

Semi-Annual Risk Management Report

50th Board Meeting

GF/B50/20

14-16 November 2023, Geneva, Switzerland

For Board Information

Purpose: To provide the Board with an update on the status of the organizations' risk profile, as well as the risk management priorities for 2023 and 2024.

Executive Summary

CONTEXT

As countries were starting to recover from the impact of the COVID-19 pandemic, the war in Ukraine started along with other conflicts. This has had, and continues to have, far-reaching consequences for global food and energy security, cost-of-living and the stability of national economies.

Despite the myriad of challenges being grappled with by countries across the globe, results for HIV, tuberculosis (TB) and malaria (HTM) provide cause for optimism. Programs continue to regain ground lost during the COVID-19 pandemic with acceleration across all three programs between 2020 and 2022. However, as also noted in the 2023 Results Report, results remain off the trajectory required to achieve the Sustainable Development Goal (SDG) 3 target of ending AIDS, TB and malaria by 2030. The ongoing resurgence of malaria cases is an area of significant concern with cases and deaths increasing globally since 2019.

As the Global Fund initiates preparation for the 8th Replenishment, this report highlights competing interests and priorities, as a risk that has the potential to significantly impact current and future fund-raising efforts. If the risk materializes, resulting in retraction of funding, it could reverse decades of progress and increase the vulnerability of the people the organization serves, those currently under care, and those yet to be reached.

Navigating this complex environment needs a coordinated effort across the entire partnership, including the Board and the Secretariat, to ensure the numerous challenges are taken into account in charting a way forward for the coming years, including the need to mobilize greater resources to deliver on the SDG health goals.

ISSUES THIS PAPER ADDRESSES

Emerging risks

The volatility that continues to characterize the global operating environment and risk landscape means that emerging risks are on the increase and that a strengthened approach to monitoring and managing these risks is required.

The complexity and volatility of the risk landscape has direct implications for donor funding and domestic financing for health and the global health community's ability to sustain the gains achieved to date in the fight against HTM, to scale up coverage, and to build resilient systems for health. The global health architecture and funding landscape is also evolving, including growing calls for reform of existing multilateral institutions and / or mechanisms, and increasing competition for limited resources. In addition, whilst C19RM provides a unique opportunity to strengthen health systems these interventions are complex with material execution risks.

The Global Fund risk profile

The impact of the extreme and ongoing volatility of the operating environment and the impact of impending external risks has not yet been fully realized. External events will have a bearing on the overall organizational risk profile in the medium term.

Several key changes are anticipated to the organization's risk profile by the end of 2023. The malaria Program Quality risk currently sits at the upper end of High and may reach the lower end of Very High by the end of the year, which is reflected in risk appetite amendments approved by the Board in March

2023. The accompanying paper on the malaria Program Quality risk appetite sets out the Secretariat's recommended target timeframe for reducing the risk level. It is also important to note that based on the current trajectory for the In-Country Supply Chain risk, the target level of Moderate is unlikely to be achieved by June 2024. In the event that the target level is not achieved by the timeframe the Secretariat will come back to the Committees and the Board with an update in October 2024.

In contrast, the Accounting and Financial Reporting by Countries risk is expected to decrease to Moderate by the end of the year and other risks remain on track to reach target risk levels within the agreed target timeframes.

In addition to malaria Program Quality, a number of other risks also have an increasing direction of travel: In-Country Governance, Human Rights & Gender Equality, Drug & Insecticide Resistance and Future Funding (Domestic Health Financing). Monitoring of these risks will be intensified alongside close engagement with implementers and the wider partnership to ensure effective implementation of mitigating measures at a country, regional and global level.

Continued evolution of risk management

The Secretariat continues to prioritize the continuous improvement of risk management processes, systems and tools to ensure the risk management framework remains fit for purpose.

Risk Management tools, operational policy and procedures, and guidance are being continuously improved and adapted to ensure they reflect new strategic priorities and the evolving risk landscape. This includes improvement to the Integrated Risk Management tool and the roll-out and embedding of second line responsibilities into the operating modalities of the various technical teams. Monitoring and oversight (M&O) continues to be a priority, leveraging Country Portfolio Reviews, Key Business Process Review and dedicated M&O of C19RM investments. There is also a focus on capacity building internally through training to promote risk management awareness, and reinitiated engagement with CCMs and implementers.

Challenges and opportunities remain including the need for greater attention to monitoring and addressing barriers to execution of key mitigating actions and better leveraging of risk appetite.

RISK MANAGEMENT REPORT

BACKGROUND

1. 2023 has seen despair and optimism in fierce competition.
2. As countries were starting to recover from the impact of the COVID-19 pandemic, the war in Ukraine started along with other conflicts. This has had, and continues to have, far reaching consequences for global food and energy security, cost-of-living and the stability of national economies.
3. Despite the myriad of challenges being grappled with by countries across the globe, results for HTM provide cause for optimism. Programs continue to regain ground lost during the COVID-19 pandemic with acceleration across all three programs between 2020 and 2022. HIV programs in countries where the Global Fund invests improved steadily with 78% of people living with HIV on antiretroviral treatment, up from 75% in 2021. TB Programs continue to bounce back strongly with a 26% increase in people treated for TB between 2021 and 2022, now far exceeding 2019 levels. Malaria Programs remain resilient despite emerging challenges, with parasitological tests for malaria increasing by 21% between 2020 and 2022 following a plateau in testing between 2019 and 2020.
4. However, as also noted in the 2023 Results Report¹, results remain off the trajectory required to achieve the SDG 3 target of ending AIDS, TB and Malaria by 2030. The ongoing resurgence of malaria cases is an area of significant concern with cases and deaths increasing globally since 2019. The challenges in achieving SDG malaria targets are further exacerbated when considering the increasing incidence of drug and insecticide resistance, as well as climate change impacts, which are anticipated to see an additional ~60 million people in East and Southern Africa and ~134 million people in South-East Asia at risk of malaria by 2030.
5. The risk landscape remains volatile with the potential for the various evolving external risk factors to create a domino effect that will have a direct bearing on Global Fund supported programs and on people living with and vulnerable to HIV, TB and malaria.
6. In view of the highly complex and evolving risk landscape, this report is broken into 3 sections:
 - i. Emerging risks;
 - ii. The Global Fund risk profile; and
 - iii. Continued evolution of risk management.

¹ <https://www.theglobalfund.org/en/results/>

EMERGING RISKS

7. Emerging risks represent existing or known risks which are exhibiting a concerning change in trajectory, or newly identified risks which are being monitored because of their potential to negatively impact the operations of the Global Fund, implementers and partners. The volatility that continues to characterize the global operating and risk landscapes means that emerging risks are on the increase and that a strengthened approach to monitoring and managing these risks is required.
8. **A persistently complex and volatile risk environment:** As already highlighted a range of geo-political and macro-economic factors are combining to create an increasingly complex and volatile risk landscape. These factors include the continuing aftermath of COVID-19 related disruptions, the ongoing war in Ukraine and its impact on food and energy security, the cost-of-living crises facing many countries, inflation and macro-economic and fiscal stress, and the devastating impact of climate change events and other natural and man-made disasters. This in turn has direct implications on donor funding and domestic financing for health and the global health community's ability to sustain the gains achieved to date in the fight against HTM, to scale up coverage, and to build resilient systems for health that can respond to both current and future health emergencies.
9. **Geo-political tensions, evolving global health architecture and competition for funding:** The geo-political situation is marked by increasing polarization and nationalism, alongside growing calls for reform of existing multilateral institutions and / or mechanisms, whilst in parallel new ones are being established. Trade, intellectual property and economic disputes are leading to supply chain disruptions and barriers. There is also increasing competition for the limited resources, coupled with declining attention to HIV, TB and malaria, and the uncomfortable reality of a significant lag in progress towards achieving the SDGs. Against this backdrop it is essential that the Global Fund partnership reflects on, and adapts to, the evolving geo-political and health architecture, and confronts the risks associated with delivery of a highly ambitious strategy in the context of flat or declining resources and the potential impact on tens of millions of people living with or at risk of HTM.
10. **C19RM, pandemic preparedness and RSSH investments:** Under highly constrained domestic and donor resources there are both tensions and opportunities countries must manage in balancing investments to scale-up HTM interventions and investments in cross-cutting components of health systems. Tensions arise from the difficult trade-offs involved in allocating resources, particularly since the needs substantially outstrip available funding. Opportunities emerge from the release of health capacity by reducing the burden of disease, from integrating disease-specific interventions more effectively into broader health objectives, and from creating more robust platforms through which to deliver disease-programs. C19RM investments provides an opportunity to scale-up investments in key priority areas including oxygen, laboratory systems, surveillance/early warning systems, waste management and human resources for health (HRH). These are complex interventions and create a material execution risk. However, without these investments in health and community systems, winning the fight against the three diseases will remain out of reach. To ensure success, this will require coordinated support to implementers through Centrally Managed Limited Investments (CMLIs) and other technical assistance (TA) arrangements and intensified monitoring and oversight to address slippages.
11. **Enhanced role for the Global Fund partnership in managing external risks:** The Global Fund partnership has a crucial role in protecting the interests of the people and communities impacted by AIDS, TB and malaria. The risk landscape is rapidly evolving and multifactorial, with several risks outside the Global Fund's sphere of influence. To prepare, respond and mitigate the impact of these emerging threats would need concerted efforts by the Secretariat leadership, Board/Committees and the wider partnership. It is also important to strengthen communication and minimize the potential for distraction and negative repercussions for program delivery.

