
7. Despite the combined challenges of the operating environment, COVID-19 disruption, and the ambitious next Strategy, the Global Fund is in a strong position. C19RM has demonstrated the organization's agility and ability to quickly adapt. It has also accelerated the maturation of the organization's risk management framework, including underpinning tools and processes and

critically, the risk management culture. The respective roles of the 2<sup>nd</sup> and 3<sup>rd</sup> lines of defense continue to further solidify; risk management tools such as the Integrated Risk Management (IRM) tool are being materially enhanced; and, monitoring and oversight and proactive use of data to drive action and decision-making continues to be strengthened.

8. Looking towards 2023, the Secretariat will need to continue to work closely with the Committees and the Board to anticipate the implications for risk levels, the risk trade-offs needed to ensure program continuity and quality, and the organization's risk appetite.

## THE GLOBAL FUND'S RISK PROFILE

### Analysis of thematic risks relative to risk appetite

9. The table below provides a summary of all risks for which the Board has set risk appetite. The table is followed by a more detailed assessment of a sub-set of risks, including whether those risks remain on track to reach target risk levels within agreed timeframes. Annex 1 contains the full Organizational Risk Register (ORR) update for Q2 2022.
10. As the table highlights, the volatility of the operating environment is reflected in the changing direction of a number of risks, both negatively and positively.

Risk name	Purview	Residual risk	Risk appetite	Target risk	Target risk timeframe	Direction of travel
						Q2-2022
Program Quality - HIV	SC	High	High	Moderate	Jun 2024	Steady
Program Quality - TB	SC	Very High	Very High	High	Dec 2023	Decreasing
Program Quality - Malaria	SC	High	High	Moderate	Jun 2024	Steady
M&E	SC	High	High	Moderate	Dec 2022	Decreasing
Procurement	SC	High	High	Moderate	Dec 2022	Steady
In-country Supply Chain	SC	High	High	Moderate	Jun 2024	Steady
Grant Related Fraud & Fiduciary	AFC	High	High	Moderate	Dec 2022	Increasing
Accounting & Financial Reporting by Countries	AFC	High	High	Moderate	Dec 2022	Steady
In-country Governance	AFC	Moderate	Moderate	Moderate	Not Applicable	Increasing
Quality of Health Products	SC	Moderate	Moderate	Moderate	Not Applicable	Steady

#### Program Quality - HIV

11. The HIV Program Quality risk level remains High and the direction of travel is steady. HIV care and treatment programs have shown resilience throughout the pandemic, mainly due to the rapid scale-up of multi-month anti-retroviral therapy (ART) dispensing and engagement of primary community care providers. Prevention programs were negatively impacted in the initial months of the pandemic, but programs have been showing signs of recovery now that COVID-19 related restrictions have

eased. However, political trends towards zero or reduced tolerance of key populations are cause for concern and will have implications for access to services. Challenges are also being reported on quality and completeness of data on people currently on ART and retention rates.

12. Key mitigating measures being implemented in response include ensuring ARV commodity security to countries that are at maximum risk of treatment disruption, optimization and expansion of differentiated HIV testing strategies, accelerating uptake of innovations and adoption of the five must have COVID-19 HIV program adaptations. These include key populations (KP) and adolescent girls and young women (AGYW) prevention programming adaptations, as well as dissemination of quality standards and normative guidelines. The Secretariat has undertaken deep dives jointly with PEPFAR across nine high HIV high burden countries and initiated measures to protect prevention programs in four countries that significantly impact the achievement of overall strategic targets.
13. **The risk level for HIV Program Quality remains on track to reach Moderate by the target date of June 2024.**

#### Program Quality - TB

14. The TB Program Quality risk level remains Very High and the direction of travel is decreasing. Many countries have effectively mitigated their COVID-19 related risks and returned their TB program performance to pre-COVID-19 levels. Of the top twenty high burden TB countries with Global Fund investments, twelve countries have shown signs of reversal of trends and are likely to meet and or exceed pre-COVID-19 levels of TB notification. However, eight countries, including some of the high burden countries like Indonesia, Philippines, Myanmar, and South Africa are likely to miss their targets.
15. A key factor is the residual impact of disruption to TB services during the pandemic and ensuing lock downs, including the diversion of both human, laboratory and financial resources away from TB services. Program adaptations in some countries are also taking longer to deliver results due to delays in the resumption of normal public health and laboratory services, gaps in community and private sector engagement, as a result of lost momentum in initiatives to find missing TB cases, and systems and program management fatigue. While trends for drug resistant-TB notifications appear to be improving, the speed of reversal is lagging. This is likely driven by delays in operationalization of additional investments in molecular diagnostic networks and linkages to care.
16. Key mitigating actions being implemented to bring down the risk level include promoting differentiated approaches and integrated service delivery models in diverse country contexts, supporting countries to implement changes to drug policies including transition to the new six-month regimens for treatment of drug resistant-TB and TB preventive therapy, as well as revisiting care pathways and expansion to communities. A roadmap to improve the TB surveillance system based on digital TB surveillance system assessments is also being prioritized along with strengthening in country review and dialogue with partners. Supporting bi-directional screening and diagnosis of TB and COVID-19 continues to be a priority and focused efforts are being made to accelerate recovery in eight priority countries still recovering from the impact of COVID-19.
17. **The risk level for TB Program Quality remains on track to reach High by the target date of December 2023.**

#### Program Quality - Malaria

18. The Malaria Program Quality risk level remains High and the direction of travel is steady although with potential to start increasing. There are pockets of malaria resurgence both at an individual country level and regionally, driven partly by climate change events such as excessive and unseasonal rain and flooding. However, delays or gaps in vector control campaign operations and

increases in levels of insecticidal resistance have also contributed, highlighting the need to ensure timeliness, quality and coverage of campaigns, and for stronger surveillance systems to support early identification and understanding of emerging trends.

19. Other factors contributing to the High risk level include countries registering resource gaps in the last six months for vector control operations for their 2023 campaigns. This has been driven by higher costs of nets and operations, and higher than anticipated populations in need of coverage. While some of the incremental costs for operations and freight are being supported through C19RM, there is likely to be a spill over impact into the 2023-2025 cycle. Optimizing vector control strategies, requires improved use of data for decision making, including sub-national stratification and targeting of interventions, as well as monitoring of outcomes and impact. The availability and use of data for decision making is one of the top five risk drivers for malaria. Insufficient access to case management including at community level and limited attention to continuous quality improvement are also risk drivers.
20. Key mitigating actions include advocacy to mobilize resources to fill 2023 long-lasting insecticidal nets (LLIN) and indoor residual spraying (IRS) campaign gaps, and working with manufacturers and PRs to maximize product availability through early procurements and coordination. Accelerating uptake of program adaptations, innovations, and catch-up plans using existing grant and C19RM resources is also key as well as supporting sub-national stratification to target vector control tools and other interventions.
21. As things currently stand the **risk level for Malaria Program Quality remains on track to reach Moderate by the target date of June 2024**, but this is subject to change if the trajectory of the risk does start increasing.

#### In-country Supply Chain

22. Although the In-country Supply Chain risk remains High, the direction of travel is now steady. COVID-19 related disruption has placed additional pressure on in-country supply chains. Workforce capacity has been reduced, there has been increase in the flow of products, and new health product categories have been introduced. Despite these combined challenges, in-country supply chains have remained resilient, and the situation seems to be stabilizing. However, the recent increase in fuel costs and anticipated future increases will bring additional pressure, and affect already limited in-country supply chain budgets. Last mile distribution projects, by their nature, are anticipated to be the most severely affected. Consequently, some further volatility can be expected.
23. Key mitigating actions being implemented to address in-country supply chain risks include supporting activities to improve supply chain visibility, such as logistics management information system (LMIS) deployment, LMIS strengthening activities, and data systems interoperability. Warehousing improvement activities and optimization of distribution processes are also being supported, along with capacity building of the workforce, including contracting and performance management by Logistic Management Units.
24. Although continued volatility is expected particularly in countries with weaker supply chains, **the risk level for In-country Supply Chain is expected to reach Moderate by the target date of June 2024.**

#### Procurement

25. The Procurement risk level remains High and the direction of travel is steady. Supply chain disruptions linked to COVID-19 persist and, as already highlighted, the war in Ukraine has made the operating environment even more volatile. The surge in oil prices has led to increased freight costs and changes in transportation routes, which are impeding the flow of raw materials and



finished products globally, and making it difficult for PRs to forecast, plan and effectively manage procurement processes.

26. Key mitigating actions being implemented to address procurement challenges include regular coordination with procurement agents, Country Teams, PRs, and partners to assess freight cost increases, secure available PPM freight options and reduce international transportation delays. Active communications to PRs and publication of updated procurement lead-times per category of health products are also being used to remind PRs of the need to place orders early. While Local Fund Agent (LFA) procurement reviews remain the main assurance for in-country procurement risk, the introduction of technical assistance and the revision of procurement processes are also being implemented as a medium-term measure in high-risk countries to ensure visibility of procurement challenges.
27. **The risk level for Procurement is not expected to reach Moderate by the target date of December 2022.** In the event that the risk level remains at High, an update and recommendations will be provided at the 21<sup>st</sup> SC and AFC meetings and the 49<sup>th</sup> Board meeting.

#### Grant-related Fraud & Fiduciary

28. The Grant-related Fraud & Fiduciary risk rating remains High and the direction of travel is increasing. The knock-on effects of the pandemic as well as high inflationary pressures in implementing countries emanating from the global food and energy crisis are continuing to create an environment which both creates more opportunities for, and incentivizes, fraud. While LFAs have continued to maintain oversight and undertake most assurances during the COVID-19 period, there have been notable gaps in coverage and effectiveness of PR and Country Coordinating Mechanisms' (CCM) oversight mechanisms. There is also a notable tendency to continue with flexibilities and bypass controls in the post COVID-19 context.
29. In order to gain better visibility on fraud risk exposure, the Secretariat has engaged the LFA and other fraud risk experts to conduct fraud risk assessments across selected high impact and high-risk portfolios. These reviews include Integrity Due Diligence (IDD) on key actors in implementer organizations as well as Segregation of Duties (SOD) analysis to identify kingpin roles that could override management controls to conduct fraudulent activities. These reviews are helping to identify various fraud risks and assess the effectiveness and efficiency of existing and proposed controls, as well as the need for enhanced assurance measures. In addition, the Secretariat will also be implementing key recommendations from the OIG Fraud Risk Maturity Assessment report including to strengthen fraud monitoring activities.
30. **The risk level for the Grant-related Fraud & Fiduciary risk is not expected to reach Moderate by the target date of December 2022.** In the event that the risk level remains at High, an update and recommendations will be provided at the 21<sup>st</sup> AFC meeting and the 49<sup>th</sup> Board meeting.

#### Accounting & Financial Reporting by Countries

31. The Accounting & Financial Reporting by Countries risk rating remains High and the direction of travel is now steady. Travel restrictions and lock-downs during the pandemic impacted the ability of implementing partners to effectively monitor and report on financial management to the Global Fund. PRs with a reliance on manual accounting systems were particularly impacted, as they faced challenges with collecting accounting reports from implementing partners. Flexibilities provided to PRs as part of approved Global Fund business continuity plans also led to delays in reporting. Disruptions faced by PRs have begun to decrease, as countries remove restrictions.
32. **Although disruption has started to decrease the risk level for the Accounting & Financial Reporting by Countries risk is not expected to reach Moderate by the target date of**

**December 2022.** In the event that the risk level remains at High, an update and recommendations will be provided at 21<sup>st</sup> AFC meetings and the 49<sup>th</sup> Board meeting.

#### Risk appetite relative to target timeframes

33. The outbreak of war in Ukraine and its impact, in particular, on the global economy and global supply chains has meant that, as highlighted above, the target risk timelines for some of the risks are unlikely to be achieved. The risk levels for the Procurement, Grant-related Fraud & Fiduciary, and Accounting & Financial Reporting by Countries, which had been predicted to reach Moderate by end of 2022, are likely to remain High into 2023.
34. The Secretariat will be closely monitoring risk levels over the coming months and in the event that risk levels do indeed remain at High, as noted above, the relevant Committees and the Board will be provided with an update and recommendations on revised target risk timeframes. An analysis will be carried out using the latest data available in early 2023, such as the Q4-2022 ORR update, to inform this recommendation.
35. The expectation, based on the current context, is that the risk levels for Procurement and Accounting & Financial Reporting by Countries are likely to start reducing in the first half of 2023 and could reach Moderate before the end of the year. However, the Grant-related Fraud & Fiduciary risk is likely to remain High for as long as the operating context remains volatile and economic uncertainty persists.
36. The M&E risk, which also has a target risk timeframe for reaching Moderate by the end of December 2022, remains on track. The risk level is currently High but the direction of travel is decreasing and the risk level is expected to reach Moderate by the end of the year.
37. In addition to the updates highlighted above, the Secretariat is also planning to provide a more in-depth update on the Drug & Insecticide Risk in 2023, due to the malaria resurgence being seen and in response to requests from the Strategy Committee.

