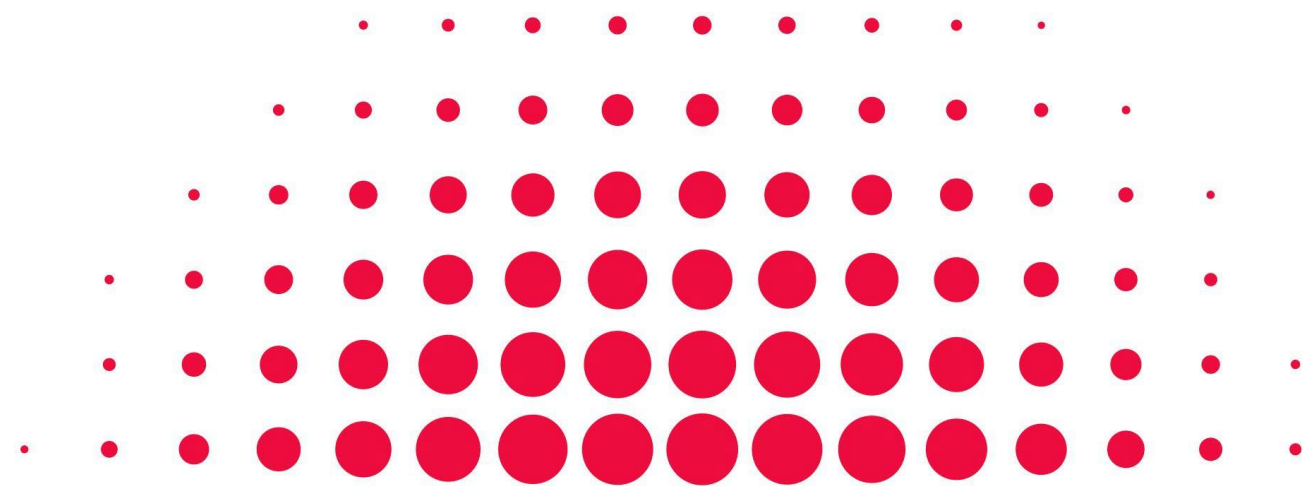


# Agreed Management Actions Progress Report

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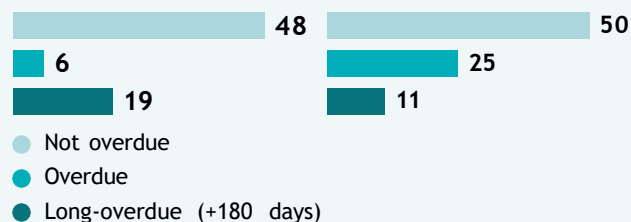
49th Global Fund Board Meeting  
10-11 May 2023, Ha Noi, Viet Nam  
GF/B49/15  
For information



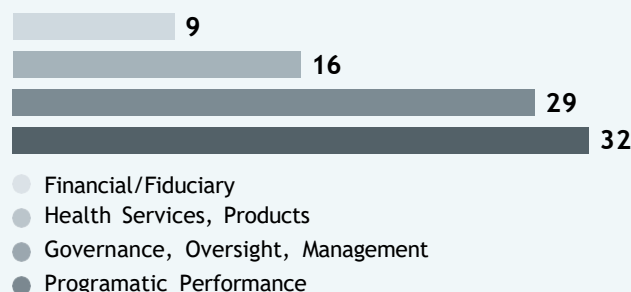
# Situation as of 31 March 2023

## Open AMAs, Status

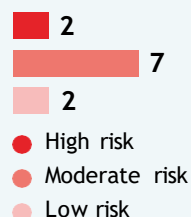
September '22: Total of 73    March '23: Total of 86



## Open AMAs, Risk Categories



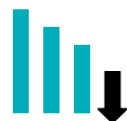
## OIG risk rating, long-overdue AMAs\*



**NEW: View the updated status of AMAs by following this [link](#)**  
(See annex 2 for instructions)

This report:

- **Presents trends in AMA completion**
- **Analyzes risks posed by high-risk overdue AMAs for Board attention**



## Progress in addressing AMAs

- The total number of open AMAs has increased by 13 (18%) since September 2022 (last AMA report to the Board) to 86 as of March 2023. This is due to the net effect of 34 new AMAs and the 21 closed AMAs from various audits and investigations.
- The number of overdue AMAs (including long overdue) has risen by 44% since September 2022.
- Challenges continue to persist in timely closure of AMAs by the Secretariat. Only 24% of AMAs have been closed on time in the last two years, against a target of 60%.
- As stated in the OIG's last update, while the COVID-19 pandemic contributed to the Secretariat deprioritizing the implementation of AMAs, increased attention is required to accelerate addressing the remaining risks. This is particularly important for cross-departmental ethics-related actions, and some country AMAs, which have been outstanding for over two years.