THE GLOBAL FUND RISK PROFILE

12. The Global Fund operating environment is extremely volatile, and the impact of external risks has not yet been fully realized. External events will have a bearing on the overall organizational risk profile in the medium term.
13. Several key changes are anticipated to the organization's risk profile by the end of 2023. The malaria Program Quality risk currently sits at the upper end of High and may reach the lower end of Very High by the end of the year, which is reflected in risk appetite amendments approved by the Board in March 2023. The accompanying paper on the malaria Program Quality risk appetite sets out the Secretariat's recommended target timeframe for reducing the risk level.
14. In addition to malaria Program Quality a number of other risks also have an increasing direction of travel: In-Country Governance, Human Rights & Gender Equality, Drug & Insecticide Resistance and Future Funding (Domestic Health Financing). Monitoring of these risks will be intensified alongside close engagement with implementers and the wider partnership to ensure effective implementation of mitigating measures at a country, regional and global level.
15. The Accounting and Financial Reporting by Countries risk is expected to decrease to Moderate by the end of the year in line with the target timeframe.

Overview of key organizational risks

16. The table below provides a summary of all risks for which the Board has set risk appetite, as well as additional risks to which the Secretariat is paying close attention, due to the increasing risk trajectories. The table is followed by a more detailed assessment of each risk. Annex 1 contains the full Organizational Risk Register (ORR) update for Q2 2023.

Risk Name	Purview	Residual Risk	Risk Appetite	Target Risk	Target Risk Timeframe	Direction of Travel	Status to target risk timeframe
Risks where the Board has set risk appetite							
Program Quality – HIV	SC	High	High	Moderate	Jun 2024	Decreasing ↓	On Track
Program Quality – TB	SC	High	High	Moderate	Jun 2025	Decreasing ↓	On Track
Program Quality – Malaria	SC	High	Very High	Moderate	TBD	Increasing ↑	TBD
M&E	SC	Moderate	Moderate	Moderate	N/A	Steady →	Within Risk Appetite
Procurement	SC	High	High	Moderate	Jun 2024	Decreasing ↓	On Track
In-Country Supply Chain	SC	High	High	Moderate	Jun 2024	Steady →	At Risk

Risk Name	Purview	Residual Risk	Risk Appetite	Target Risk	Target Risk Timeframe	Direction of Travel	Status to target risk timeframe
Grant Related Fraud & Fiduciary	AFC	High	High	Moderate	Jun 2024	Steady →	On Track
Accounting & Financial Reporting by Countries	AFC	High	High	Moderate	Dec 2023	Decreasing ↓	On Track
In-Country Governance	AFC	Moderate	Moderate	Moderate	N/A	Increasing ↑	Within Risk Appetite
Quality of Health Products	SC	Moderate	Moderate	Moderate	N/A	Steady →	Within Risk Appetite
Other organizational risks							
Future Funding – Domestic Health Financing	AFC	High	N/A	N/A	N/A	Increasing ↑	N/A
Human Rights & Gender Equality	SC	High	N/A	N/A	N/A	Increasing ↑	N/A
Workforce Capacity, Efficiency and Wellbeing	AFC	High	N/A	N/A	N/A	Steady →	N/A

17. In 2022, the Global Fund partnership regained momentum in the fight against HIV, TB and malaria following the setbacks linked to the COVID-19 pandemic. TB notifications, which witnessed a 19% decline in 2020, regained by 26% in 2022 and exceeded pre-pandemic results. Similar results were observed for HIV prevention which increased by 47% and 22% in 2021 and 2022 respectively, and malaria cases treated which fell by 0.7% in 2020, increased 8.7% and 11% in the subsequent years.
18. Nonetheless, results remain off the trajectory required to achieve the Sustainable Development Goal SDG 3 target of ending AIDS, TB and Malaria by 2030. With over 29.8 million people on ARV globally, the HIV treatment cascade is currently 86%-78%-72%, against a global target of 95%-90%-86% by 2025. This leaves a gap of 9.2 million people in the world who are living with HIV but who are not being treated. Likewise for TB, treatment coverage of 59% is significantly lower than the global target of 90% by 2025.

19. The following section outlines the residual risks across grants. These are assessed with reference to grant targets and interventions and not in relation to the SDG goals which are more aspirational.

Risks where the Board has set risk appetite

Program Quality – HIV

20. **Progress towards reaching the target level of Moderate is being made** with observed scale-up of care and treatment programs and people on ART, and recovery of prevention programs post COVID-19 disruptions. Gender inequalities, growing threats to human rights and barriers to access to life saving preventive, diagnostic and treatment services make it far more difficult to realize the grant targets.
21. To ensure the Secretariat remains on track to achieve the target risk level of Moderate for the HIV Program Quality risk the focus is on addressing gaps in availability and use of epidemiological data, addressing human rights and gender equality barriers, fostering innovation in service delivery models for high risk and vulnerable populations, and building implementation capacities and implementing differentiated support for priority countries from the Secretariat and technical teams.

Program Quality – TB

22. **The TB Program Quality risk has a decreasing trajectory** with TB programs demonstrating unprecedented resilience against the disruptive impact of COVID-19. As a result of a combination of program adaptations, community engagement, global and national political stewardship and additional investments, TB programs have not only erased the losses of 2020, but have also exceeded the pre-COVID-19 pandemic results of 2019.
23. To maintain the momentum of the past two years there needs to be a sustained focus on continuing to build on program adaptations and engagement of communities. Whilst the current trajectory is promising, ending TB requires data-driven decision-making, access to timely and quality diagnosis and treatment, introduction of new tools, fit for purpose implementation capacity, engagement of the private sector and communities, and sustaining adequate funding.

Program Quality – Malaria

24. **The malaria Program Quality risk is at the cusp of Very High, and the direction of travel is increasing.** The malaria Program Quality risk is multi-dimensional and driven by several factors over which the Global Fund has very limited influence. Malaria control and elimination efforts face a convergence of threats, including climate change, disruptions caused by health and humanitarian emergencies, the spread of drug and insecticide resistance and biological threats, increases in program costs and a funding plateau. This is against a backdrop of macro-economic and health financing gaps, which further accentuate the gaps in coverage of critical malaria interventions.
25. Review of Funding Requests across Windows 1 and 2 have highlighted significant funding gaps for core treatment and prevention interventions, which are forcing countries to make difficult risk-tradeoffs between treatment and prevention. Countries, understandably, are seen to have focused on maximizing coverage with available tools. However, continuing with the existing tools to maintain coverage levels, especially in the context of increasing drug and insecticide resistance, is unlikely to reduce incidence and could increase mortality. Improving efficiency and quality of programs, adapting delivery mechanisms and continued support for strengthening community health delivery programs and community engagement will remain critical to optimize available resources. The importance of private sector (both formal and informal) and opportunities for its engagement have not been fully explored and there may be opportunities to build on experiences from TB and HIV partnerships.