#### **Analysis of other thematic risks**

##### Domestic Health Financing

38. Analysis by the Global Fund's health financing department supports the global implications of the COVID-19 pandemic continuing to be much more significant for implementor countries than the war in Ukraine. However, as noted in previous sections, war in Ukraine has caused severe economic disruption, slowing global recovery from COVID-19, and the impact on implementer countries will vary widely depending on their exposure to economies directly impacted by the war and commodity price changes. Beyond immediate disruptions from the war and economic sanctions, the global economy is affected through disruptions to trade and commodity markets, and increasing uncertainty. This extends to Global Fund implementing countries, with impacts likely on their national incomes, sustainability of their debts, and the costs of responding to the economic and social impacts experienced by households due to commodity price rises. These factors are all leading to an impact on the fiscal space of economies and Global Fund and domestic partnership financing commitments.
39. The position as at July 2022 is that global growth will be significantly lower than forecast and that in 2023 monetary policy tightening will further constrain global growth. Early analysis by the World Bank also indicates a rising proportion of Global Fund implementing countries projecting reduced per-capita central government health expenditure in 2022.
40. Implications for the co-financing risk are also cause for concern. The reduced growth, combined with the strain on public finances caused by COVID-19, will present challenges to countries seeking

to increase their fiscal allocations to HTM. Higher inflation in Global Fund implementing countries than globally is also likely to weaken their currencies, making domestic co-financing commitments in USD / EUR harder to realize. There will need to be a case-by-case approach to managing this risk. A more robust assessment of the impact will be possible with the publication of October 2022 IMF's World Economic Outlook where the effect of the war in Ukraine and commodity price changes on GDP will become more apparent.

#### Human Rights and Gender Equality

41. The human rights and gender inequality risk remains High and the direction of travel is steady. Barriers in the access to prevention and treatment programs as well as stigma, discrimination, and violence against women and vulnerable populations are all contributing to the risk level. To address these challenges, the Secretariat 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. The Secretariat is also developing a plan for operationalizing service delivery with community led organizations and community-based organizations.

#### Sexual Exploitation, Abuse, Harassment (SEAH) and Misconduct

42. The SEAH risk remains High with an increasing direction of travel. Socio-economic contexts in certain implementer countries, which have been further exacerbated by the COVID-19 pandemic, continue to result in disruption to services and impact the availability of personnel who support and safeguard vulnerable populations. All these factors contribute to an increased risk of prohibited behavior. To inform the identification and implementation of preventative measures, a SEAH Risk Index has been developed with a phased roll out of capacity assessments commencing in November 2022. The phasing takes into account PR constraints on PR capacity linked to reshaping of C19RM investments combined with HTM grant implementation.
43. Implementer PSEAH capacity assessments and capacity building will enable implementers to identify capacity gaps and develop strengthening plans to mitigate risks. The impact of implementer capacity building will take time to be felt. However, as progress is made in implementation, the expectation is that the risk level will start to stabilize.

#### C19RM implementation

44. With Omicron, the decrease in serious cases, plus a shift in focus in many implementing countries towards vaccines, and back to delivery of more routine health services, demand for COVID-19 health products has inevitably decreased. This has had significant implications for implementation of C19RM investments, given the heavy focus on the COVID-19 response and related health products. Demand for diagnostics and PPE health products has plateaued in many countries, whilst procurement and implementation of oxygen therapeutics has proven to be complex and lengthy, impacting absorption. The nature of C19RM as an emergency response means that these outcomes are not necessarily surprising. However, low absorption of C19RM funds nonetheless poses a significant reputational risk.
45. The Secretariat's focus on working with countries to identify opportunities to reinvest funds whilst also looking for areas of unfunded demand is critical. A central part of this process involves reflecting on the lessons learned from the past two years to understand and help countries manage the execution risks associated with different investments. The Secretariat is much better informed going into the process of the associated risks, but close monitoring of implementation progress will still be critical.

## CONTINUED MATURATION OF RISK MANAGEMENT IN 2022

### Effective use of Risk Appetite to proactively manage risk

46. The flexibility to make trade-off decisions to ensure program continuity, to enable scale-up and to drive innovation remains essential. Risk acceptance and risk trade-off decisions, facilitated by the revised risk appetite agreed by the Board, continue to be made on a regular basis. In the context of C19RM supporting countries to maintain a minimum level of preparedness against future waves of COVID-19 carries a risk of expiries when the demand for PPE or diagnostics does not materialize. However, accepting this risk permits countries and the Secretariat to plan in line with the limits set out by technical partners and Global Fund operational guidelines. Similarly, investments in strengthening oxygen delivery capacity carry a risk that demand may not materialize in the context of COVID-19. However, the support being provided to countries through C19RM to strengthen respiratory management capabilities will invariably have lasting benefits for pandemic preparedness into the future.
47. Similar examples exist for investment in HTM. The demand for expansion of multi-disease molecular diagnostic platforms has been high, but at the same time there are instances of sub-optimal utilization of available equipment or gaps in laboratory network designs. Decisions to invest, therefore, require weighing up the risk of sub-optimal use versus no investment. As part of C19RM, there is a renewed emphasis on a holistic approach to laboratory systems strengthening and laboratory sample transportation, which will eventually lead to better outcomes. These trade-off decisions will continue to need to be made, leveraging the flexibility afforded by risk appetite.

### Improving risk management and assurance

48. The Secretariat continues to undertake measures to strengthen its 2<sup>nd</sup> line of defense, 1<sup>st</sup> and 2<sup>nd</sup> line engagement, and assurance activities.
49. The 2<sup>nd</sup> line is comprised of cross-functional technical teams, technical disease advisors, and various departments across the organization. With strategic priorities evolving as part of the new Strategy, there is an even greater need for targeted engagement from the 2<sup>nd</sup> line in providing advice, monitoring, and oversight on the risks managed by their 1<sup>st</sup> line counterparts. This is particularly the case for domestic financing, sustainability, and value for money risks, which call for specialist guidance from RSSH and Lab advisors, Community Rights and Gender advisors, and Health Financing teams.
50. Clearly defined roles and responsibilities to strengthen coordination across the 1<sup>st</sup> and 2<sup>nd</sup> lines of defense is critical. Engagement with 2<sup>nd</sup> line teams has been underway to implement the target operating model agreed to in late 2021. As part of this engagement, the Secretariat has been updating its core risk management tools to embed roles into routine business and establish processes which provide clarity and drive accountability across the 2<sup>nd</sup> line.
51. Assurance planning and tracking is also being strengthened alongside increased access to and use of LFA assurance reports to help support 2<sup>nd</sup> line teams with issue identification and corrective action. In particular, LFA assurances are allowing for a more holistic view of fraud risks, and the underlying programmatic, data-related, and supply operations driven factors that can lead to fraud beyond the fiduciary risks.

### Review of risk ratings and mitigating actions to align to the operating context

52. At the start of the pandemic, the Secretariat adopted a top down and bottom-up approach to validate and update risk levels to reflect the impact of COVID-19. A similar exercise will be undertaken over the next 6 months to assess the key drivers of risk levels. This exercise will act as a stress test to

understand the current risk landscape and how the impacts of COVID-19 may have evolved, especially for risks related to procurement, supply chain systems and fraud, and ensure that risk levels and mitigating actions reflect the operational reality.

#### Increased focus on execution of mitigating actions

53. Over the years, the quality of risk assessments and identification of root causes has improved, as evidenced by relatively high levels of concurrence between OIG ratings following internal audits of risk management. However, the prioritization of mitigating actions and their execution has been slow; Key Mitigating Action (KMA) completion rates have gradually improved from 28% in 2019 to 34% in 2021, standing at 43% by end Q2 2022<sup>1</sup>. While there has been progress, there is a need for continued attention to the quality of mitigating actions as well as monitoring completion rates and how effectively risks are being mitigated. Given over 80% of the actions are to be executed by grant principal recipients and implementers, the Secretariat is working to systematically communicate outstanding KMAs with PRs to drive ownership and accountability.

#### Enhancements to risk management tools

54. Risk management systems, tools and processes are continuously improved and at the end of 2021 a key project was launched to rebuild the Integrated Risk Management (IRM) tool. The IRM is used to assess in-country risks, integrated across other grant lifecycle modules within the Global Fund's Grant Operating System (GOS). Rebuilding of the tool focuses on the following key themes:

- i. Making the IRM a strategic tool and elevating the risk assessment to country level vs grant level;
- ii. Providing a holistic and transversal view of risks across portfolios and grants;
- iii. Simplifying the user interface;
- iv. Harmonization and automation of information to facilitate robust portfolio risk assessment; and,
- v. Driving clear accountability and responsibility between the 1<sup>st</sup> and 2<sup>nd</sup> lines of defense by enabling reviews of country risk information during key grant-lifecycle process milestones.

55. The majority of the IRM rebuild is now complete with go-live scheduled at the end of 2022.

56. Enhancements are also being implemented to the Organizational Risk Register (ORR) module again to simplify the interface and the end-to-end quarterly review and update process.

#### Strengthened monitoring and oversight

57. Work to continue strengthening monitoring and oversight for C19RM has remained a priority throughout 2022, building on the foundations laid in 2021. Key developments in 2022 have included:

- i. **Continued refinement of data collection tools.** Notably, the Supply Chain and Health Services Spot Checks have been improved with an updated sampling methodology and revised questions to help strengthen the quality of the data being collected.
- ii. **Creation of a central repository of C19RM data.** This database makes cross-cutting data on C19RM implementation easily accessible to the wider organization to support ongoing monitoring and implementation related decision-making. Data sets available include epidemiological data on C19RM, financial, procurement, supply chain, health systems and programmatic results data.
- iii. **Embedding of cross-cutting reviews.** Quarterly C19RM implementation reviews leverage consolidated analysis and reporting on C19RM implementation, to discuss both implementation bottlenecks and good practice in prioritized portfolios, which in turn support problem solving with

---

<sup>1</sup> KMA monitoring was deprioritized through 2020 as part of business contingency plans in 2020.

countries and knowledge sharing. The consolidated analytical framework developed to support these reviews, which leverages the central C19RM database, will be a key feed into discussions on reinvestment of C19RM funds and portfolio optimization.

58. Leveraging the progress made, and lessons learned, to strengthen monitoring and oversight work for C19RM investments, the focus is now on expanding monitoring and oversight of HTM investments. Data use for decision-making will be a key area of focus for the department both internally, within the Secretariat, and at country level.

## **CONCLUSION**

59. The continued volatility of the operating environment is reflected in the volatility of individual risk trajectories, which also means that the overall risk profile of the Global Fund remains high with no signs of reversal in the short term. Nonetheless, there is cause for optimism. HTM programs remain resilient and the efforts currently in progress to reinvest C19RM funds present an opportunity for an increased focus on systems strengthening, which will help lay strong foundations leading into the next strategy period. An increasingly mature risk management culture underpinned by strengthened tools, systems, and processes also puts the organization on a strong footing moving into 2023.
60. The next 12 to 18 months are likely to remain challenging as implementers and the Secretariat work to ensure the maximum impact of funds during the last months of the current HTM grant cycle and C19RM implementation, as well as managing grant-making for HTM grants for the 2023-2025 allocation period. Careful monitoring of early warning signs of emerging and evolving risks is going to be critical, combined with a willingness to take tough but necessary trade-off decisions to ensure programs can innovate, scale-up, and deliver for maximum impact.
61. For as long as there is volatility, the trajectory of risks will be harder to predict. The Secretariat will continue to keep the Committees and the Board updated on changes to risk trajectories and risk levels and any implications for risk appetite.