## Status of previously prioritized, high-risk AMAs

- **Ethics and integrity risks: Integrity Due Diligence (IDD)** - The Secretariat has made progress in defining its approach for IDD at a grant level since its last report to the Board.
- **Protection from sexual exploitation and abuse, sexual harassment, and related abuse of power (PSEAH): Risk assessment and response** - the Secretariat has made progress towards implementing this AMA during the last quarter of 2022, although some risks remain unaddressed; in particular, slow progress has been made in implementing risk-based, prioritized interventions at the country level. These important residual actions have been transferred and monitored under the new PSEAH agreed actions, which set out a more ambitious implementation plan to better manage SEAH risks at the country level.
- **TANA netting: quality assurance of health products** - No material progress since last report to the Board therefore this action has been prioritized again.



The AMA related to **Ethics and integrity risks: Accountabilities for managing and monitoring** has been prioritized for the Board's attention. This AMA was previously deprioritized due to satisfactory progress demonstrated and commitments made to further implement the action. However, since the last update, no further progress has been made to close this AMA.

# 1. Ethics and integrity risks: Accountabilities for managing and monitoring

## HIGH RISK LONG-OVERDUE AMA

### GF-OIG-19-016, AMA 2

- “The Chief of Staff, in collaboration with the Ethics Officer and Secretariat stakeholders, will review and where necessary clarify the accountabilities for managing, monitoring and overseeing a defined set of Ethics and Integrity Risks. This will be integrated into existing mechanisms, and will include a proposal for Committee oversight responsibility for specific risks, for decision by the appropriate body.”
- OWNER: **OFFICE OF THE EXECUTIVE DIRECTOR (MARIJKE WIJNROKS)**  
DUE DATE: **31.07.2020**  
**(970+ DAYS OVERDUE)**



### What progress has been made in closing this AMA?

The Ethics Office has documented the existing roles and responsibilities for Ethics and Integrity-related risks and these are expected to be presented for approval to the Management Executive Committee in Q2 2023.

### What remains to be done?

Apart from SEAH and related misconduct, accountabilities for managing other ethics risks are yet to be clearly defined. These include amongst others, Violation of Human Rights, Breaches of Competition, Trade and Export, Data Privacy, Environmental and Sanction laws. The Ethics Office performs a mix of frontline functional and monitoring roles, helping to identify how the absence of clearly defined roles and accountabilities impacts ethics risks. At the Global Fund, multiple stakeholders are involved in managing risks, creating the potential for gaps in the identification, mitigation and monitoring and reporting of these risks.

The AMA has been outstanding for almost three years with minimal progress demonstrated or confirmed plans in place to close it. In 2020, the Ethics Office drafted an accountability matrix for Global Fund Ethics and Integrity related risks. The draft was not finalized or approved. In September 2022, an alternative approach was proposed for mapping accountabilities for managing and monitoring these risks across the Global Fund Secretariat (as mentioned above). The OIG deprioritized the AMA for the committee's attention in lieu of this alternative approach. However, since no progress was made to finalize this AMA, it has been prioritized again. The AMA cannot be closed until there are clearly defined accountabilities, roles and responsibilities for the managing and monitoring of Ethics and Integrity related risks.

### POTENTIAL LOSS OF IMPACT AND RISKS TO THE ORGANIZATION



**Misconduct:** Without greater clarity on Secretariat accountabilities for managing and monitoring of key ethics and integrity risks across the Global Fund value chain, there is a potential that misconduct risks will not be identified and mitigated in a timely fashion. In terms of the organizational corporate risk register, this risk is linked to SEAH and Misconduct risks, which is rated as **High** with an increasing trend.



**Reputational:** the Global Fund's reputation could be harmed due to issues that emerge unexpectedly from poor governance or oversight. Reputational risk is rated as **High** in the organizational risk register.

## 2. TANA Netting: Quality assurance of health products

### HIGH RISK LONG-OVERDUE AMA

#### GF-OIG-21-001, TANA Netting Procurement of Sub-standard Long-Lasting Insecticidal Nets, AMA 4

Based on the findings of the report, the Global Fund Secretariat will formalize:

- 1) guidance for pre-shipment inspection, sampling, and testing of long-lasting insecticidal nets (LLINs)
- 2) guidance for post-market surveillance that covers all LLINs procured through the Global Fund
- 3) internal verification process of LLIN quality control testing practices by Principal Recipients and the PPM procurement agent.

- OWNER: **HEAD OF SUPPLY OPERATIONS (HUI YANG)**

DUE DATE: **31.12.2021**  
**(450+ DAYS OVERDUE)**



### What progress has been made in closing this AMA?

Given the Global Fund's material investments in health, and the significant programmatic ramifications of non-quality assured health products, there is a critical need for the Secretariat to prioritize strengthening the framework for the quality assurance of health products from an end-to-end perspective and in a timely manner.