26. **As set out in more detail in the accompanying risk appetite paper, following rigorous bottom-up analysis and consultation with partners, the Secretariat is recommending setting a two-year time horizon (December 2025) to reverse the risk trend and bring down the risk to High by the end of 2025.**

Monitoring and Evaluation

27. **The Monitoring and Evaluation risk is Moderate and within the Board approved target risk level.**

Despite achieving the target risk level, and while acknowledging the significant progress made over the years in strengthening national health information systems in terms of governance, data availability, quality and use, gaps in epidemiological survey and surveillance data persist. These gaps are particularly pronounced for disaggregated data by geography and population. In addition, the COVID-19 pandemic has highlighted the need for early warning and integrated surveillance systems, a prioritized area of investment under C19RM, complimented by GC7 investments to strengthen M&E systems. Digitization, data quality, speed and timeliness of reporting and use of data to monitor progress has been prioritized by the Secretariat for attention.

In-Country Supply Chain

28. **The In-Country Supply Chain risk is High and based on the current trajectory the target risk level of Moderate is unlikely to be achieved by June 2024.** In the event that the target level is not achieved by the timeframe the Secretariat will come back to the Committees and the Board with an update in October 2024.

29. Although the availability of HIV, TB and malaria health products has steadily increased over the years, as noted by On-Shelf Availability results, underlying system-related risks remain. The primary drivers of the In-Country Supply Chain risk are sub-optimal processes, systems and controls and oversight of the national medical stores or equivalent by Ministries of Health or respective Boards. This is compounded by instances of fragmented and outdated data systems, such as Logistic Management Information Systems (LMIS) and Enterprise Resource Planning (ERP) Systems, that limit the effectiveness and efficiency of procurement and distribution operations.

30. GC7 Funding Requests indicate a shift towards more strategic support for in-country supply chains in some countries. However, the size of investments is not commensurate to the need, or sufficient, given the relative size of Global Fund grant investments in pharmaceuticals and health products.

31. To make further progress along the risk trajectory, there is a need for national stewardship in addressing governance risks combined with coordinated investments and support by the wider partnership for national in-country supply chain strategic plans that prioritize adequate storage and distribution capacity as well as robust and interoperable data systems.

Procurement

32. **The procurement risk is High, with a decreasing direction of travel, and is expected to reach Moderate by the target date of June 2024.** Given nearly 60% of total grant investments in pharmaceuticals are channeled through the Pooled Procurement Mechanism, the Global Fund has been able to mitigate market and supply chain shocks during the COVID-19 pandemic. Nonetheless the procurement risk has stayed at High for the past two years due to global supply chain disruption but also quantification processes that rely on poor data quality, inadequate procurement planning capacities, and sub-standard procurement as a result of weak/poorly enforced processes.

33. With the relative stabilization of global supply chains, a series of measures being implemented by the Secretariat are contributing to the observed risk trajectory. These include intentional prioritization of capacity building measures and targeted LFA assurances, in a subset of high-risk portfolios, and strengthened monitoring of order placement.

Grant-Related Fraud & Fiduciary

34. **The Grant-Related Fraud & Fiduciary risk is High and whilst the direction of travel is steady, it is expected to reach Moderate by the target date of June 2024.** This reflects the fact that while there is an increased inherent financial and fiduciary risk in implementing countries, efforts to adapt to the evolving environment continue.
35. Drivers of the inherent risk level include challenges and disruption, both macro and portfolio level, which create an environment that provides more opportunities for, and incentivizes, fraud. Entering the last year of GC6 implementation also brings additional complexities such as grant making and pressure to improve absorption that could divert resources and focus from rigorous financial management and oversight. The risk of cybersecurity and phishing attacks also continues to increase and materialize at the Global Fund, as well as with suppliers and implementers.
36. Execution of fraud risk assessments (FRAs) is creating fraud risk awareness and informing assurance activities, with eight already conducted in high-risk portfolios and three more in progress. Timely execution of the agreed management actions flowing from the FRAs will be central to achieving the target risk level of Moderate. These countries also drive the aggregate risk rating for the Accounting and Financial Reporting Risk discussed below and therefore have dual focus. To mitigate the cyber security risk, attacks are being closely monitored and addressed, for example, through mandatory Secretariat staff training on cyber security risks, in order to minimize the likelihood and impact of potential losses.

Accounting and Financial Reporting by Countries

37. **The Accounting & Financial Reporting by Countries risk is High, with a decreasing direction of travel, and is expected to reach Moderate by the target date of December 2023.**
38. Disruptions faced by implementers and assurance providers are no longer a barrier to timely and quality financial reporting by implementing countries. The quarterly financial reporting through Pulse check is being received on time and to an acceptable level of quality. While there have been some delays in receipt of annual PUDRs, due to multiple competing priorities including Funding Request development and reviews, the quality of submissions is largely acceptable. Efforts to build capacity and improve financial reporting continue.

In-Country Governance

39. **The In-Country Governance risk is Moderate but with an increasing direction of travel.** This is driven by growing geo-political and security threats, and other macro-economic, food, energy and climate related crises, all of which are increasing the fragility of health systems and the overall External Risk Index in implementing countries.
40. The Secretariat continues to evaluate emerging threats, and where relevant designate countries as Challenging Operating Environments (COE) and invoke additional safeguards to protect grant resources and ensure continuity of programs. The Secretariat also continues to strengthen its partnerships with CCMs, Ministries of Health, Civil Society and humanitarian organizations to find pragmatic solutions including use of COE flexibilities.
41. As the Secretariat performs comprehensive reviews of CCM Eligibility Requirements as part of the GC7 cycle, it is clear that the majority of CCMs have complied with the minimum requirements. Despite this, challenges remain and the dialogue on CCMs must evolve from meeting minimum eligibility requirements to strengthened CCMs as envisaged in the CCM evolution pilot. This is especially true in relation to risk management and oversight, addressing ethical misconduct, including prevention of sexual exploitation, abuse and harassment (PSEAH) matters and ensuring transparent and meaningful engagement of communities. In resource constrained settings, countries and CCMs must

also explore joint financing and cost sharing modalities to facilitate and continue activities prioritized under the CCM evolution project, both within pilot and non-pilot countries.

Other Organizational Risks

Future Funding (Domestic Health Financing)

42. **The Domestic Health Financing risk is High, with an increasing direction of travel** and a sobering outlook. A recent World Bank report² noted that general government health expenditure grew significantly in the first 2 years of the pandemic, and in 2021 stood at 25% above 2019 levels. However, government spending has since rapidly contracted and has been termed 'Strong Advance, Early retreat'.
43. Reduced actual or forecast domestic health financing will have a direct bearing on the ability of Global Fund supported programs to maintain and scale-up coverage and sustain health systems investments. There is a higher likelihood that more countries may request waiver of co-financing requirements in the current cycle. The primary risk drivers are short term macroeconomic and fiscal constraints, domestic political bottlenecks limiting the realization of co-financing commitments, failure to adequately finance and purchase critical commodities with domestic funds, followed by lack of data and systems to reliably measure realization of such commitments.
44. To mitigate the risk, a range of measures have been initiated including increased engagement with Ministries of Finance, establishment of DHF committees to track and follow up on commitments, more realistic setting of co-financing commitments for GC7 as well as engaging in, and improving support for engagement in, innovative financing strategies to leverage partner financing. Developing National Health Financing Strategies will also be key along with strengthened data collection and reporting.

Human rights and gender equality

45. **The Human Rights and Gender Equality risk remains high with an increasing direction of travel** driven by persistent human rights and gender related barriers including stigma, discrimination, and criminalization. These barriers continue to exacerbate vulnerability to HIV, TB and malaria and limit access to services, which in turn can severely impact health outcomes, perpetuate social injustices and undermine the well-being of vulnerable populations.
46. To address this the Global Fund Secretariat is taking a more ambitious and systematic approach in GC7, including scaling up human rights and gender transformative programming, enhanced implementation support, purpose-driven partnerships, Gender Equality Marker Scoring in funding request reviews, and robust tracking of progress.
47. While the risk is expected to remain high and despite the increasing direction of travel, concerted efforts are being made to reduce the risk level during implementation of GC7 as the mitigating actions currently underway are implemented and Strategic Initiatives (SIs), TA and data driven decision making take effect.