## **Annexes**

The following items can be found in Annex:

- Annex 1: Organizational Risk Register (ORR) for Q2-2022
- Annex 2: Relevant past Board Decisions
- Annex 3: Links to relevant past documents and reference materials

## Annex 1: Organizational Risk Register (ORR) for Q2-2022

Risk Name	Purview	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	SC	High	High	Moderate	Jun 2024	No change	Steady →	Moderate	★ ★ ★
02 - Program Quality - TB	SC	Very High	Very High	High	Dec 2023	No change	Decreasing ↓	Moderate	★ ★ ★
03 - Program Quality - Malaria	SC	High	High	Moderate	Jun 2024	No change	Steady →	Moderate	★ ★ ★
04 - M&E	SC	High	High	Moderate	Dec 2022	No change	Decreasing ↓	Moderate	★ ★ ★
05 - Procurement	SC	High	High	Moderate	Dec 2022	No change	Steady →	Significant	★ ★ ★ ★
06 - In-country Supply Chain	SC	High	High	Moderate	Jun 2024	No change	Steady →	Minor	★ ★
07a - Grant-related Fraud & Fiduciary	AFC	High	High	Moderate	Dec 2022	No change	Increasing ↑	Moderate	★ ★ ★
07b - Accounting & Financial Reporting by Countries	AFC	High	High	Moderate	Dec 2022	No change	Steady →	Moderate	★ ★ ★
08 - In-country Governance	AFC	Moderate	Moderate	Moderate	Not Applicable	No change	Increasing ↑	Moderate	★ ★ ★
09 - Quality of Health Products	SC	Moderate	Moderate	Moderate	Not Applicable	No change	Steady →	Moderate	★ ★ ★
10 - Human Rights & Gender Equality	SC	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant	★ ★ ★ ★
11 - Transition	SC	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Minor	★ ★
12 - Drug & Insecticide Resistance	SC	High	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate	★ ★ ★
13 - SEAH and Misconduct	EGC	High	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate	★ ★ ★
14 - Future Funding (Donor Funding & Domestic Health Financing)	AFC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate	★ ★ ★
15 - Internal Operations	AFC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant	★ ★ ★ ★
16 - Integrated Grant Policies, Processes, Systems & Data	AFC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant	★ ★ ★ ★
17 - Risk Management & Internal Controls	AFC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant	★ ★ ★ ★
18 - Legal	EGC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Moderate	★ ★ ★
19 - Governance & Oversight	EGC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant	★ ★ ★ ★
20 - Organizational Culture	AFC	Moderate	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Significant	★ ★ ★ ★
21 - Workforce Capacity, Efficiency & Wellbeing	AFC	High	Not Applicable	Not Applicable	Not Applicable	Increased	Steady →	Significant	★ ★ ★ ★
22 – Reputation	Board	High	Not Applicable	Not Applicable	Not Applicable	No change	Increasing ↑	Moderate	★ ★ ★



## Guidance on how to read the Organizational Risk Register (ORR)

**Risk Impact:** Description of the impact if the risk was to materialize.

**Residual Risk:** Remaining risk level assuming current controls & mitigations are working as expected

**Root Cause:** Factors driving the risk and the respective mitigating actions and controls that are addressing these factors.

**Current controls & mitigations:** Key mitigating actions and controls (both preventive and detective) that are already in place and part of business as usual.

**Controls & mitigations in development or planned:** Key mitigating actions and controls that are still being designed, implemented or where work has yet to start.

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-6477 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-6833 MA-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

**Current direction of travel:** Expected trajectory of risk level over mid-term, based on available information

**GF ability to mitigate:** Ability of existing controls and mitigating actions to mitigate the current risk level.

Set by the board for applicable risks:

**Risk Appetite:** It is the amount of risk at a broad level, that an organization is willing to accept in pursuit of its strategic objectives.

**Target Risk:** Risk level that the Global Fund is driving towards over a specific timeframe.

**Target Risk timeframe:** Time needed to achieve the target risk level.

**Assurances:** Measures that gauge whether adequate controls and mitigating actions are in place and working effectively to manage key risks with the goal of achieving the organizational objectives.

**Overall Status:** Refers to an aggregate level of what is the status of implementation of all controls and mitigating actions in development or planned.

01 - Program Quality - HIV			Risk owner: TAP		2022-Q2	Approved by CRO	
Risk Description	Inadequate quality of programs/services and/or delays and disruptions in implementation and service delivery of existing programs due to COVID-19 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 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 Key and vulnerable populations), VMCC, Care and treatment activities, 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.							MA-7307 MA-7308 MA-7319
Diversion of government and other bilateral financing due to COVID-19 response and global energy and food prices resulting in limited fiscal space for HIV specific programming.							MA-7308 MA-7637
Guidelines/tools to review quality of services are not available or programs are not routinely reviewed and/or deprioritized during COVID-19.							MA-7310 MA-7311 MA-7313 MA-7314 MA-7315 MA-7316 MA-7637
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-19 related activities.							MA-7311 MA-7312 MA-7636 MA-7637
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-7309 MA-7312 MA-7315 MA-7637
Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.							MA-7307 MA-7310 MA-7637
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-7309 MA-7310 MA-7311 MA-7312 MA-7313 MA-7637
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-7315 MA-7637
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-7309 MA-7314 MA-7637
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-7313 MA-7317 MA-7318 MA-7637
Current controls & mitigations							Assurances
MA-7307	Ensure ARV commodity security to countries that are at maximum risk of treatment disruption Manage risk of supply interruption leading to stock out of 1st and 2nd line ARV regimens in collaboration with GF Supply Operations, WHO and PEPFAR including Front loading of commodity orders where feasible as well as monitoring of delivery lead times and in-country stock management						Routine monitoring (community/facility)/ DQA-ART
MA-7308	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-7312	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.						
MA-7310	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.						Country Portfolio Reviews and Thematic PPC deep dives
MA-7313	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-7314	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-7315	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-7316	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

Continued on next page.

MA-7317	<b>Service delivery and innovation</b> Accelerate the implementation of the five must-haves (1. Multi-month dispensing of prevention, care and treatment products; 2. Out-of-facility dispensing of prevention, care and treatment products; 3. Virtual service delivery through telephone or online platforms; 4. Differentiated HIV testing –including self-testing (HIVST) and out-of-facility models; and 5. KP and AGYW Prevention Programming adaptations) 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-7318	<b>In a subset of countries that face significant disruptions, provide focused support</b> to improve precision and adaptation of prevention programs, 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), self-testing, self-care and other rapid and community-based testing programs as well as gender-based violence services.				
MA-7320	<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.	PPC Thematic deep dives			
		<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-7311	<b>Further support for implementation of new guidance and action planning related to:</b> PreP surge i.e. introduction of HIV ST PrEP and use of new DVP ring for prevention in females, TLD transition countries, including transition to pediatric treatment DTG 10 mg.		Underway	31-12-2022	TAP
MA-7636	Continue to monitor the implementation of C19RM funds, particularly for mitigation of HIV programs. Promote accelerated adoption and scale-up of five COVID-19 HIV program adaptation must haves.		Underway	31-12-2023	TAP
MA-7637	Undertake country deep dives, revise key mitigating actions and define triggers for high/very-high Program Quality -HIV risk to adequately reduce the risk level in line with the target risk (moderate by June 2024). Risk/TAP Collaboration.		Underway	31-03-2023	TAP

02 - Program Quality - TB				Risk owner: TAP		2022-Q2	Approved by CRO		
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		Decreasing	Global Fund ability to mitigate	Moderate			
Residual Risk	Very High	Risk Appetite	Very High	Target Risk	High	Target risk timeframe	31-12-2023		
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, 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		
COVID-19 related restrictions, use of administrative measures, repurposing of health system resources to control the pandemic and slow adaption of TB programs have negatively affected TB prevention and case finding efforts							MA-7385 MA-7405 MA-7626 MA-7627		
Diversion of government and other bilateral financing due to COVID-19 response and global energy and food prices resulting in limited fiscal space for TB specific programming.							MA-7405 MA-7640 MA-7639		
Guidelines/tools to review quality of services are not available or programs are not routinely reviewed.							MA-7383 MA-7386 MA-7387 MA-7389 MA-7391 MA-7392 MA-7628		
Inadequate staff capacity working in environments that are often not sufficiently supportive (gaps in training, supportive supervision, misaligned incentives, etc.) and inappropriate use of drugs.							MA-7392		
Programs do not adhere to or delayed adoption and scale-up of 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-7386 MA-7388 MA-7392 MA-7628		
Key interventions not sufficiently focused on populations most in need of services, or well-linked to achieving program outcomes.							MA-7383 MA-7388 MA-7389 MA-7390 MA-7392 MA-7629		
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-7388 MA-7630 MA-7630		
Poor quality of health products and unstable drug supply, which is further exacerbated by the pandemic							MA-7386 MA-7628 MA-7638		
Current controls & mitigations							Assurances		
MA-7383	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-7385	Guidance (internal and from WHO) has been elaborated on how to continue with TB programs activities and mitigate the impact of COVID-19 epidemic.						Country evaluations, Thematic reviews		
MA-7405	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 TB programs including for procurement of additional GeneXpert machines and cartridges. Scale-up of multi-month dispensing and use of technology for patient follow-up and support.						Program quality spot checks, Prospective Country Evaluations		
MA-7386	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-7387	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-7388	Aligning program and data quality assurance with overall Risk and Assurance Planning.								
MA-7390	Ongoing Programmatic assurance 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.						Country Portfolio Reviews and Thematic PPC deep dives		
MA-7391	Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.								
MA-7393	Technical support under the TB Strategic Initiative to support implementation of innovative approaches to find and treat missing TB cases, including COVID-19 mitigation, laboratory support, pediatric TB and other vulnerable populations.								
						Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-7626	Focused efforts to accelerate recovery in 8 priority countries still recovering from the impact of COVID-19. Undertake country deep dives, revise key mitigating actions and define triggers for high/very-high Program Quality -TB risk to adequately reduce the risk level in line with the target risk (moderate by June 2024). Risk/TAP Collaboration.						Underway	31-03-2023	TAP
MA-7627	Monitor the implementation of C19RM funds, particularly for mitigation of TB programs including strengthening TB screening strategies, scale-up of TB molecular diagnostic network, access to radiography services (digital x-rays). Community screening and outreach activities and aggressively scale up finding missing people with TB.						Underway	31-12-2023	TAP
MA-7638	Support optimization and use of molecular diagnostic platforms (GeneXpert) and sample transportation systems across the prioritized countries						Underway	31-12-23	TAP
MA-7639	Review the declines in MDR-TB notifications in high DR-TB burden countries (impact of COVID-19) to support catch-up strategies						Planned	31-12-2022	TAP
MA-7628	Global Fund grant support to support transition to the new 6-month regimen for treatment of DR-TB: support national guideline revision through technical support in collaboration with partners and support countries to manage procurement and stock of DR-TB medication to facilitate transition.						Underway	31-12-2023	TAP
MA-7630	Following the Digital TB surveillance system assessments done in the 20 priority countries, develop a roadmap to improve the TB surveillance system.						Planned	31-12-2022	TAP



03 - Program Quality - Malaria			Risk owner: TAP		2022-Q2	Approved by CRO	
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. Stronger surveillance and monitoring of trends in drug and insecticide resistance, spread of vectors and impact of climate change would be critical in coming years as they can rapidly reverse the gains.						
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	
COVID-19 related restrictions, use of administrative measures, repurposing of health system resources to control the pandemic, and global supply chain constraints and increasing costs have negatively affected (both delays and coverage gaps) ITN/IRS/SMC campaigns, access and delivery of case management and other malaria prevention services						MA-7431 MA-7623 MA-7641 MA-7642	
Diversion of government and other bilateral financing due to COVID-19 response and global energy and food prices resulting in limited fiscal space for Malaria specific programming.						MA-7641 MA-7642	
Guidelines/tools to review quality of services are not available or programs are not routinely reviewed.						MA-7424 MA-7433 MA-7434 MA-7435 MA-7642	
Inadequate staff capacity working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.)						MA-7434 MA-7642	
Programs do not adhere to or delayed adoption and scale-up of approved national or WHO guidelines e.g. medicine formulations, diagnostic tools, laboratory, procurement, patient identification, prevention including vector control strategies, care management, or there is an absence of a clear framework to guide decision making.						MA-7431 MA-7432 MA-7434 MA-7435 MA-7642	
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. Delays in surveillance data (completeness and timeliness of data) specifically exasperated due to COVID-19 pandemic, as well as in coordinating information from different partners (some using different metrics).						MA-7432 MA-7642	
Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.						MA-7425 MA-7430 MA-7433 MA-7434 MA-7642	
Key interventions not sufficiently focused on populations most in need of services, or well-linked to achieving program outcomes.						MA-7425 MA-7427 MA-7428 MA-7429 MA-7432 MA-7436 MA-7437 MA-7642	
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) and risk of stock out of mRDTs and ACTs.						MA-7431 MA-7435 MA-7437 MA-7642	
Current controls & mitigations						Assurances	
MA-7641	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 malaria programs.					Project management, M&E	
MA-7424	Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.						
MA-7426	WHO normative guidance regarding appropriate treatment guidelines and protocols in place.						
MA-7427	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.						
MA-7429	Expanding access to care via appropriate channels (public, community versus private)					Partner reviews	
MA-7430	Sub-national stratification to target vector control tools to maximize impact and efficiency.					Routine monitoring (community/facility)	
MA-7431	Scale up of synergist LLINs to address pyrethroid resistance. And ensuring campaigns remain on track or are accelerated (where possible)					Country evaluations, Prospective Country Evaluations	
MA-7432	Aligning program and data quality assurance with overall Risk and Assurance Planning.						
MA-7433	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-7434	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-7041	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.					National Health Facility Assessment, Therapeutic efficacy studies	
MA-7436	Enhancing quality of service provision given access.					Program quality spot checks, Thematic reviews	
MA-7425	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.					Country Portfolio Reviews and Thematic PPC deep dives	
MA-7428	Accelerating elimination of malaria in 20 countries, through technical assistance and the use of catalytic funding						
						Overall Status	Risk mitigation is on track. There are no material delays.