In response to this AMA, the Secretariat has developed and issued guidance for pre-shipment sampling, testing, and reporting results, as well as guidance for visual inspection. These resources were developed in various consultative processes with internal and external stakeholders. Similarly, internal standard operating procedures (SOPs) were developed to monitor compliance with QA policies by Principal Recipients and PPM Procurement Agents. To facilitate the implementation of these SOPs, the Price and Quality Reporting (PQR) guidelines have been updated to include guidance for uploading quality assurance documents for LLINs (Supplier Certificate of Analysis, Inspection Report and Test Report).

### What remains to be done?

Significant areas to strengthen quality assurance for health products remain outstanding. This issue was first flagged in the [2019 OIG annual report](#) and in the related AMAs from the [TANA Netting Investigation](#). While the AMAs focus on LLIN quality assurance, the underlying risks need to be comprehensively addressed for all health products and medicines financed by the Global Fund.

To close the AMA, the Supply Operations Department needs to develop and disseminate quality assurance guidelines, including monitoring plans for post-market surveillance for Insecticide Treated Nets (ITNs). As highlighted in our recent audits in [Madagascar](#) and [Bangladesh](#), this is especially important due to the continued weakness in storage and distribution arrangements as observed in our audits, this in turn risks affecting the quality of medicines and health products, ultimately impacting beneficiaries.

Quality assurance is a shared responsibility between the Global Fund, the countries themselves, and relevant technical partners. The post-market guideline should therefore include monitoring responsibilities for all key stakeholders involved in the end-to-end supply chain management. As such, the Supply Operations department is currently working with partners, including WHO, to explore aspects of market surveillance that are already in the WHO-funded workplan, such as identifying workplan activities that require additional financial support. This Joint Action Plan initiative will be partly funded by the Global Fund Strategic Initiatives. Quality assurance will also be supported with additional resources committed under the Supply Operations To-Be Operating Model, including embedding the market surveillance process throughout the grant cycle e.g., Principal Recipient Performance Rating, etc. The Secretariat expects some progress against this action by the end of 2023.

### POTENTIAL LOSS OF IMPACT AND RISKS TO THE ORGANIZATION



**Quality of Health Product:** Poor-quality and incorrect or sub-standard products may cause harm to patients. This is linked to quality of health products risk, rated as **moderate** with a steady trend on the organizational risk register.



**Programmatic:** Substandard products will not be effective in prevention and treatment. For malaria, programmatic risk is rated as **high** on the organizational risk register, with a steady trend.

# Annex 1: OIG methodology to classify and select high-risk AMAs

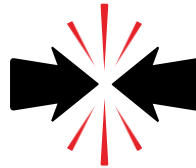
The OIG considers the factors below when considering AMAs to highlight to the AFC and Board.

## POTENTIAL LOSS OF IMPACT



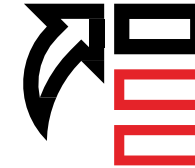
### RISK

- How significant is the risk that the AMA addresses?



### IMPACT

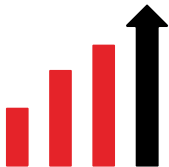
- Could the issue the AMA addresses, if realized, have significant impact (programmatic, financial and reputational)?



### STRATEGIC IMPORTANCE

- Does the AMA relate to a significant strategic priority or initiative?

## MITIGATING MEASURES



### PROGRESS

- The extent to which the rate of AMA implementation has reduced the initial risks OR when alternative mitigation measures exist.

## QUALITATIVE FACTORS



### CONTEXT

- Quality of routine updates from the Secretariat, including underlying evidence.
- Secretariat's leverage in addressing the AMA.
- Continuous relevance of the AMA.

# Annex 2:

## Agreed Management Action dashboard: presentation and overview

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### MORE UPDATED INFORMATION

- The dashboard is updated on a monthly basis, to reflect the latest Agreed Management Actions status



### MORE GRANULAR INFORMATION

- The Agreed Management Actions can be looked at in different categories: by GF division, by status (Open, Overdue), and see the aging trend of open AMAs



### HOW TO ACCESS

- <https://insights.theglobalfund.org/#/views/OIG-ExecutiveDashboard/ExecutiveDashboard>

# Annex 2: Agreed Management Action dashboard: Interpreting the data\*

## AMAs Executive Overview

As of 31<sup>st</sup> Mar, 86 open AMAs (82 open and 4 pending validation)

This focus on the AMA not overdue, but due in less than 60 days



Click on any shape to filter/un-filter the dashboard on a specific division

The five tables provide a deep dive on the Open and Overdue AMA trends, excluding the ones pending validation

This graph provides the evolution of the overdue AMA aging, month by month