Workforce Capacity, Efficiency and Wellbeing

48. The combination of many competing priorities in 2023 including grant implementation, grant making and the C19RM extension is placing significant pressure on Secretariat staff. The pressure on already over-stretched implementers is also acknowledged. This pressure is known to impact health, wellbeing and motivation and increase the risk of burn-out. As the Global Fund looks towards the even more ambitious strategy implementation period, there is flat OPEX and the C19RM workforce cliff i.e. the

² Health Financing in a Time of Global Shocks. Strong Advance Early Retreat. World Bank. May 2023

additional technical and operational capacity supported through C19RM will come to an end by December 2025. Increased prioritization and workforce planning is therefore essential for 2025 and beyond.

C19RM and RSSH

49. The COVID-19 pandemic rapidly evolved in 2022 precipitating a shift from COVID-19 control and containment measures to pandemic preparedness and health systems strengthening. While the Global Fund initiated the process to respond to the evolving pandemic in the second half of 2022, there have been delays due to evolving technical and operational guidance, countries needing time to balance concerns linked to the emergence of new strains, applying for C19RM and PPR funding, and concurrently implementing approved activities. As of June 2023, C19RM in country absorption remained below optimal at 47%.
50. With Portfolio Optimization (PO) wave 1 awards, the ongoing PO Wave 2, and reinvestments, the Global Fund is supporting a strategic shift in C19RM investments towards health systems and pandemic preparedness, targeting the 42 RSSH/C19RM prioritized investment portfolios accounting for over 90% of funds available to finance the shift. Making this shift is anticipated to be completed by October/November of this year. However, historically, health systems investments have had delays in execution and relatively lower absorption than the HTM interventions. Implementation of new technical areas including oxygen investments, operational risks, maximizing synergies in execution of C19RM investments and RSSH activities in core HTM grants, difficulties in measuring outcomes or impact (beyond outputs) in the short term, and more importantly pursuing a systems approach with an eye on sustainability and continuity beyond 2025, will remain challenging. The combination of technical assistance under CMLIs, and wider partnership support will be extremely important to ensure timely and quality implementation of C19RM.
51. While there is no bottom-up assessment of C19RM and RSSH risks as a separate risk category, **the operational risks for C19RM and RSSH investments are considered High**. To address this gap, the Secretariat has introduced RSSH and Pandemic preparedness as a risk category to facilitate bottom-up analysis of C19RM and RSSH investments in parallel with continuing to strengthen monitoring and oversight. This information will be available starting from 2024.

CONTINUED EVOLUTION OF RISK MANAGEMENT

Strengthening risk management and oversight of grants

52. The Secretariat continues to prioritize the continuous improvement of risk management processes, systems and tools to ensure the risk management framework remains fit for purpose. The agility of risk management tools is of particular importance given the persistent volatility and emergence of new or changing threats.
53. Evolution of risk management tools: Risk Management tools, operational policy and procedures, and guidance are being continuously improved and adapted to ensure they reflect new strategic priorities and the evolving risk landscape. The Integrated Risk Management tool and the underlying platform has materially improved with the addition of new risks (RSSH and Health Financing), inclusion of portfolio analytics which help triangulate data, and a process flow that facilitates enhanced second line oversight. The integration of the IRM with Grant Operating Systems and PR reporting facilitates end-to-end integration of risk management across key grant life cycle processes and better tracking of risk mitigation plans, which will help improve compliance and strengthen oversight.
54. The roll-out and embedding of second line responsibilities into the operating modalities of the various technical teams beyond Risk (disease teams, Community Rights and Gender, Supply Operations, Programmatic Monitoring Department etc.) is getting traction and promotes shared accountability

between first and second-line teams. In addition, a new platform has been developed to make the LFA assurance reports accessible to second-line teams enabling them to provide informed inputs and also to strengthen analytics of trends in key risk drivers.

55. Strengthening of monitoring and oversight (M&O) continues to be a key priority for the Secretariat. There are several key mechanisms for monitoring risk levels, trajectories and critically, implementation of key mitigating actions. These include the Country Portfolio Reviews led by the Portfolio Performance Committee, Key Business Process Reviews, and dedicated M&O of C19RM investments to drive performance and manage operational risks.
56. Capacity building – Secretariat and in-country stakeholders: To promote risk management awareness the Secretariat has started rolling out training and sensitization of first and second-line teams within the Secretariat. A more systematic training calendar will be implemented through 2024 and beyond.
57. The Secretariat has also reinitiated engagement with CCMs and implementers on risk management which was briefly suspended during the COVID-19 pandemic. Country Risk profiles have been shared with CCMs and implementers in High Impact and Core portfolios to inform the GC7 Funding Request submissions and grant negotiations. In addition, risk workshops were held across seven countries (with more planned in Q4 2023). These have resulted in enhanced understanding of the portfolio risks, design and country ownership of risk mitigation plans.
58. Remaining challenges and opportunities: Risk management tools, processes and documentation will not, by themselves, mitigate risk. This is dependent on the actions taken in response. With only 48% of Key Mitigating Actions (KMAs) completed by June 2023 (compared to 28% in Q4 2021 and 56% in Q4 222), there is a definitive need for greater attention to monitoring, and addressing barriers to, their execution. Improving the quality of KMAs, and early communication and follow-up with implementers (PRs are responsible for implementing 80% of KMAs) will also contribute to improving compliance.
59. There are opportunities to better leverage risk appetite to make improved risk trade-off decisions, which have been used during COVID-19 but can be utilized more systematically in COE contexts, while addressing security risks or even program quality risks. Programmatic-fiduciary trade-offs are relatively easier to make than programmatic-programmatic trade-offs, which are far more challenging, but the latter will inevitably be needed in a resource constrained environment.

Strategic risks that need Board/Committee attention

60. One of the key aspects of Risk Management is to anticipate future risks and flag them for attention. The Board and its Committees and the broader partnership have positively reacted to the escalation of the malaria Program Quality risk, a theme which requires undivided attention and intensified monitoring of agreed actions. While risk management or risk appetite enable management of risks relating to grants they will not help to solve these external and strategic risks, i.e. mobilization of more resources or addressing technical or technology challenges.
61. As the Global Fund initiates preparation for the 8th Replenishment, this report highlights competing interests and priorities, as a risk which has the potential to significantly impact current and future fund-raising efforts. If the risk materializes resulting in retraction of funding, it could reverse decades of progress and increase the vulnerability of people served by the Global Fund, those currently under care and those yet to be reached.
62. Navigating this complex environment needs a coordinated effort across the entire partnership, including the Board and the Secretariat, to ensure the numerous challenges are taken into account in charting a way forward for the coming years, including the need to mobilize greater resources to deliver on the SDG health goals.

CONCLUSION

63. While Global Fund supported programs have recovered much of the ground lost due to the COVID-19 pandemic and improved upon the pre-COVID 2019 performance, the operating environment is extremely volatile and impending risks due to polarized geo-politics, changes in the global health architecture, and the funding landscape, can have a significant bearing on the countries, communities and the people impacted by the three diseases.
64. Accelerating HTM programs within the current operating environment will not be easy. Conflict, climate-change, and economic uncertainty all place enormous strain on implementers and require the Global Fund and its partners to be flexible and innovative to enable progress. From a risk management perspective, it is critical to remain focused on the primary objectives, and ruthlessly prioritize actions where the Global Fund has a higher ability to influence and mitigate. This would entail differentiation and tailoring and focusing on the high-risk portfolios and risk categories.