Continued on next page.

Continued on next page.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7437	Catalyzing market entry of new LLINs through pilots and subsidies in a number of high burden countries in Western and Southern Africa which have intense pyrethroid insecticide resistance.	Underway	30-12-2022	TAP
MA-7223	Accelerate uptake of program adaptations, innovations and catch-up plans using existing grant resources and C19RM mechanism, including dissemination of best practices and technical guidance support to programs and strengthening of communities and community responses. This includes filling gaps in: - Seasonal Malaria Chemoprevention (SMC) and vector control coverage of current geographic areas and upgraded tools (pyrethroid-PBO ITNs) where feasible and applicable - Working with manufacturers and PRs to maximize product availability through early procurements and coordination - Supporting adaptations of mass LLIN, SMC and IRS campaigns to the COVID-19 context and - Using the enhanced Monitoring and Oversight approach for C19RM to further strengthen systematic review of program performance and identify risks and outliers for attention and steer	Underway	30-12-2022	TAP
MA-7623	Advocacy and coordination within GF and externally with partners to mobilize resources to fill 2023 LLIN and IRS campaign gaps including consideration of portfolio optimizations, grant savings, external support from AMF, PMI, etc.	Underway	30-12-2022	TAP
MA-7642	Undertake country deep dives, revise key mitigating actions and define triggers for high/very-high Program Quality - Malaria risk to adequately reduce the risk level in line with the target risk (moderate by June 2024). Risk/TAP Collaboration.	Underway	31-03-2023	TAP

04 - M&E		Risk owner: MECA			2022-Q2	Approved by CRO	
Risk Description	Poor quality and/or inadequate generation 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.						
Change since last quarter	No change	Current direction of travel		Decreasing	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
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-7482 MA-7485 MA-7489 MA-7494
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-7482 MA-7486 MA-7489
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-7484 MA-7493 MA-7495 MA-7500
Inadequate supervision (also caused by restrictions and lockdowns in country from the COVID-19 pandemic).							MA-7486
Weak data governance structures, regulation and policies, strategies and work plans, & standards							MA-7615
Inadequate national M&E and HMIS Strategy with costed work plans							MA-7483 MA-7489 MA-7492 MA-7496
Inadequate integration and/or interoperability between HMIS (aggregate and individual level) and other data systems, particularly logistics, lab information systems and financial management							MA-7617
Incomplete community or private health sector data integration into the national HMIS							MA-7618
Incomplete, multiple, or non-functional in-country program data systems and data sources							MA-7485 MA-7488 MA-7489 MA-7498 MA-7499 MA-7503
Fraud of program and performance data							MA-7482 MA-7483 MA-7485 MA-7497 MA-7499
Poor analytical capacity							MA-7482 MA-7496 MA-7497 MA-7499
Sub-optimal access to and use of program data							MA-7483 MA-7486 MA-7490 MA-7501 MA-7502
Insufficient monitoring and use of disease-relevant disaggregated data to inform and improve equitable and human rights-based programming and outcomes							MA-7619
Current controls & mitigations							Assurances
MA-7482	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, etc.) for strengthening data quality in routine data systems
MA-7483	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 with epi-based analytical dashboards; (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-7484	Support the roll-out, coordination and implementation of the quarterly supply chain and health Service Spot Checks in 45 countries, to assess the impact of C19RM investments on service delivery, and the extent to which HTM programs are being impacted by COVID-19 related disruptions.						Spot checks
MA-7485	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-7486	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.						Routine Programmatic analysis (use for Data Quality triangulation) TA pool for quality assurance
MA-7487	Support the systematic roll-out of enhanced portfolio and program reviews						Contract with our selected service provider who will implement the enhanced portfolio reviews
MA-7488	Outcome measurement of AGYW programs in 5 Southern Africa countries.						
MA-7489	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-7491	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.						Thematic Reviews, Population-based surveys
MA-7492	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.						Monitoring country data systems, M&E System Profile
MA-7493	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-7494	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.						Thematic Reviews, Population-based surveys

Continued on next page.

MA-7495	Strengthening coordination with partners for COVID-19 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-7496	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).	Review of data systems (community/facility)
MA-7497	Through Catalytic Funding, development of regional partnerships with consortia of universities and local institutions to strengthen analytical capacity using local network of universities.	National or Disease Specific Program Reviews
<b>Overall Status</b>		<b>Risk mitigation is on track. There are no material delays.</b>
<b>Controls &amp; mitigations in development or planned</b>		<b>Status      Target completion      Action owner</b>
MA-7490	Undertake independent quality assurance of surveys in prioritized countries.	Underway      31-12-2022      MECA
MA-7498	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      31-12-2023      MECA
MA-7499	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      31-12-2023      MECA
MA-7500	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      31-12-2023      MECA
MA-7501	Development of data quality tool in order to improve the quality of internal GF data – to be integrated in the GOS system.	Underway      31-12-2023      MECA
MA-7502	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      31-12-2023      MECA
MA-7503	Development of Community level data quality review tool, led by WHO through Data SI.	Underway      31-12-2022      MECA
MA-7504	Develop the M&E framework and M&E plan for the new GF strategy.	Underway      30-09-2022      MECA
MA-7619	Support with grant resources and collaborate with national program and stakeholders to plan and conduct stigma index survey/human rights assessments.	Underway      31-12-2022      MECA
MA-7615	Develop or strengthen MOH or national program policies and SOPs to protect individual privacy, governing ownership, access and sharing of individually identifiable digital health data. Ensure availability of budget, guidance/tools, and TA, as needed.	Underway      31-12-2022      MECA
MA-7617	Support the strengthening of interoperability, access, sharing and use of data. Ensure availability of budget, guidance/tools, workplan, and TA, as needed for operationalization and maintenance of HMIS / LMIS interoperability and/or other mechanism to enable routine joint programmatic and logistics data use.	Underway      31-12-2022      MECA
MA-7618	Strengthen MoH to develop a plan to support community and private sector data integration into national HMIS	Underway      31-12-2022      MECA



05 - Procurement		Risk owner: SO			2022-Q2	Approved by CRO	
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-7404 MA-7411 MA-7416 MA-7417 MA-7643	
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-7408 MA-7414 MA-7417	
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-7404 MA-7408 MA-7410 MA-7413 MA-7414 MA-7417 MA-7643	
Inadequate procurement planning and lack of coordination with international partners						MA-7404 MA-7407 MA-7409 MA-7412 MA-7413 MA-7415 MA-7417 MA-7643	
Potentially lengthy processes, and other governance challenges to the national procurement approaches.						MA-7407 MA-7409 MA-7417 MA-7419 MA-7643	
Less than mature sourcing strategies and supplier relationship management, reducing value for money opportunity.						MA-7406 MA-7643	
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-7406 MA-7408 MA-7410 MA-7414 MA-7416 MA-7417	
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-7404 MA-7408 MA-7410 MA-7413 MA-7414 MA-7417	
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-7408 MA-7410 MA-7413 MA-7414 MA-7416 MA-7417	
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-7408 MA-7410 MA-7413 MA-7414 MA-7417 MA-7643	
Implications of the continued COVID-19 pandemic and global events (such as the Russia/Ukraine War impacting the global supply chain) have resulted in an increased requirement for commodities for oxygen supply for recipient countries and challenges getting products to recipients and the challenge of getting all products to PRs. The COVID-19 response product categories are 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). Though product demand is reducing. The global events are significantly impacting various areas of the supply chain, hence the shifting of risks and mitigations from COVID-19 restrictions towards these global event impacts.						MA-7418 MA-7420 MA-7421 MA-7634 MA-7643	
Current controls & mitigations						Assurances	
MA-7404	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-7406	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-7407	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-7408	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-7411	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.	

Continued on next page.

MA-7413	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-7414	Define and deploy a cross-function supply chain operational risk management forum in response to major risk areas.			
MA-7415	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-7416	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-7417	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-7419	Regular communication with PRs/countries on product lead-times and order placement deadlines			
MA-7420	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>	<b>Target completion</b>	<b>Action owner</b>
MA-7409	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	31-12-2022	SO
MA-7410	Improve the due diligence process that assesses the supply risk and price increase requests.	Underway	30-09-2022	SO
MA-7412	Design and implement a fit-for-purpose demand management process to maximize value (delivery performance, savings, secure the supply, etc.)	Underway	31-12-2023	SO
MA-7418	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.	Planned	31-12-2022	GMD
MA-7421	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	30-12-2022	SO
MA-7422	Facilitate OIG Advisory team's review of Outsourced Services Sourcing (OSS / PSA) Strategy and subsequent recommendations, leading into OSS / PSA Strategy update activities	Underway	31-07-2022	SO
MA-7423	Review, consult, develop update and implementation to OSS / PSA Strategy	Underway	30-09-2023	SO
MA-7634	Ensure C19RM mandatory minimum assurances are properly planned, executed on-time, and their results used to update IRM MA&KMAs and risk ratings.	Underway	31-12-2023	SO
MA-7643	Revise key mitigating actions and define triggers for high/very-high Procurement risk to adequately reduce the risk level in line with the target risk (moderate by Dec 2022). Risk/SO Collaboration.	Underway	31-03-2023	SO

06 - In-Country Supply Chain				Risk owner: SO		2022-Q2	Approved by CRO		
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		Steady	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, Kenya, Malawi, Myanmar, Mali, Nigeria, Pakistan, Sudan, Tanzania (United Republic), Uganda, Burkina Faso, Haiti, Liberia, Niger, South Africa, Zimbabwe								
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-7283 MA-7284 MA-7286 MA-7620 MA-7647		
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-7282 MA-7283 MA-7285 MA-7286 MA-7645 MA-7646		
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-7283 MA-7284 MA-7620 MA-7648		
Lack of coordination among donors and key stakeholders that are involved in or support the supply management cycle of health products in country.							MA-7282 MA-7283 MA-7644		
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-7282 MA-7285 MA-7620		
As a result of fuel cost increases, reduced Secretariat and implementer capacity and resources to drive implementation of agreed Transformation plans.							MA-7282 MA-7286		
Scarce resources across Global Fund and partners to support logistics for service providers to provide TA and collect data.							MA-7282 MA-7283 MA-7286		
Insufficient number and quality of service providers to provide in-country supply chain related technical assistance							MA-7283 MA-7287 MA7635		
Current controls & mitigations							Assurances		
MA-7282	The Donor Collaboration group 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-7283	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-19. This includes implementation of supply chain strengthening transformation plans.								
MA-7284	Supply Chain transformation plans/projects are ongoing in 35 countries and focus will be extended to other countries with identifying area for strengthening for this grant cycle as well as NFM4.						Continued monitoring of country capacity for distribution given increased volumes of PPE, diagnostics, and other COVID-19 specific commodities		
MA-7285	On-going data collection 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-7286	Warehousing and distribution LFA assessments will be conducted in high and core countries. Assessments outcomes include new Management Actions and follow up on Agreed Management Actions.								
MA-7287	Restructured technical assistance support for countries through a pre-qualified pool of service providers is in place.								
						Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-7620	Revise key mitigating actions and define triggers for high/very-high in-country supply chain risk to adequately reduce the risk level in line with the target risk (moderate by June 2024). Risk/SO Collaboration.						Underway	31-03-2023	SO
MA-7635	Ensure C19RM mandatory minimum assurances are properly planned, executed on-time, and their results used to update IRM MA&KMAs and risk ratings.						Underway	31-12-2023	SO
MA-7644	Strengthening PRs capacity in 3/4PL contracting and performance management, ensuring: (i) ToRs and KPIs are properly set at contract stage to achieve the expected results, (ii) KPI monitoring is led by the PRs and conducted transparently and regularly to tackle bottleneck early, (iii) countries’ ownership of the supply chain is maintained through inclusive selection and monitoring processes, and (iv) transition plans are elaborated early in collaboration with all relevant stakeholders. Target: 3 countries						Underway	30.06.2024	SO
MA-7645	Improve LMIS data quality through: (i) robust SOPs, and clear distribution of in-country roles & responsibilities for data collection, validation and reporting, (ii) assessment of functionality of existing eLMIS before planning and roll out of new/enhanced fit for purpose eLMIS, and (iii) securing operational support to existing and new eLMIS. Target: 7 countries						Underway	30.06.2024	SO
MA-7646	Support the use of LMIS data for SC management decision and triangulation through: (i) creation of transversal committees to oversee data triangulation, (ii) elaboration of adequate dashboards for SC management decisions and (iii) systematic consideration for interoperability when investing in new systems. Target: 7 countries						Planned	30.06.2024	SO
MA-7647	Strengthening PRs and programs supply planning and monitoring capacities, through: (i) set up of transversal committees with appropriate governance to develop and review supply plans, (ii) systematic inclusion of decentralized levels in supply planning discussions, (iii) ensure committee’s access to adequate set of programmatic and SC data. Target: 5 countries						Planned	30.06.2024	SO
MA-7648	Improve storage quality through: (i) implementation of improvement action over physical storage conditions, (ii) update of storage processes, systems and tools (ERP), and (iii) optimization of the distribution network. Target: 6 countries						Planned	30.06.2024	SO