Annexes

The following items can be found in the Annex:

- Annex 1: Organizational Risk Register (ORR) for Q2 2023
- Annex 2: Relevant past Board decisions

Annex 1: Organizational Risk Register (ORR) for Q2 2023

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	Decreasing ↓	Moderate
02 - Program Quality - TB	SC	High	High	Moderate	Jun 2025	No change	Decreasing ↓	Moderate
03 - Program Quality - Malaria	SC	High	Very High	Moderate	TBD	No change	Increasing ↑	Moderate
04 - M&E	SC	Moderate	Moderate	Moderate	Not Applicable	No change	Steady →	Moderate
05 - Procurement	SC	High	High	Moderate	Jun 2024	No change	Decreasing ↓	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	Jun 2024	No change	Steady →	Moderate
07b - Accounting & Financial Reporting by Countries	AFC	High	High	Moderate	Dec 2023	No change	Decreasing ↓	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	Increasing ↑	Moderate
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 - Ethical Misconduct and SEAH	EGC	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Moderate
14 - Future Funding (Donor Funding & Domestic Health Financing)	AFC	High	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	No change	Steady →	Significant
22 - Reputation	Board	High	Not Applicable	Not Applicable	Not Applicable	No change	Steady →	Moderate

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

Risk Name	Risk owner	Quarter	Review Step
Risk Description	Statement that clearly identifies what the risk is and may also provide context regarding why it's a risk and how it could impact the objective of the		

	programs or the organization.							
Risk Impact	Description of the impact if the risk was to materialize.							
Key Partners	Outlines key partners the Global Fund engages with to address the risk.							
Key Countries	Outlines countries with an immediate strategic focus.							
Change since last quarter	Indicated if the Residual Risk level changed from previous quarter to current quarter.	Current direction of travel	Expected trajectory of risk level over mid-term, based on available information.	Global Fund ability to mitigate		Ability of existing controls and mitigating actions to mitigate the current risk level.		
Residual Risk	Remaining risk level assuming current controls & mitigations are working as expected.	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.	
Root Cause							Related Action	
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.								
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.							
Controls & mitigations in development or planned						Status	Target completion	Action owner
Key mitigating actions and controls that are still being designed, implemented or where work has yet to start.								

01 - Program Quality - HIV		Second line: SIID - TAP		2023-Q2	CRO Review			
Risk Description	Inadequate quality of programs/services and/or delays and disruptions in implementation of programs funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable HIV outcomes and to strengthen resilient and sustainable systems for health.							
Risk Impact	Failure to find undiagnosed HIV cases; failure to reach those at high risk of HIV acquisition with effective prevention options; failure to rapidly initiate and maintain continuity of effective treatment and viral load suppression. These failures result in ongoing HIV transmission and 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 and reverse in the coming quarters.							
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; Cameroon; Congo; Côte d'Ivoire; DRC; Eswatini; Ethiopia; Ghana; India; Indonesia; Kenya; Lesotho; Madagascar; Malawi; Mozambique; Nigeria; Pakistan, Philippines; South Africa; South Sudan; Uganda; Ukraine; United Republic of Tanzania; Zambia; Zimbabwe [Priority countries and Tier 2 (Precision prevention or TAO priority countries)]							
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	June 2024	
Root Cause							Related Action	
The scale of interventions financed under the grant, domestically and through partners is not sufficient to achieve desired programmatic coverage, outcome, and impact, due to general de-prioritization of health/HIV or temporarily e.g., the COVID-19 pandemic.							MA-9292 MA-9298	
Interventions are inadequately tailored to the program context and/or insufficiently focused on populations most in need of services, and/or do not include highest impact interventions to reduce new HIV infections, and/or are not linked to achieving program outcomes.							MA-9298	
Disruption to program implementation due to political unrest, sudden disease outbreaks (includes other epidemics and/or pandemics) and/or natural disasters.							MA-9289 MA-9298	
Delays in adopting and implementing global guidance, and in introducing innovative approaches, service delivery modalities, tools, or technical recommendations where appropriate (takes an average of 18 months).							MA-9298	
The policies, guidelines, tools, and planning to review/address quality of services at country level through supervision and capacity building are not developed or are inadequate; relevant resources are not available; or service quality assessments are deprioritized for other reasons.							MA-9298	
Inadequate staff capacity, including working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and health care worker burn out from COVID-19 related activities.							MA-9298	
Policy and practice obstacles to de-medicalizing HIV services and ensuring services can be reached in non-medical facilities, e.g., community access points, pharmacies, drug stores, through virtual or mobile means and through self-care. Limited low-threshold access for testing and prevention.							MA-9298	
Current controls & mitigations								
MA-9289	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.							
MA-9290	Ongoing programmatic risk reviews: Strengthen review of program quality, performance, and calibration at Secretariat level through establishment of country-specific and cross-portfolio reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement.							
MA-9291	Technical guidance and program standards: Disseminate best practices and practical guidance by TAP, including quality standards, normative guidelines, and tailored communication to GMD to accelerate transition to updated technical partner guidance.							
MA-9292	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.							
MA-9293	Expand differentiated HIV testing to improve first 95. Work with technical partners to operationalize out-of-facility HIV testing and linkages to treatment and prevention. Upscale differentiated models in all countries (supported by DSD SI in 8 countries) and increase use of HIV self-testing in all countries (especially in those with matching funds).							
MA-9294	Product innovation and transition: GF grants support countries to implement changes to health product policies when needed and accelerate uptake of innovation and effective programs to improve prevention and treatment adherence, including through strengthening of communities.							
MA-9295	Support implementation of new guidance and action planning related to PrEP and treatment optimization (TLD transition to pediatric DTG 10 mg).							
MA-9296	Implement comprehensive review of HIV program assurances and HIV programmatic indicators used for risk triangulation to improve implementation and service delivery of existing and future programs. Risk/TAP Collaboration.							
Assurances								
HIV Programmatic analysis/quality assurance reviews (e.g., HIV prevention effectiveness analysis, HIV treatment cascade analysis, ART outcome analysis) done by independent entities								
Programmatic LFA spot checks focused on HIV and/or C19RM-funded HIV program adaptations								
Global Fund-commissioned independently conducted country evaluations and thematic reviews focused on HIV (e.g., Evaluation and Learning Office evaluations)								
Community-led monitoring data focused on HIV								
National or targeted Health Facility Assessments including HIV aspects done by independent entities								
Data Quality Reviews and Audits focusing on/including HIV done by independent entities (e.g. LFA)								
Programmatic risk assessments focusing on HIV								
Compliance monitoring/reviews regarding HIV programmatic policies and procedures done by independent entities								
Partner led reviews and evaluations								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9297	Program Essentials: Support countries to make policy, strategy, and operational shifts to fulfill the 22 HIV Program Essentials. Program Essentials are critical interventions and approaches needed to achieve outcomes and impact set out in the global HIV strategies (Table 2 of GC7 HIV Information Note).					Underway	30-06-2024	SIID - TAP
MA-9298	Update key mitigating actions and define triggers for high/very-high Program Quality-HIV risk to reduce the risk level in line with the target risk. Risk/TAP Collaboration.					Underway	30-09-2023	SIID - TAP

02 - Program Quality - TB		Second line: SIID - TAP		2023-Q2	CRO Review			
Risk Description	Inadequate quality of programs/services and/or delays and disruptions in implementation of programs 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 and slow uptake of new tools and innovations, contributing to the reduction in case detection, treatment and prevention activities which may lead to increased drug resistance, treatment failure and heightened disease burden. The current risk level has moved from Very High to High by end of Q4 2022, based on the reversal of trends and improved program performance in the Top 20 priority countries and the additional resources through C19RM have started having positive effect on program performance.							
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 [Based on the 2021 epidemiological data, these countries contribute to 75% of the global TB burden and 66% of the MDR/RR-TB cases. They also account for 78% of the people missing with TB globally and 71% of GF TB funding in GC7.]							
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	Jun 2025	
Root Cause							Related Action	
The scale of interventions financed under the grant, domestically and through partners are not sufficient to achieve desired programmatic coverage, outcome, and impact.							MA-9367	
The TB treatment interventions and modalities are not adequately people-centered and/or do not adequately tailor investments to the epidemiological context, societal drivers of risk and vulnerability, relevant populations, and health-seeking behavior.							MA-9363 MA-9368	
Disruption to program implementation due to political unrest, sudden disease outbreaks (includes other epidemics and/or pandemics) and/or natural disasters.							MA-9364	
Programs do not adhere to or delayed adoption and scale-up of approved national or WHO guidelines e.g., medicine formulations, diagnostic tools, laboratory, patient identification, prevention, or adherence to TB treatment, or there is no clear framework to guide decision making.							MA-9365 MA-9366 MA-9370	
The guidelines or plans describing how the package of program essential services is to be delivered by health workers and informal and/or non-medical lay service providers are not developed, not well-defined or are outdated							MA-9372	
Inadequate training and continuous professional development of health care professional and non-medical staff (including the CHW) resulting in poor performance							MA-9371	
There are significant gaps in analytical capacity to analyze program data at the relevant level(s)							MA-9369	
Current controls & mitigations								
MA-9363	Promoting differentiated approaches and integrated service delivery models to achieve impact in diverse country contexts, including at community level, and private sector engagement to support efforts to find missing TB cases.							
MA-9366	Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.							
MA-9369	Supporting countries to strengthen use of data to review program and grant performance and conducting country-specific and cross-portfolio reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement.							
MA-9364	Systematically support development of contingency plans to respond to political and security threats and or pandemic related disruptions.							
Assurances								
TB Programmatic analysis/quality assurance reviews (e.g. TB patient pathway analysis, TB care cascade analysis including at subnational level) done by independent entities								
Programmatic LFA spot checks focused on TB and/or C19RM-funded TB program adaptations or lab systems								
Global Fund-commissioned independently conducted country evaluations and thematic reviews focused on TB (e.g., Evaluation and Learning Office evaluations)								
Community-led monitoring data focused on TB								
Data Quality Reviews and Audits focusing on/including TB done by independent entities (e.g. LFA)								
Programmatic risk assessments focusing on TB								
Compliance monitoring/reviews regarding TB programmatic policies and procedures done by independent entities								
National or targeted Health Facility Assessments done by independent entity								
Partner led reviews and evaluations								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9365	Grant support to countries to update TB diagnostic and treatment guidelines, accelerate uptake of innovation and to improve treatment adherence. This includes policies on the use of digital chest x-ray with / without Computer Aided Technology and pediatric formulations and shorter regimens for DR-TB and TB prevention.					Underway	31-12-2023	SIID - TAP
MA-9367	Monitor the implementation of C19RM funds, including strengthening TB screening strategies, scale-up of TB molecular diagnostic network, access to radiography services. Community screening and outreach activities and aggressively scale up finding missing people with TB.					Underway	31-12-2023	SIID - TAP
MA-9368	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. Maximize the impact of support to TB through leveraging partnerships including through the TB Situation Room.					Underway	31-12-2023	SIID - TAP
MA-9370	Support optimization and use of molecular diagnostic platforms (GeneXpert, True Nat) and sample transportation systems as part of grant support provided by disease advisors and through technical assistance provided by the TB Strategic Initiatives.					Underway	31-12-2023	SIID - TAP
MA-9371	Through the TB Strategic Initiative, deploy a pool of pre-qualified providers to support capacity strengthening of health care workers on the new recommendations and guidelines to support update of newer regimens in the priority countries.					Underway	31-12-2023	SIID - TAP
MA-9372	Establish mechanisms to implement and monitor prioritized program essentials across the high burden TB countries.					Underway	31-12-2023	SIID - TAP
03 - Program Quality - Malaria		Second line: SIID - TAP		2023-Q2	CRO Review			
Risk Description	Inadequate targeting and inefficiencies in implementation of quality of programs and/or delays and disruptions in implementation of programs 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. Malaria control and elimination efforts continue to face a convergence of threats, including climate change, disruptions caused by health and humanitarian emergencies, spread of drug and insecticide resistance and biological threats, increases in program costs and stagnant resources. This in the							

	context of macro-economic and health financing gaps accentuate the gaps in coverage of critical malaria interventions							
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 and 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 due to political instabilities (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’ the trajectory has shifted from steady to increasing. These are driven by several external factors - increasing number of countries are witnessing political instability and security threats (eg. SAHEL regions / Myanmar etc) impacting program implementation; impact of climate change or post natural disaster events leading to resurgence (several countries in WCA or Pakistan); and growing biological threats (drug and insecticide resistance, new vectors etc). 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.							
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	Burkina Faso, Cameroon, CAR, Chad, DRC, Ghana, Haiti, Mali, Mauritania, Mozambique, Nigeria, Niger, Senegal, Sierra Leone, Somalia, , Sudan, Tanzania, Uganda, Zambia (Very High and High risk and HBHI/Sahel countries).							
Change since last quarter	No change	Current direction of travel		Increasing	Global Fund ability to mitigate		Moderate	
Residual Risk	High	Risk Appetite	Very High	Target Risk	Moderate	Target risk timeframe	TBD	
Root Cause							Related Action	
Disruption to program implementation due to political unrest, sudden disease outbreaks (includes other epidemics and/or pandemics) and/or natural disasters.							MA-9422	
Insufficient and inadequate use of malaria surveillance and other data including drivers of risk and vulnerability of relevant populations, for the appropriate design of quality and efficient programs aligned with epidemiological context.							MA-9418 MA-9422	
Poor quality of health products and unstable drug supply due to upstream procurement challenges or downstream supply management contributing to risk of stock of mRDTs and ACTs and or delays in LLIN, IRS and SMC campaigns.							MA-9420	
The scale of interventions financed under the grant, domestically and through partners are not sufficient to achieve desired programmatic coverage (of core interventions such as malaria case management commodities, LLINs, IRS and seasonal malaria chemoprevention) outcome, and impact.							MA-9415 MA-9416 MA-9419	
The national guidelines and tools to review quality of program essential services provided at the intervention level are not available, inadequate and/or the program is not routinely quality reviewed at national and sub-national level							MA-9413 MA-9417	
Current controls & mitigations								
MA-9413	Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.							
MA-9414	Supporting sub-national stratification and district level analysis of coverage and quality of programs to target vector control tools and other interventions to maximize impact.							
MA-9416	Engage in-country partners and stakeholders through country reviews and dialogue to identify opportunities to improve quality and leverage partner technical, financial, and political resources accordingly.							
MA-9417	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).							
Assurances								
Malaria programmatic analysis/ QA reviews (e.g, Malaria epi and intervention trend analysis, analysis of malaria case management (test, treat and track) cascade) done by independent entities								
Programmatic risk assessments focusing on malaria								
Programmatic LFA spot checks focused on malaria and/or C19RM-funded malaria program adaptations								
Data Quality Reviews and audits focusing on/including malaria done by independent entities								
National or targeted Health Facility Assessments done by independent entity								
Partner led reviews and evaluations								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9415	Timely access and advocacy for Emergency Funding to support the response to climatic disasters and other acute emergencies relevant to increasing malaria morbidity and mortality.					Underway	31-12-2023	SIID - TAP
MA-9418	Catalyzing market entry of new LLINs through pilots and subsidies in several high burden countries in Western and Southern Africa which have intense pyrethroid insecticide resistance.					Underway	31-12-2023	SIID - TAP
MA-9419	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	31-12-2023	SIID - TAP
MA-9420	Implement comprehensive review of Malaria program assurances to improve implementation and service delivery of existing and future programs. Risk/TAP Collaboration.					Underway	31-12-2023	SIID - TAP
MA-9421	Systematically support development of contingency plans to respond to political and security threats and or pandemic related disruptions					Underway	31-12-2023	SIID - TAP
MA-9422	Support countries in analyzing the drivers of increases in malaria burden and develop mitigation plans					Underway	31-12-2023	SIID - TAP