07a - Grant-Related Fraud & Fiduciary				Risk owner: F&A		2022-Q2	Approved by CRO	
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.							
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	
Weaknesses in PR and SR internal control frameworks							MA-7346 MA-7352 MA-7649	
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 were still in place in a number of countries in Q2-2022, 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-7340 MA-7341 MA-7356	
Budget with presence of significant activities prone to misuse							MA-7342 MA-7344 MA-7353 MA-7356 MA-7649	
Weak PR management							MA-7346 MA-7350 MA-7649	
Weak bank and cash management procedures							MA-7347 MA-7349 MA-7649	
Weak SR oversight							MA-7345 MA-7348 MA-7649	
Weak ethical environment							MA-7343 MA-7351 MA-7649	
Risk of fraud due to cybersecurity issues, including phishing							MA-7354 MA-7649	
Risk of under absorption due to increased funding related to C19RM.							MA-7355 MA-7649	
Limited ownership and accountability of PCFC and weaknesses in fraud risk management.							MA-7622 MA-7649	
Current controls & mitigations							Assurances	
MA-7342	Provision of oversight and monitoring of grant-level financial Key Mitigating Actions (KMAs) across the portfolio						LFA / assurance providers (External, Internal auditors) Reports showing progress / Completion of KMAs.	
MA-7344	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-7345	Effective implementation of Financial Guidelines (e.g. Financial risk management, Budgeting and Financial reporting guidelines) for Country Teams and implementers.						FRO Reviews	
MA-7346	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-7347	Financial Control Environment Review pilot recommendations and cross cutting Agreed Management Actions jointly monitored by Risk Department and FISA.							
MA-7348	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 2021 audits, a guidance note to be communicated to the external auditors via PRs to provide clarity on expectations.						GFM Self-audit / FRO Reviews	
MA-7349	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 spot-checks on use of Mobile money as well as review of expenditures by LFAs and Auditors.	
MA-7350	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.						Continuous monitoring of IO and INGO performance and Oversight of PR change by CPR and GAC.	
MA-7351	Pre-qualification of professional service providers for technical assistance toward effective capacity building and fraud risk management at the implementer level.							
MA-7353	Systems-generated reports linking recoveries and PUDR-reported ineligible have been developed. These reports to be aligned with the new OPN on recoveries.						Quality assurance, including testing of linkages between reports.	
MA-7354	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.	
					Overall Status		Risk mitigation is on track. There are no material delays.	

Continued on next page.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7340	Most of the HI and Core countries have 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.	Underway	31-12-2022	PFC
MA-7341	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. However, since travel restrictions are being lifted starting Q2 2022, the Q2 ORR will be updated for remainder of Q3&Q4 in terms of planned travel for routine monitoring and/or in-country visits.	Underway	31-12-2022	PFC
MA-7343	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. However, the team has performed country trainings that may contribute in the long run to feed Anti-Fraud Risk Guidelines subject to further Alignment on Anti-Fraud Anti-Corruption approaches.	Underway	31-12-2022	Ethics
MA-7352	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. Output from this ongoing assessment will be revised Financial Risk Management guidelines and revised ToR for fiscal agents.	Underway	31-12-2022	PFC
MA-7355	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-7356	Conduct a Fraud Risk Assessment in 10 HI and Core countries selected based on risk profile. Results from the first cohort of five countries is expected in Q3 2022. Assessment of the next cohort of countries due to start early Q3 2022.	Underway	31-12-2022	PFC
MA-7622	Fraud Risk Maturity Assessment (FRMA) recommendations and cross cutting Agreed Management Action implemented by Risk, Finance, Ethics, Supply Operations, TAP, Health Financing and Grant Management Departments.	Underway	31-03-2023	Risk
MA-7649	Undertake deep dives, revise key mitigating actions and define triggers for high/very-high Grant-Related Fraud & Fiduciary risk to adequately reduce the risk level in line with the target risk (moderate by December 2022). Risk/PFC Collaboration.	Underway	31-03-2023	PFC



07b - Accounting & Financial Reporting by Countries			Risk owner: F&A		2022-Q2	Approved by CRO		
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 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	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		
Inadequate human resource capacity						MA-7467 MA-7471 MA-7472		
Weak processes and internal controls at PRs / SR levels.						MA-7467 MA-7468 MA-7471 MA-7472 MA-7473		
Weak or nonexistent financial management systems						MA-7467 MA-7468 MA-7471 MA-7472 MA-7473		
Current controls & mitigations						Assurances		
MA-7472	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.							
MA-7467	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. Process is ongoing to develop strengthening plans which will include interventions aimed at addressing gaps identified for countries already assessed.					Review of progress of Capacity-Building action plans		
MA-7473	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.					Review of progress and actions taken in case of delays.		
					Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-7468	Optimization of the cash management processes and foreign exchange risk exposure through the roll-out of a Foreign Exchange in Grants framework for grant implementation including PPM charge back to manage FX on cross-currency grant disbursements.					Underway	31-12-2022	PFC
MA-7471	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 31 <sup>st</sup> December 2020 and 10 new countries by 31 <sup>st</sup> December 2021)					Underway	31-12-2022	PFC

08 - In-Country Governance			Risk owner: GMD		2022-Q2	Approved by CRO		
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>							MA-7580	
							MA-7589	
							MA-7588 MA-7590	
							MA-7585 MA-7586 MA-7587	
Inadequate processes for SR selection and limited SR oversight.							MA-7585 MA-7586 MA-7587	
Inadequate PR management and reporting capacity, and inadequate oversight of PRs due to weaknesses in CCM engagement structures and coordination.							MA-7581 MA-7583 MA-7586	
Unclear lines of authority and responsibility from national to subnational levels to implement disease strategies.							MA-7582 MA-7583 MA-7584 MA-7586	
Ineffective planning, budgeting, implementation and supervision performed by national disease programs							MA-7582 MA-7583 MA-7584 MA-7586	
Insufficient prioritization of financial and human resources allocation to disease programs by national and subnational governments.							MA-7585 MA-7586 MA-7587	
Suboptimal collaboration between PRs, national disease programs, government and non-government stakeholders.							MA-7585 MA-7586 MA-7587	
Absence of human resource capacity development plans and consequent gaps in health staff training for the delivery of health services.							MA-7585 MA-7586 MA-7587	
Inadequate policies, processes, procedures, tools and protocols to identify and mitigate risks at PR and SR level.							MA-7581	
Current controls & mitigations						Assurances		
MA-7581	Implementation arrangement mapping conducted for all new grants.					LFA spot checks reports		
MA-7582	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-7583	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-7584	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-7585	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-7587	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-7588	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-7580	Comprehensive measures planned and initiated to mitigate this risk and ensure long term consequences to Global fund grants. Specific initiatives include: <div>- 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)</div> <div>- Business Contingency flexibilities for the Grant Life Cycle processes in response to the COVID-19 disruptions</div> <div>- 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</div> <div>- 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.</div>					Underway	31-12-2022	GMD-CT
MA-7586	Develop, test and implement initiatives aimed at improving implementer capacity, internal controls, risk management and overall PR management processes for improved grant oversight.					Underway	31-12-2023	GMD (GPS)
MA-7589	Roll out of CCM Evolution to strengthen CCM capacity in all High impact, core and focused portfolios.					Underway	01-12-2023	GMD (GPS)
MA-7590	Development and roll out of front line risk management approach, including undertaking in-country risk workshops with CCMs, PRs, implementers and partners (aligned to the roll out of CCM evolution).					Planned	01-12-2023	Risk

09 - Quality of Health Products			Risk owner: SO		2022-Q2	Approved by CRO			
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-7546 MA-7548 MA-7549 MA-7550 MA-7552 MA-7554 MA-7555 MA-7558 MA-7560		
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-7544 MA-7545 MA-7546 MA-7547 MA-7548 MA-7551 MA-7556 MA-7560		
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-7544 MA-7545 MA-7547 MA-7548 MA-7551 MA-7553 MA-7556 MA-7557 MA-7559		
Weak supply chain systems that store, transport, distribute, control, monitor and maintain product quality throughout the in-country supply chain.							MA-7546 MA-7548 MA-7549 MA-7550 MA-7552 MA-7554 MA-7558		
Lack of implementation of good dispensing practices.							MA-7546 MA-7547 MA-7549 MA-7554 MA-7558		
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-7557 MA-7559		
Current controls & mitigations							Assurances		
MA-7544		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-7545		ERP process to support introduction and provide access to innovative health products established in collaboration with WHO.							
MA-7547		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-7549		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-7550		Targeted RSSH investments for strengthening selected countries pharmacovigilance systems in order to identify and take appropriate action in response to adverse reactions.							
MA-7553		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-7554		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-7556		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-7546		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	31-12-2022	SO
MA-7548		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	30-09-2022	SO
MA-7551		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-7552		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	31-12-2022	SO
MA-7555		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-7557		Strategic Initiative funding to strengthen WHO capacity to review new health products (3 diseases and COVID-19), including development of well-defined PQ processes for medical devices and PPE that are essential to the COVID-19 response.					Underway	30-12-2023	SO
MA-7558		Implement upcoming QA related As-Is-To-Be recommendations.					Underway	30-12-2023	SO
MA-7559		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
MA-7560		Change of Market Surveillance methodology from ad-hoc to planned monitoring activities (currently only one ad-hoc market surveillance scheme in launch for PPE)					Planned	30-09-2022	SO



10 - Human Rights & Gender Equality			Risk owner: CRG		2022-Q2	Approved by CRO	
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
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-7395 MA-7403
Limited recognition of the specific and unique expertise key and vulnerable populations have in contributing to effective programming.							MA-7400
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-7397
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-7394 MA-7396 MA-7398 MA-7399 MA-7403
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-7394 MA-7396 MA-7398 MA-7399 MA-7403
Harmful laws, regulations, policies, or practices hinder access to services for key and vulnerable populations.							MA-7394 MA-7396 MA-7398 MA-7399
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-7396 MA-7397 MA-7403
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-7465 MA-7466
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-7466
Current controls & mitigations							Assurances
MA-7394	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-7397	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; all updated technical briefs are published and on-line;
MA-7400	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-7466	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 on track. There are no material delays.	

Continued on next page.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7395	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-7396	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-7398	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-7399	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-7401	Build Secretariat capacity on human rights and gender risk management (including risk assessment, mitigation plans and oversight), and developing necessary tools and trainings aimed at ensuring the Global Fund moves into the new Strategy with the best possible approaches and practices with regard to human rights and gender risks.	Underway	15-12-2022	CRG
MA-7402	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-7403	Strengthened partnership with Thomson Reuters Foundation to better equip implementers with skills to talk to the media about why human rights are central to the work on HIV, TB, malaria and COVID-19; and to equip journalists to report accurately on human rights programs and their results and impact.	Underway	15-12-2022	CRG
MA-7465	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			2022-Q2		Approved by CRO	
Risk Description		Countries are unable to sustain and scale impact when they transition towards full domestic financing and program implementation of the national disease responses.						
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
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-7470 MA-7474 MA-7476 MA-7480
Continued epidemiological challenges and programmatic gaps in the national disease responses, particularly amongst key and vulnerable populations.								MA-7470 MA-7474 MA-7476
Limited country ownership of the transition process, including lack of advanced planning.								MA-7470 MA-7476
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-7470 MA-7474 MA-7476
Limited political will to address the underlying economic, political, legal and social issues that affect transition preparedness.								MA-7470 MA-7476
Current controls & mitigations								Assurances
MA-7474	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. j) prioritizing strategic partnerships, in collaboration with Grant Management Division through maintaining engagement with development partners on sustainability and transition planning and with civil society and community groups to effectively engage in and support the STC agenda.							Transition Readiness Assessments; Co-financing compliance monitoring; Ongoing review of transition preparedness activities in GAC review of grants
MA-7477	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-7478	While the COVID-19 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.							
MA-7479	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). This includes a number of extensions of current transition grants and allocation of limited amount of portfolio optimization to support these extensions.							

Continued on next page.

MA-7480	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-7481	The updated eligibility policy (for pending decision by the Board) to includes a provision to make disease components that received transition funding in the 2020-2022 allocation period exceptionally eligible to potentially receive an allocation in the 2023-2025 period, in order to support / mitigate ongoing transition challenges (including those exacerbated by COVID-19)	
		<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-7470	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 contracting"); iv) ongoing efforts to enhance expenditure tracking across Global Fund portfolio; v) ongoing efforts to enhance efficiency across Global Fund portfolio.	Underway
MA-7476	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
MA-7535	Incorporation of transition and transition preparedness considerations into the ongoing planning for the 2023-2025 allocation cycle, including Access to Funding processes.	Underway

12 - Drug & Insecticide Resistance			Risk owner: TAP		2022-Q2	Approved by CRO	
Risk Description	Increased resistance to drugs and insecticides used to fight the three diseases can lead to increased morbidity and mortality. Inconsistent and inadequate treatment, low quality pharmaceuticals, and interruptions in health product supply foster drug resistance that threatens public health. Insecticide resistance refers to the development of resistance in the mosquito vectors of malaria, to the insecticides used in the main vector control tools used to control malaria (primarily insecticide treated nets (ITN) and indoor residual spraying (IRS)).						
Risk Impact	Drug resistance can lead to treatment failures and heightened disease burdens across portfolios, making HTM responses complicated and costly and hence negatively impacting the Global Fund mission and investments. Insecticide resistance may diminish the effectiveness of vector control tools which have been critical in interrupting transmission thus negatively impact investments in Malaria control and elimination.						
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	WHO, RBM, US Government agencies, the World Bank, National Governments and National disease control programs, 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/inadequate prescription and use of drugs						MA-7440 MA-7443 MA-7445 MA-7446 MA-7447 MA-7448 MA-7449 MA-7451 MA-7453 MA-7625	
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 compared to the same period in 2019.						MA-7448 MA-7624 MA-7625	
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-7440 MA-7444 MA-7445 MA-7447 MA-7449 MA-7450 MA-7452 MA-7625	
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-19: 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-7439 MA-7441 MA-7625	
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-7442 MA-7625	
Current controls & mitigations						Assurances	
MA-7439	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-7440	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-7441	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-19/HIV mitigation published in April 2020.					Therapeutic efficacy studies (with Global Fund resources and/or other sources of funding)	
MA-7442	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 ITNs to address pyrethroid resistance. v. Funding to support market entry of newer ITNs to mitigate IR impact.					Five in-country deep-dives designed to validate country supply chain segmentation	
MA-7443	Global Fund Quality Assurance policies for finished pharmaceutical products & diagnostics help ensure products meet efficacy standards.					Supply chain diagnostics in twenty prioritized countries to gain insight into stability of drug supply	
MA-7444	Regional Artemisinin Resistance (RAI) program in the Greater Mekong Sub-region, working towards malaria elimination in the region.					Technical partner reports	
MA-7452	Reward innovation of new vector control tools (ITNs 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-7453	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).						
MA-7624	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 regimens as a mitigation measure against COVID-19.						
Overall Status						Risk mitigation is on track. There are no material delays.	

Continued on next page.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7445	Global Fund grants support countries to implement changes in treatment regimens, drug and insecticide policies when necessary; accelerated uptake of innovation to maximize value for money (e.g. change to DTG for treatment of HIV, shorter regimens for TB and DR-TB, next generation of ITNs).	Underway	2022-12-31	TAP
MA-7446	Global Fund grant support for behavior change communication, fixed dose combination therapies and support programs to improve patient adherence to antimalarial treatment.	Underway	2022-12-31	TAP
MA-7447	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.	Underway	2022-12-31	TAP
MA-7448	Provide technical support for DR-TB including through the updated Green Light Committee (GLC) mechanism and agreement with WHO with (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.	Underway	2022-12-31	TAP
MA-7449	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.	Underway	2022-12-31	TAP
MA-7451	Improve surveillance and enhance 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.	Underway	2022-12-31	TAP
MA- 7058	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. This includes efforts to support implementation of innovative approaches to find and treat missing people with TB through working with Stop TB Partnership and WHO; Matching Fund for priority countries; multi-country investment for programs focused on migrants and cross-border issues, the mining sector, refugees, and improved laboratory services.	Underway	30-12-2022	TAP
MA-7625	Deep dive analysis and discussion on Drug and Insecticide resistance at SC in 2023	Planned	2023-06-30	TAP



13 - SEAH and Misconduct			Risk owner: Ethics		2022-Q2	Approved by CRO	
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: Harm or serious harm to victims/survivors. 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: Inadequate implementer, supplier or partner people management capability limiting ability to drive behavioral change						MA-7511 MA-7515 MA-7517	
Other C&ERM: Existing conflicts of interest and competing agendas						MA-7511 MA-7515 MA-7517	
Other C&ERM: Inadequate due diligence of new implementers, suppliers and contracts						MA-7511 MA-7513 MA-7516	
Other C&ERM: Inadequate grant oversight by PRs, CCMs, LFAs and the Secretariat						MA-7511 MA-7514 MA-7517	
SEAH: Inadequate prevention of or protection from Sexual Exploitation, Abuse or Harassment, or forms of Child Abuse.						MA-7577 MA-7578 MA-7579 MA-7606 MA-7607 MA-7608	
Current controls & mitigations						Assurances	
MA-7505	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-7506	Other C&ERM: Codes of Conduct in place for grant recipients, suppliers and LFAs					LFA spot checks and reviews	
MA-7507	Other C&ERM: Policy to Combat Fraud & Corruption (PCFC) was approved by the Board in November 2017					Board approved the update Conflict of Interest Policy in June 2020. Board training completed in October 2020. CoI management process for Governance and Secretariat now embedded.	
MA-7508	Other C&ERM: Capacity assessment of new implementers include assessment of control environment						
MA-7509	Other C&ERM: Ongoing grant implementation monitoring by Country Teams						
MA-7510	Other C&ERM: LFA and partner engagement in procurement and recruitment processes						
MA-7511	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-7512	Other C&ERM: Ongoing monitoring through OIG Whistleblower reporting and OIG investigations						
MA-7514	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-7515	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					Further updates to the Codes and other areas of the EIF will be planned and executed as continuous improvements.	
MA-7517	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.					CCM Hub and Ethics Office monitoring of progress within the CCM Code rollout SI. Metrics for code adoption, training completion, etc. will be presented in the EO Annual Report & Opinion.	
MA-7518	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-7577	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).					Evidence of communications issued. OIG clearance of associated AMA.	
MA-7578	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	
MA-7579	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.					PSEAH Training	
MA-7608	SEAH: All Codes of Conduct updated to incorporate prohibitions of SEAH and Child Abuse.						
MA-7607	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).						
						Overall Status	Risk mitigation is progressing but there are also some material delays.

Continued on next page.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7513	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	31-10-2022	Ethics
MA-7516	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	30-12-2022	Ethics
MA-7606	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. PSEAH steer co closely monitoring execution of the plan.	Underway	23-12-2022	Ethics



14 - Future Funding (Donor Funding & Domestic Health Financing)			Risk owner: ERCD / HFD		2022-Q2	Approved by CRO	
Risk Description		Failure to convert Sixth Replenishment pledges and meet the Global Fund's target for the Seventh Replenishment due to loss of donor support and confidence, major reputational damage and/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 and 2023-2025 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, and humanitarian response, etc.).							MA-7561 MA-7562 MA-7563 MA-7569 MA-7572
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-7561 MA-7562 MA-7563 MA-7564 MA-7566 MA-7569 MA-7572
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-7561 MA-7562 MA-7564 MA-7567 MA-7568 MA-7569 MA-7572
Donor Funding: Travel to donor countries, missions focused on resource mobilization and other advocacy events/political fora have been limited with a number of them cancelled, postponed or turned virtual.							MA-7575
Donor Funding: COVID-19 and the war in Ukraine have 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-7566 MA-7575
Donor Funding: Shift the attention towards emerging issues such as global health security, immunization, and the war in Ukraine, may reduce the profile of the Global Fund diseases and impact funding.							MA-7561 MA-7571 MA-7574
Donor Funding: Insufficient resources for 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-7561 MA-7564
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 as well as challenges in the development of the new strategy's implementation arrangements.							MA-7561 MA-7563 MA-7564 MA-7566 MA-7568 MA-7569 MA-7570 MA-7571 MA-7572
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-7561 MA-7562 MA-7563 MA-7564 MA-7566 MA-7568 MA-7569 MA-7570 MA-7571 MA-7572
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-7573 MA-7575 MA-7576
Domestic Health Financing: Inefficient use of available resources including ineffective Public Financial Management, fragmentation of financing (particularly in decentralized settings).							MA-7591 MA-7595 MA-7598
Domestic Health Financing: Failure to adequately finance and purchase critical commodities with domestic funds, for a variety of reasons - technical, financial, legal, or structural.							MA-7591 MA-7595 MA-7596 MA-7598
Domestic Health Financing: De-prioritization of the 3 diseases in face of economic downturn/COVID-19.							MA-7595 MA-7597
Domestic Health Financing: Organizational deficiencies in the coordination of and financing of the health system.							MA-7594 MA-7595 MA-7598
Domestic Health Financing: 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-7592 MA-7593 MA-7595 MA-7597
Domestic Health Financing: 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-7594 MA-7595 MA-7598
Current controls & mitigations							Assurances
MA-7561	Donor Funding: Sustain and strategically expand 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-7563	Donor Funding: Closely monitor political transitions and build 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-7564	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-7565	Donor Funding: Engage 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-7566	Donor Funding: 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-7567	Donor Funding: Monitor developments in relation to other replenishment exercises and fundraising efforts in global health planned over 2022-2025, and ensure coordination with relevant/key players.						Board-monitored partnerships with key actors who function under replenishment models

Continued on next page.

MA-7568	Donor Funding: Continue 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/departamental body overseeing risk management tasks associated with private sector partnerships
MA-7569	Donor Funding: Deploy the refreshed Global Fund brand and replenishment campaign assets to continue increasing the visibility of the organization's mandate and results.	
MA-7570	Donor Funding: Strengthen oversight of performance to ensure delivery of results through enhanced monitoring across the grant life-cycle, including through regular reporting and increased transparency. 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-7571	Donor Funding: Continue resource mobilization efforts across different markets to secure timely pledge conversion for the Sixth Replenishment.	
MA-7572	Donor Funding: Monitor 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 have 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-7573	Donor Funding: Support 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, to continue positioning the partnership as a key organization in pandemic preparedness and in the global health landscape and to mobilize additional resources to maintain response to COVID-19 and prepare for future disease threats.	Participation in weekly internal and external meetings focused on ACT-A and providing regular guidance to the ED on this area of work
MA-7574	Donor Funding: Establish new partnerships in the context of the pandemic, including with private sector actors, creating new opportunities for collaboration, resource mobilization and advocacy.	
MA-7575	Donor Funding: Increase interactions with donors, partners and advocates to ensure the Global Fund effective positioning in an evolving health and political 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-7576	Donor Funding: Timely report 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.	
MA-7591	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-7592	DHF: Use of alternative financing mechanisms to strengthen DRM, including Debt2Health, leveraging WB framework agreement for joint financing.	Internal Steering Committee oversight;
MA-7594	DHF: Consistent implementation of the 2022 workplan for 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-7596	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.	
MA-7597	DHF: Consistent implementation of the HF Departments 2022 workplan related to 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-7598	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.
-----------------------	--

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7562	Donor Funding: Facilitate the engagement of donors and other key stakeholders in the design of the new Global Fund strategy's implementation arrangements and the new grant cycle, thereby increasing their ownership and involvement in the realization of the organization's programmatic aspirations	Underway	31-12-2022	ERCD
MA-7593	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-7595	DHF: Leveraging partners via the Sustainable Financing for Health Accelerator (SFHA) to enhance DRM, VfM, and more effective development assistance: fulfilment of the SFHA global workplan for 2022.	Underway	31-12-2022	HFD
MA-7612	DHF: Operationalization of Health Financing Risk Framework in preparation towards next allocation cycle through implementing required change management activities (guidance to CTs, trainings, templates, indicators etc.) related to domestic financing & co-financing and sustainability & efficiency sub-risks covering every aspect of grant making process so that appropriate capture of health financing risks and corresponding mitigating actions are done.	Underway	31-05-2023	HFD