04 – M&E		Second line: PMRD - PMD		2023-Q2	CRO Review			
Risk Description	Poor quality and/or inadequate generation of program data due to weak in-country M&E systems that do not lead to strategic planning, evidence-based decision making 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, geographic focus and beneficiary populations, ultimately resulting in failure to achieve desired public health impact.							
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, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Rwanda, South Africa, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia, Zimbabwe. Represents prioritized risk appetite cohort countries]							
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	
Root Cause							Related Action	
Data governance and management: Ineffective leadership provided by the MoH for the M&E agenda and M&E system strengthening: lack of M&E policies/guidance, lack of dedicated national bodies/mechanisms for data and digital health governance, coordination and management.							MA-9466	
Data Generation, Availability & Quality: Country does not collect disaggregated programmatic data (e.g., by age, gender/sex, geographic area).							MA-9474	
Data governance and management: Inadequate oversight and processes to identify and mitigate risk of manipulation of program data performance indicators.							MA-9468	
Data Generation, Availability & Quality: The HMIS is not or only partially digitalized, is not well-maintained and/or there is inadequate digital identity management of facilities including location data for GIS mapping.							MA-9469	
Data Analysis and Use: Relevant programmatic data is not available at the Secretariat level on a timely basis to inform decision-making due to e.g. late PR reporting.							MA-9460 MA-9473	
Data Generation, Availability & Quality: The National reporting platforms (HMIS, LMIS, the Lab Information System, etc.) are not interoperable or do not easily facilitate data triangulation.							MA-9471 MA-9472	
Data Generation, Availability & Quality: The data quality of non-routine data collection methods (e.g., IBBS, MIS, DQR, HHFA, etc.) is poor.							MA-9462	
Data Generation, Availability & Quality: Most at risk population size estimates are not available as per country epidemic profiles (Example: HIV: Sex Workers, MSM, PWID, TG, AGYW at risk of HIV; TB: prisoners, migrants/mobile populations, mining & peri mining communities; Malaria: geographic areas).							MA-9465	
Data Analysis and Use: National analysis of sub-national disaggregated data has not been conducted in the last 12 months and/or a low percentage of provinces/districts produce at least semi-annual analytical reports.							MA-9464 MA-9473	
Data Analysis and Use: Required disaggregated data is not used to inform planning or programmatic decision making at country level.							MA-9474	
Data Generation, Availability & Quality: The country has received a poor/very poor rating for reporting completeness and/or timeliness and is not implementing a data quality improvement plan.							MA-9470	
Data Generation, Availability & Quality: The measures/strategies to ensure quality of data are inadequate, either because there is no plan, the design is inadequate, or because it does not get implemented (e.g., routine data quality reviews, checks/controls, PR check of SR data).							MA-9461 MA-9463 MA-9470	
Current controls & mitigations								
MA-9465	Data Generation, Availability & Quality: Build regional and in-country capacity for design and implementation of IBBS and PSE in priority countries, building on the partnership work between local/regional universities and MOHs to enhance data analysis and use.							
MA-9466	Data governance and management: Institutionalize key aspects of digital health data system governance - Strategy and implementation plans, functioning governance mechanisms and inventory of digital data systems (monitored annually through the M&E Systems profile for high impact and core countries).							
MA-9467	Data Generation, Availability & Quality: Enable data interoperability /integration from community health services and private sector health services with countries' HMIS (monitored annually through KPI S6a: Secure, maintained, and interoperable HMIS).							
MA-9469	Data Generation, Availability & Quality: Strengthen digital data systems, including community, with focus on data security, establishment & maintenance of infrastructure and health facility master facility list and community health workers master lists (monitored annually through KPI S6a: Secure, maintained, and interoperable HMIS)							
MA-9470	Data Generation, Availability & Quality: Strengthen data quality at country level, including for community data, by ensuring appropriate investments are made in HMIS foundations and that data quality assurance mechanism are in place to support data quality enhancement and monitoring.							
MA-9471	Data Analysis and Use: Enable key triangulation and other joint analyses between programmatic and logistics data on a routine basis at national and/or sub-national levels.							
MA-9472	Data Analysis and Use: Enable joint use of patient level laboratory and programmatic data.							
MA-9473	Data Analysis and Use: Promote and support efforts towards leveraging programmatic monitoring for data-driven decision making, improved program performance and quality at local, national, and global levels (monitored annually through KPI S6b: Data driven decision making).							
MA-9474	Data Analysis and Use: Improve availability and use of disaggregated data to assess inequities at country level (monitored annually through KPI S7: Use of disaggregated data for planning or decision making).							
Assurances								
National Data Quality Reviews (DQR) conducted by independent entities.								
Spot checks focused on data availability, quality, analysis and use or system functionality conducted by independent entities (e.g. LFA)								
M&E capacity assessment of program implementers (including PRs and SRs)								
Evaluations focused on programmatic data issues conducted by independent entities such as IEP								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9460	Data Analysis and Use: Operationalize the C19RM M&O Framework, including new reporting mechanisms and assurance planning.					Underway	31-12-2023	PMRD-PMD
MA-9461	Data Generation, Availability & Quality: Define data quality metric and processes, including roles and responsibilities, to measure data accuracy for paper-based and digital systems and monitor trends.					Underway	30-06-2024	PMRD-PMD
MA-9462	Data Generation, Availability & Quality: Develop a regional/local approach to quality assure non-routine data collection, i.e., national surveys (IBBS, HHFA, DQR, MIS, etc.).					Planned	30-06-2024	PMRD-PMD
MA-9463	Data Generation, Availability & Quality: Develop an approach for Data Quality at country level and define/update data quality assurance mechanism and metrics.					Underway	31-12-2023	PMRD-PMD
MA-9464	Data Analysis and Use: Support the countries in strengthening partnerships between local/regional academic institutions					Underway	31-12-2023	PMRD-

	and MOH to enhance routine data analysis and use in priority high impact and core African countries.			PMD
MA-9468	Data governance and management: Develop roadmap for M&E data risk management including assurance arrangements to ensure key fraud risks related to data reporting are prevented or identified early and mitigated.	Planned	31-03-2024	PMRD- PMD

05 - Procurement		Second line: SO		2023-Q2		CRO Review	
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). Upstream challenges linked to global sourcing could impact lead times and costs (including freight costs) and could significantly impact grant budgets and availability of health products. The downstream in-country procurement risks related to quantification and supply planning and or procurement process could result in inefficiencies, lost value for money or fraud and impact availability of health products. 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 start reversing in the coming quarters.						
Key Partners	Donors including the World Bank, US and France provide focused technical assistance related to health commodity procurement.						
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 [Represents prioritized risk appetite cohort countries]						
Change since last quarter	No change	Current direction of travel		Decreasing	Global Fund ability to mitigate		Significant
Residual Risk	High	Risk Appetite	High	Target Risk	Moderate	Target risk timeframe	Jun 2024
Root Cause							Related Action
Lack of critical mass (volume) for, and limited market knowledge of, critical health product portfolios, decreasing leverage							MA-9393 MA-9397 MA-9404 MA-9405 MA-9412
Global supply chain disruptions, including conflicts, inflation, and the lingering effects of COVID-19, are causing increased workloads and availability issues for those involved in commodity production, documentation, freight, logistics, and other related services.							MA-9396 MA-9399 MA-9401 MA-9405
Inadequate procurement planning and lack of coordination with international partners.							MA-9393 MA-9395 MA-9400 MA-9402 MA-9405 MA-9408 MA-9409 MA-9412
Export restrictions or limited supply availability of health commodities and/or associated raw materials could impact a countries health commodity supply security.							MA-9396 MA-9399 MA-9400 MA-9401 MA-9403 MA-9404 MA-9405
Reduced Freight and logistics capacity, limited customs capabilities, and ongoing changes in global supply chains, amplified by the diminishing impact of COVID-19 restrictions, are disrupting logistics and driving up costs.							MA-9393 MA-9396 MA-9399 MA-9400 MA-9401 MA-9403 MA-9405 MA-9412
Potentially lengthy processes, and other governance challenges to the national procurement approaches.							MA-9395 MA-9399 MA-9405 MA-9408 MA-9412
Less mature sourcing strategies and supplier relationship management, reducing value for money opportunity.							MA-9394 MA-9412
Implications of global events (such as the Russia/Ukraine War impacting the global supply chain) and the continued (albeit reducing) impact of COVID-19 pandemic have resulted in an increased requirement for commodities for oxygen supply for recipient countries and challenges getting products to recipients. The COVID-19 response product categories are complex product categories 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). 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-9398 MA-9407 MA-9411 MA-9412
Production and supply of core health commodities needed by Global Fund programs are getting further prioritized as the impact of the dynamic global supply chain (and the reducing impact of the COVID-19 pandemic). Suppliers are keeping the capability and some production capacity for COVID-19 products, depending upon market dynamics, particularly diagnostics products.							MA-9394 MA-9396 MA-9399 MA-9401 MA-9403 MA-9404 MA-9405
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-9396 MA-9399 MA-9400 MA-9401 MA-9403 MA-9405 MA-9412
PR workload overload, leading to late order submission or delayed order approvals/engagement, further limiting options for timely product delivery.							MA-9393 MA-9396 MA-9399 MA-9400 MA-9401 MA-9403 MA-9405
Increasing potential for cybersecurity attacks to Global Fund's suppliers and manufacturers, leading to potential fraud risk exposure and negative reputational impact on the Global Fund and PRs							MA-10297 MA-10298 MA-10299
Current controls & mitigations							
MA-9393	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.						
MA-9394	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.						
MA-9395	Support access and compliance through the GF 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 and November 2022 Board Decision on Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambo.org						
MA-9396	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.						
MA-9397	Grant budgeting guidance requiring use of PPM reference prices as a budget price for all PRs (Guidelines for Grant Budgeting).						
MA-9398	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.						
MA-9399	Regular communication with PRs/countries on product lead-times and order placement deadlines						
MA-9400	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.						
MA-9401	Define and deploy a cross-function supply chain operational risk management forum in response to major risk areas.						
MA-9402	New version of HPMT for GC7 and demand consolidation tool rolled out this year to support demand planning by the PRs						