15 - Internal Operations				Risk owner: IT, F&A, Sourcing		2022-Q2	Approved by CRO	
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	Target risk timeframe	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-7241		
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-7245		
FC: Improper/incomplete reconciliation of grant closure process.						MA-7244		
FC: Improper/incomplete reconciliation of closing SI 2017-2019 cycle.						MA-7248		
FC: Low absorption level for implemented grants						MA-7243		
FC: Misalignment between Secretariat OPEX for current and next allocation period and GF ambition						MA-7246 MA-7247		
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-7242		
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-7255 MA-7256 MA-7261 MA-7263 MA-7264 MA-7265		
IT Vendor Risk: Poor contract oversight and supplier performance.						MA-7258		
IT Solution (Project) Risk: Lack of scope control, cost overruns, quality issues & timeline failures.						MA-7254 MA-7257 MA-7262		
IT Information Security Risk: Cyber security incidents, accidental or malicious loss of sensitive Global Fund information.						MA-7259 MA-7260 MA-7265 MA-7610		
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-7266 MA-7267		
IT Operational Risk: Lack of training, accidental mistakes and errors.						MA-7260 MA-7264 MA-7265		
Sourcing: Delay in non-critical RFPs and upturn in COVID-19 related procurements and items for the GHC						MA-7304 MA-7305		
Sourcing: The Global Fund issues solicitations or contracts that fail to protect the Organization's commercial interests and operations						MA-7300 MA-7301 MA-7302 MA-7303 MA-7306		
FX: Poor internal Fx limit management (Fx Policy)						MA-7378 MA-7379		
FX: Assets and Liabilities Management (ALM) changes (i.e. donor pledges or grant commitment changes leading to different FX exposures).						MA-7378		
FX: Due to the changes in the economic situation and financial markets, 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-7376 MA-7631		
FX: Foreign Exchange (Fx) market volatility						MA-7377 MA-7378 MA-7379 MA-7380		
FX: Internal and external poor Fx execution						MA-7378 MA-7381		
FX: Internal operational risk for Model risk						MA-7378 MA-7382		
Admin: Facility/Security/Assets/Travel: Technical building failure and/or security incidents at the Global Health Campus (GHC).						MA-7459 MA-7461		
Admin: Lack of business continuity management systems, staff compliance with existing security procedures and frameworks and lack of or partial asset reconciliation						MA-7456 MA-7457 MA-7458 MA-7462		
Admin: Enhancement of GHC operational guidance and clarification on roles and responsibilities						MA-7455		
Admin: Impact of COVID-19 on staff travel and GHC building operations						MA-7454 MA-7464		
Current controls & mitigations						Assurances		
MA-7241	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-7242	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-7243	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-7244	FC: Monthly Monitoring Meeting within Program Finance and reporting to MEC and AFC on closure.							
MA-7245	FC: Involvement of Financial Controlling in reorg memo drafting in terms of modeling, determination of budgetary impact, and alignment with new budgeting framework.							
MA-7246	FC: Budgeting framework implemented to help with alignment of Secretariat OPEX for current and next allocation period and GF ambition.							
MA-7254	IT Solution (Project) Risk: Remediation action plan to address late projects and IT Operational issues in place.					ISMS, ISO27001 certification, IT Governance, IT Project Management, internal and external audits		
MA-7255	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.					ISMS, ISO27001 certification, BCMS, ISO22301 certification, 3rd parties BCMS, internal and external audits		
MA-7256	IT Operational Risk: Monthly IT operations and project performance review by CIO and IT Leadership Team.					IT Governance, IT Project		
MA-7257	IT Solution (Project) Risk: Project management training delivered to IT Staff and key project teams; regular review by CIO.					Management, internal and external audits		
MA-7258	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.					ISMS, ISO27001 certification, Bitsight, VMO, internal and external audits		

Continued on next page.

MA-7259	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.	ISMS, ISO27001 certification, IT Governance, internal and external audits
MA-7260	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.	ISMS, ISO27001 certification, LMS (iLearn), internal and external audits
MA-7261	IT Operational Risk: Business Continuity Management System (BCMS) in conformity with the ISO-22310 standard.	ISMS, ISO27001 certification, BCMS, ISO 22301 certification internal and external audits
MA-7262	IT Solution (Project) Risk: Reinforced IT governance, including new "control gates" for demand review, project approval and operations acceptance, defined and finalized.	ISMS, ISO27001 certification, IT Governance, IT Project Management,
MA-7263	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.	ISMS, ISO27001 certification, ITSM, ISO 20000 certification, IT Governance, IT Project Management, internal and external audits
MA-7264	IT Operational Risk: BCPs in place, regular updates are done on BCP status and flexibilities that are being used.	ISMS, ISO27001 certification, BCMS, ISO 22301 certification internal and external audits
MA-7265	IT Information Security Risk: Rolled out 3rd party Information Security Platform to review 3rd party information security risk exposure from breaches / phishing / ransomware attacks.	ISMS, ISO27001 certification, pen tests, Bitsight, internal and external audits
MA-7266	IT Operational Risk: Continuous monitoring, review and impact analysis of new emerging cyber threats e.g. ransomware etc.	ISMS, ISO27001 certification, pen tests, IRM (OneTrust), internal and external audits
MA-7300	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-7301	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-7302	Sourcing: The Supply Operations Department and Technical Evaluation Committee (TEC) ensure that selection memoranda reflect the Global Fund's Procurement Policy and Regulations.	
MA-7303	Sourcing: ERC subcommittee reviews proposed contracts that incorporate non-standard terms and conditions.	
MA-7304	Sourcing: BCP's developed and are in place and flexibilities triggered to ensure smooth operations.	
MA-7305	Sourcing: Additional resources granted to support COVID-19 related procurement activities.	
MA-7306	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-7375	FX: Conservative Fx limit established that limits exposure well within the limit, 6th Replenishment positions fully hedged.	
MA-7376	FX: Close monitoring of the FX and regular reporting on "rolling of hedges".	
MA-7377	FX: Global FX Management Framework in place to ensure that contribution agreements, adjusted pledges and other exposures are consistently hedged.	
MA-7378	FX: Revised and approved Treasury, Cash and FX Management Procedure is in place. Separate ALM committee and Investment and FX Committee have been formalized, with clear responsibilities set in ToRs.	
MA-7379	FX: Regular update to AFC on hedging position	
MA-7380	FX: Foreign exchange risk is being significantly reduced with a systematic hedging strategy. VaR limit utilization ratio of 94% at the end of Q2-22, with VaR limit at USD 6.7m and absolute VaR after hedges standing at USD 4.4m (before hedges: USD 5.5m).	
MA-7381	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-7382	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-7631	FX: Stress testing is implemented and performed every quarter (in the BRM module of Bloomberg) based on positions loaded automatically from the Global Fund's systems.	
MA-7454	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-7455	Admin: All subleases with subtenants are updated and signed.	
MA-7456	Admin: Full physical inventory performed and databases updated accordingly.	
MA-7457	Admin: Dedicated Senior Security Officer (SSO) and team overseeing security policy and procedures.	
MA-7458	Admin: Global Fund-GAVI Partnership Agreement defines responsibilities for governance of GHC.	
MA-7459	Admin: GHC - Maintenance/repairs contracts are in place with a dashboard and annual schedule for all maintenance contracts.	
MA-7460	Admin: 2 companies were selected to perform security on field.	
MA-7461	Admin: Robust security framework, travel security policy, asset management framework, procedures and SOPs are in place	
MA-7462	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.

Continued on next page.

Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-7247	FC: The costing methodology was developed and endorsed at AFC 18 and the updated baseline and re-based secretariat operating cost as well as indicative illustrative scenarios were presented to AFC 19. The next phase is collection and assessment of investment needs from div/dept planning with the Org Planning WG, which will be the basis to determine the 2023 budget, 3 year ceiling and 6 year strategy.	Underway	31-10-2022	PFC
MA-7248	FC: SI closure process for 2017-2019 cycle is under finalization.	Underway	30-06-2022	PFC
MA-7267	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	30-07-2022	IT
MA-7610	IT Operational Risk: Most critical IT risks have been assessed with the FAIR methodology. (quantitative methodology, which provides information about the potential economical and financial impact in case of an event materializing.)	Underway	30-08-2022	IT
MA-7463	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	30-11-2022	Admin
MA-7464	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	30-10-2022	Admin



16 - Integrated Grant Policies, Processes, Systems & Data				Risk owner: GMD (GPS)		2022-Q2	Approved by CRO			
Risk Description		Sub-optimal integration and/or insufficient change management to support rollout of policies, procedures, systems and data flows to manage grants throughout the grant life cycle (GLC).								
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, timeliness and implications of Board-approved policies and strategies resulting in sub-optimal integration into the GLC.								MA-7292		
Limited internal capacity to ensure comprehensive change management activities and capacity building to ensure GLC changes are embedded within implementers (PRs and SRs), CCM and LFA operations.								MA-7288 MA-7292		
Sub-optimal integration between cross-cutting GLC policies, procedures systems, data and the core GLC processes.								MA-7291 MA-7292 MA-7299		
Limited monitoring of efficiency and effectiveness of GLC processes hampering ability to timely identify bottlenecks.								MA-7289 MA-7293		
Lack of standards and guidance on data management, and limited data availability.								MA-7290		
External disruption causing diversion of resources from business-as-usual activities, impacting delayed rollout of changes in GLC, change management activities for the Secretariat and the implementers.								MA-7294 MA-7295		
Limited consideration of the impact of GLC changes to in-country partners and their workload, and limited PR capacity to absorb such changes.								MA-7292 MA-7299		
Limited tools to build PR capacity – on Global Fund, GLC, Managing SRs, functional capacity development etc.								MA-7297 MA-7298		
Current controls & mitigations								Assurances		
MA-7288		Majority of GLC (from Funding Request to Grant Closure) and cross-functional processes (Grant Entity Data (GED), Differentiation, Integrated File Handling (IFH)) are integrated and automated in the Grant Operating System (GOS).						Monitoring of business process controls		
MA-7289		Regular GLC monitoring & exception reporting to monitor performance.						OIG audits		
MA-7290		Data Governance Committee established, and program of work agreed, to review and implement improvements to the Secretariat's approach to data management.								
MA-7291		Operational Efficiency (OE) team identifies and manages interdependencies between policies, procedures, systems, and data across the GLC. Operational policies and procedures go through cross-cutting Secretariat review and approval process to ensure interlinkages are considered.								
MA-7292		Implementation of the Operational Launch enhancing the Secretariat's ability to maintain up to date policies, procedures, systems and data.								
MA-7293		Comprehensive suite of dashboards for monitoring performance: programmatic, financial, operational and effectiveness of processes has been developed. In addition, a comprehensive suite of process monitoring & reporting tools has been developed to increase management and CT oversight and drive action.								
MA-7294		C19RM guidelines and process based on lessons learned and opportunities for process improvement are periodically updated.								
MA-7295		Business Contingency Plans in place and operational flexibilities covering GLC have been discontinued or are being integrated into the regular process.								
MA-7297		Training suite on GLC processes is developed and updated.								
MA-7298		Changes to GLC processes are rolled-out with communications internally and external through Operations Update and information sessions. OE and other teams provide support to CTs and CCMs, PRs on GLC processes.								
							Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned								Status	Target completion	Action owner
MA-7296		Implementation of the Data Governance Program, currently focused on developing supporting data management procedures.						Underway	31-03-2023	IT
MA-7299		The following launches are scheduled for 2022 (continued Implementation Oversight launch, Funding Request/Grant-making (FR/GM) & LFA Launch). In undertaking the Operational Launches: - The business cases for change will consider both impact on CTs as well as on CCMs, PRs and LFAs; and - Roll-out of revised processes will be accompanied by stronger change management for CTs, CCMs, and PRs which include communications, updated training suite, and ongoing support during roll-out and implementation of the changes. - The FR/GM Launch is jointly managed and will be jointly reported upon by A2F and GPS.						Underway	30-06-2024	GMD (GPS)

17 - Risk Management & Internal Controls				Risk owner: Risk		2022-Q2	Approved by CRO
Risk Description	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.						
Risk Impact	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.						
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 operationalization of key policies, processes and tools							MA-7532 MA-7632
Lack/non-use of standardized risk approaches and tools for decision-making and risk acceptance							MA-7520 MA-7521 MA-7523 MA-7526 MA-7537 MA-7540 MA-7650
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-7530
Variable understanding of risk management responsibilities across the first two lines of defense							MA-7531 MA-7538 MA-7541
Inadequate implementation and follow up of prioritized risk mitigations, and quality and timely assurances							MA-7522 MA-7534 MA-7537 MA-7540
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-7524 MA-7529 MA-7530 MA-7534 MA-7539 MA-7540 MA-7542 MA-7543
Risk management not adequately embedded into Global Fund operations, and decision-making processes							MA-7519 MA-7525 MA-7527 MA-7531 MA-7537 MA-7540 MA-7650
Weakness in the control environment (country portfolio/grants) including inadequate standards, processes and structures that provide the basis for internal controls.							MA-7599 MA-7600 MA-7601 MA-7602 MA-7603 MA-7604 MA-7605
Current controls & mitigations							Assurances
MA-7519	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-7520	Ongoing application of CoE flexibilities to improve program delivery in contexts with high external risks.						
MA-7521	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-7523	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-7525	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-7526	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-7527	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-7528	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-7529	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-7530	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-7531	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-7532	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-7533	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-7536	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-7537	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-7538	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-7539	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-7543	By leveraging existing Global Fund processes, controls, and frameworks to strengthen the end to end risk assurance approach for C19RM investments, Risk and Control Matrices (RCMs) for C19RM funding mechanism were developed and monitoring and oversight (M&O) framework to track C19RM investments was developed & operationalized.						
MA-7599	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-7600	Key Business Process Reviews (KBPRs) performed to assess the system of internal controls for prioritized processes.						

Continued on next page.



MA-7601	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-7602	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-7603	Active risk management undertaken by Secretariat business units through selected use of departmental risk registers to structure risk assessment and mitigation.	
MA-7604	Implement action plans to advance maturity of Secretariat business processes to drive process improvement and quality and effectiveness of controls.	
MA-7605	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 KBPRs are conducted as planned. Monitoring implementation of improvement actions resulting from the KBPRs.
		<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-7522	Routine monitoring of key mitigating actions and assurance activities to drive greater progress and completion.	Underway
MA-7524	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: - 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-7534	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. In addition, creation of a new Programmatic Monitoring Department (PMD) focused on data analysis and use of data collected to have a full, end-to-end view of data across the organization – for consistency in the data itself and in how it is used.	Underway
MA-7632	Rebuilding of the Integrated Risk Management tool that will further improve and streamline risk management, risk analytics and reporting.	Underway
MA-7541	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-7540	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-7542	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
MA-7650	Perform deep-dives on key countries and grant facing risks (Program Quality, Procurement, In-Country Supply Chain, Fraud & Fiduciary). The outcome of the deep-dives result in suggestions to revise key mitigating actions and triggers for grant facing risks to adequately reduce the risk level in line with the target risks set by the Board. Risk/TAP/SO/PFC Collaboration.	Underway

18 - Legal		Risk owner: LGD			2022-Q2	Approved by CRO			
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 where suppliers of COVID-19 health products refuse to accept GF terms. 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-7249 MA-7613		
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 further development of the operational framework for C19RM and its continuing implementation.							MA-7250		
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 and receive transfers of 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-7251		
Internal legal risk: decentralized ownership and awareness/understanding of Global Fund policies, rules and procedures; decentralized rulemaking, implementation and training/communication; no formal compliance structure. Mainstreaming of certain BCP flexibilities and exceptions introduced as urgent responses to ensure continuity of essential activities, may heighten internal controls and compliance risk. Compliance risk in relation to Q&A policies heightened, given the increasing procurement of COVID-19 products.							MA-7252 MA-7253		
Current controls & mitigations							Assurances		
MA-7249		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-19 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-7250		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-7251		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-7252		Internal legal risk: LGD guidance to governance bodies and advice to the Secretariat on the development and application of GF policies; clarification of mandates of Secretariat management committees presented to MEC with SPH and DSA updated. 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 onboarded.					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-7253		Internal legal risk: Potential revisions to Terms of Reference of Secretariat management committee's contingent upon ED decision and MEC deliberation. Development of new Procurement Procedures for Direct Procurement.					Underway	31-12-2022	LGD
MA-7613		Update of GF procurement terms and conditions.					Underway	31-12-2022	LGD

19 - Governance & Oversight			Risk owner: LGD		2022-Q2	Approved by CRO		
<b>Risk Description</b>	Global Fund governance structures, processes, stakeholders or support mechanisms are not sufficient or effective.							
<b>Risk Impact</b>	Weaknesses in governance affect the quality, timeliness, and adequacy of Governing Body decision-making, oversight, and advice, which in turn results in limited ability to implement the Global Fund mission and strategy; actual or perceived weaknesses promote sub-optimal replenishment outcomes, as well as an increased need for financial resources.							
<b>Change since last quarter</b>	No change	<b>Current direction of travel</b>		Steady	<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>		
Structural issues ('fit for purpose') including short terms, high turnover, large governance mechanism and complex/labor-intensive governance processes (e.g. selections). Structure largely unchanged since inception.						MA-7357 MA-7358 MA-7359 MA-7361 MA-7363 MA-7372		
Lack of trust leading to culture of over-consultation, heavy workload and sub-optimal division of labor between governing bodies.						MA-7360 MA-7362 MA-7370		
Diverse stakeholder interests, existing Conflict of Interest, and lack of full consensus or alignment on some decision-items.						MA-7365 MA-7367 MA-7371		
Diverse nature, setup, and resources available in constituencies, with implications for engagement and participation.						MA-7364 MA-7366		
Limited oversight and enforcement capacity on constituency internal matters, and appropriate use of constituency funding.						MA-7373 MA-7374		
Crisis setting. Operating in a virtual Governance environment and prolonged crisis setting.						MA-7368 MA-7369		
<b>Current controls &amp; mitigations</b>						<b>Assurances</b>		
MA-7357	BCOP define procedures for delegation of authority and provide for how key leadership roles would be filled in the event of a vacancy.					Governance Performance Assessment Framework (external review of Board, Board leadership and Committee performance)		
MA-7358	Board approved 3 terms for BL and Committee terms, from 2022 onwards.							
MA-7359	- 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-7360	- 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 - Constituency obligations with respect to IDD are formalized in the BCOP as adopted June 2022.							
MA-7361	Onboarding Framework (2022) in routine implementation for Board and committees. Dedicated on-boarding and ongoing advisory support to constituencies.							
MA-7362	Board documents adapted to focus on strategic input needed for decision making.							
MA-7364	- 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).							
MA-7366	Constituency Funding Policy: funding provided to implementer constituencies to support engagement.							
MA-7368	Flexibilities and contingency approaches developed for the continuity of governance operations, engagement of constituencies, and leadership continuity.							
MA-7369	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-7373	Support to constituencies on routine review and continuous improvement of internal practices.							
MA-7374	Application process and independent LFA verification of use of constituency funding.							
					<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-7365	Strengthened role of Coordinating Group, facilitating coordination between the Board / committees on cross-cutting issues.					Underway	30-06-2022	LGD
MA-7367	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-7370	Roll out of the Integrity Due Diligence framework, as listed under SEAH and Misconduct risk.					Underway	31-12-2022	Ethics
MA-7371	GAP 2.0: Coordinating Group (CG) and leadership onboarding on culture of trust; regular engagement to discuss culture and trust, including with Management (CG-MEC retreats as part of leadership onboarding).					Underway	28-12-2023	LGD
MA-7614	Constituency Management Guidelines, provide best practice guidance on constituency management, next update due Q1 2023 as per EGC workplan					Planned	30-04-2023	LGD

20 - Organizational Culture				Risk owner: HR		2022-Q2	Approved by CRO		
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-7270 MA-7275 MA-7277 MA-7280 MA-7279 MA-7272		
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-7281 MA-7272		
Operational inefficiencies, lack of process definition and performance targets and lack of accountability limits prioritization of work, collaboration, and increases staff workload							MA-7275 MA-7280 MA-7272		
Lack of an attractive and or consistent rewards philosophy, hinders the organization's ability to attract, retain, motivate and reward talent and align organizational need and capacity							MA-7270 MA-7275 MA-7279 MA-7274		
Breaches of the code of conduct, unethical behavior and conflicts of interest.							MA-7268 MA-7269 MA-7271 MA-7273 MA-7276 MA-7278		
Inconsistency and complexity of communication and lack of awareness about policies adds to perception of unfairness in rewards and recognition. A culture of hierarchy and organizational silos that reduce collaboration and can cause a breakdown in trust of the organization.							MA-7279 MA-7274		
Current controls & mitigations							Assurances		
MA-7268	Ethics and Integrity framework, and Ethics Policy, including Code of Conduct updates underpinned by processes for ethics case management and supported by clear communication of policies, awareness creation and relevant trainings.								
MA-7270	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-7272	Leadership capability enhanced through focused manager and employee capability development programs based on performance and talent management review and workforce and succession planning. This will be aligned to both the new organization strategy and the new People strategy and will drive accountability, performance and a culture of care and candor.						Engagement Survey and Pulse Surveys		
MA-7274	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.								
						Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-7277	Organizational and Divisional / Departmental / Team action plans based on the survey results, continue to be planned and implemented as required based on survey results (psychological safety).						Underway	30-12-2022	MEC
MA-7279	Developing an organizational culture of care and candor through various initiatives (Sustainable & measurable diversity, equity, inclusion and belonging strategy, improving psychological safety and wellbeing and embedding Future of Work, Aspirational Culture, Wellbeing Strategy)						Underway	31-12-2022	HR

21 - Workforce Capacity, Efficiency & Wellbeing				Risk owner: HR		2022-Q2	Approved by CRO	
Risk Description	Misalignment between the availability of resources and organizational needs due to 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 because 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		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	Not Applicable							
Key Countries	Not Applicable							
Root Cause						Related Action		
Inadequate people management capability to drive performance and support talent development.						MA-7323 MA-7326 MA-7328		
Significant organizational changes and shifting priorities resulted in need for increased and differentiated capacity to support business as usual activities that have in many cases expanded to absorb additional workload and responsibilities taken on during the peak of the COVID19 pandemic.						MA-7321 MA-7324 MA-7327 MA-7328 MA-7331		
Insufficient/ ineffective and nonsystematic prioritization and reprioritization, and differentiation of organization activities, leading to uneven, ad-hoc and unsustainable workloads, due to budgetary constraints.						MA-7321 MA-7325 MA-7326 MA-7327 MA-7328 MA-7332		
Inefficient business processes driving down productivity.						MA-7321 MA-7324 MA-7328		
Significant organizational change and shifting priorities, leading to change fatigue and loss of motivation / engagement.						MA-7322 MA-7323 MA-7330 MA-7332		
Increased risk of staff burnout leading to change fatigue and loss of motivation / engagement, due to increased and sustained high workload and productivity loss due to COVID-19 impact and other societal challenges e.g., rising inflation, conflicts etc.						MA-7321 MA-7327 MA-7330 MA-7331		
Increased challenges to attract the right talent in a more competitive market, and increased challenges in retaining top talent and keeping rewards competitive, coupled with low attrition in overall population.						MA-7633		
Current controls & mitigations						Assurances		
MA-7321	Integrated organizational and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, workforce budget requirements, and position management based on the continued monitoring of workforce needs leveraging redeployment or, if required, recruitment of resources to meet the business needs.					OIG functional Audit		
MA-7322	Continued focus on managing change effectively through various learning and development programs, clear and consistent communication, and transparency in the organization.							
MA-7323	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-7324	Performance and Accountability reporting done on quarterly basis based on the continually embedded Business Process Model to further strengthen the use of metrics for performance management and decision-making.							
MA-7326	New performance & development cycle implemented as well as the recognition framework – further embedment in 2021 and 2022.							
					Overall Status	Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-7332	Develop and execute the Future of work project (underway), which includes a hybrid return to the office (planned by Q3-22), alongside policies and processes to support our new ways of working and enabling technologies (noting that policies will continue to change but the bulk of change for hybrid work will be complete by EOY).					Underway	31-12-2022	MEC
MA-7633	Develop and implement the new People and Organization Strategy that prioritizes holistic organizational development, a culture of care and candor, sourcing and retaining the right talent for now and the future, appropriate recognition and continuous HR Optimization.					Underway	31-12-2022	HR

22 - Reputation			Risk owner: ERCD		2022-Q2	Approved by CRO	
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-7337	
Political factors can influence news coverage. Factually inaccurate news coverage that is not quickly mitigated and disproportionality in negative media coverage.						MA-7336 MA-7339	
Complexity of global health operations allow for misinterpretation						MA-7333 MA-7335 MA-7338	
Extensive and/or inaccurate coverage of OIG and other reports that identify misuse of funds or other serious issues at a time that is particularly crucial for the Global Fund to have a positive perception by key stakeholders						MA-7333	
Performance issues or internal control weaknesses						MA-7334	
Current controls & mitigations						Assurances	
MA-7329	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-7333	Proactive identification of potential issues by country teams and senior management with relevant teams.					Country Teams reports	
MA-7334	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-7335	Continual focus on strengthening organizational maturity of risk management, internal controls, governance, and increasing transparency.						
MA-7336	Proactive, agile communications strategy by Communications Department.						
MA-7337	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-7338	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-7339	Build relationships with top-tier, influential media during ‘steady state’ moments to encourage a better understanding of the role and mission of the Global Fund, increasing the likelihood of fair and accurate coverage. Proactive media outreach in key markets and regular monitoring of media and social media coverage					Review of monthly media coverage as part of ERCD Leadership Team discussions	



## 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>2</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>3</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>2</sup> <https://www.theglobalfund.org/board-decisions/b32-dp11/>

<sup>3</sup> <https://www.theglobalfund.org/board-decisions/b46-dp05/>

### **Annex 3: Relevant past documents and reference materials**

- [Risk Management Report and CRO's Annual Opinion GF/B47/20 \(May 2022\)](#)
- [Risk Management Report GF/B46/19 \(November 2021\)](#)
- [Risk Management Policy \(2016\)](#)