MA-9404	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, ITNs, PPE, commodities for oxygen supply).			
MA-9405	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 and other larger buyers (such as USG, South Africa, etc.).			
MA-9406	Facilitate OIG Advisory team's review of Outsourced Services Sourcing (OSS / PSA) Strategy and subsequent recommendations, leading into OSS / PSA Strategy update activities			
MA-9407	Partner with organizations with commodities for oxygen supply knowledge, PPM PSA (i+solutions) (following a PSA category selection tender) and Technical Assistance service provider (BHI) to ensure oxygen supply product availability whilst the commodities for oxygen supply strategy is developed (as applicable).			
MA-9408	Review of risks and updated mitigations, roles & responsibilities as the non-grant financed procurement channel through wambo as it is mainstreamed after the November 2022 Board Decision on Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambo.org			
Assurances				
LFA reviews of health product purchases for compliance with QA Policy and grant budgeting guidance.				
Only GF QA compliant products are purchased through Wambo.org				
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.				
Routine monitoring of stocks				
Supply Operations quarterly review of exceptions report				
Overall Status				
Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned				
MA-9403	Improve the due diligence process and oversight associated with supply risks and mitigating actions.	Status	Target completion	Action owner
MA-9409	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-9410	Review, consult, develop update and implementation to OSS / PSA Strategy	Underway	31-12-2023	SO
MA-9411	Ensure C19RM mandatory minimum assurances are properly planned, executed on-time, and their results used to update IRM MA&KMAs and risk ratings.	Underway	30-09-2023	SO
MA-9412	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. Risk/SO Collaboration.	Underway	31-12-2023	SO
MA-10297	Remind suppliers and manufacturers to be vigilant and proactive in safeguarding theirs, Global Fund and PR assets and resources. Encouraging the review of their: Operations, focusing on their systems, people and process controls and the scope and adequacy of their respective insurance mechanisms, to ensure safeguards towards asset recovery in the unfortunate event of a fraud risk materializing.	Underway	31-12-2023	SO
MA-10298	SO to increase oversight and risk mitigation plans discussions to ensure cybersecurity and associated risks are sufficiently assessed and mitigated.	Underway	31-10-2023	SO
MA-10299	IT controls related to Wambo procurements were assessed as effective by OIG during their 2022 Audit of wambo.org. A separate OIG AMA was owned and closed by IT to address this AMA from the audit results, such as implementing stronger IT controls.	Underway	31-12-2023	SO

06 - In-Country Supply Chain		Second line: SO		2023-Q2		CRO Review			
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.								
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, 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 [Represents prioritized risk appetite cohort countries]								
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	June 2024		
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 and in-country disruptions.							MA-9258 MA-9261 MA-9262 MA-9264 MA-9269 MA-9270 MA-9271		
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-9258 MA-9259 MA-9262 MA-9266 MA-9267 MA-9271		
Insufficient number of service providers with adequate capacity to provide in-country supply chain related technical assistance							MA-9258 MA-9263 MA-9265		
Inadequate facility/storage capacity and conditions, logistics information planning and distribution capacity; poor inventory management including insufficient inventory turns. Need for storage of PPE products contributes to scarcity of warehousing.							MA-9258 MA-9261 MA-9264 MA-9268 MA-9271		
Lack of coordination among donors and key stakeholders that are involved in or support the supply management cycle of health products in country.							MA-9258 MA-9260		
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-9259 MA-9264		
Scarce resources across Global Fund and partners to support logistics for service providers to provide TA and collect data.							MA-9258 MA-9262		
Current controls & mitigations									
MA-9258	Ongoing implementation of revamped, overarching Supply Chain Roadmap over the next 4 years to better leverage grant and SI funds. This includes implementation of supply chain strengthening transformation plans.								
MA-9261	Supply Chain transformation plans/projects are ongoing in 29 countries and focus will be extended to other countries with identifying area for strengthening for this grant cycle.								
MA-9262	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-9263	Restructured technical assistance support for countries through a pre-qualified pool of service providers is in place.								
MA-9268	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								
MA-9271	Developed and finalized the Supply Chain Maturity Model to determine maturity levels and identify priority areas for improvement to all GC7 priority countries for supply chain.								
Assurances									
LFA and partner assurances									
Overall Status				Risk mitigation is on track. There are no material delays.					
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-9259	Designing new mechanism to collect and report data for Supply chain indicators: OSA, SATP and LMIS Reporting Rate in High Impact and Core countries to ensure efficient utilization of GC7 investments and improve downstream supply chain visibility.						Underway	30-11-2023	SO
MA-9260	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-9264	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	31-12-2023	SO
MA-9265	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-9266	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-9267	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						Underway	30-06-2024	SO
MA-9269	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						Underway	30-06-2024	SO
MA-9270	Implement the Supply Chain Maturity Model assessment to all GC7 High Impact and Core countries for supply chain, starting with funding requests submission windows 1 countries.						Underway	30-11-2023	SO

07a - Grant-Related Fraud & Fiduciary		Second line: F&A		2023-Q2		CRO Review	
Risk Description	The risk of Financial Fraud, Corruption and Theft is defined as the possibility that: i. Global Fund assets (financial and non-financial) are misappropriated, ii. Financial statements reported to the Global Fund are intentionally misstated and						

	Global Fund incurs financial loss due to corruption (including conflict of interest and bribery/extortion)						
Risk Impact	Financial losses that lead to inadequate program coverage, lower execution, and suboptimal impact against the diseases, as well as reputation damage.						
Key Partners	The World Bank and US Government agencies: 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 [Represents prioritized risk appetite cohort countries]						
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	Jun 2024
Root Cause							Related Action
Value for Money - Financial Management: weak procurement process for increased in-country procurement, especially for C19RM health products and capital investments.							MA-9324 MA-9325
Internal control weakness- weak internal control systems at PR and/ or SR level; Weak oversight over SR activities.							MA-9317 MA-9329 MA-9330 MA-9331 MA-9334 MA-9319 MA-9318
Financial Fraud, Corruption and Theft: Critical deficiencies in fraud risk governance and control design at PR and SR level including fundamental components like SOD, COI clearance, whistle-blowing platform, formalized incident reporting and escalation mechanisms.							MA-9321 MA-9326 MA-9327 MA-9329 MA-9332 MA-9333 MA-9334 MA-9328 MA-9319 MA-9318 MA-9322 MA-9335
Flow of Funds Arrangements - operations predominantly in LIs, LMIs and UMIs which are characterized by low banking coverage, Continuous challenges and disruption in banking and treasury operations. Macro-economic instability has led to inflation and foreign exchange fluctuations.							MA-9320 MA-9323
Flow of Funds Arrangements - Operational disruptions including potential risk of ineligible expenditure or loss of assets resulting from untimely, weak cash advance reconciliation and cash payment for community mobilization activities.							MA-9320 MA-9323 MA-9319
Financial Fraud, Corruption and Theft: Grants being implemented in challenging operating environments with wars, political instability, and conflict. Characterized by implementers with low capacity. Significantly expose our grants to misuse.							MA-9321 MA-9326 MA-9327 MA-9329 MA-9332 MA-9333 MA-9334 MA-9328 MA-9318 MA-9322 MA-9335
Financial Fraud, Corruption and Theft: Emerging fraud risk resulting from cybersecurity issues including phishing; lack of data governance controls including data privacy and confidentiality, anti-money laundering and double dipping.							MA-9321 MA-9326 MA-9327 MA-9329 MA-9332 MA-9333 MA-9334 MA-9319 MA-9328 MA-9318 MA-9322 MA-9335
Current controls & mitigations							
MA-9317	Enhance the governance and oversight of implementers (PRs) and the financial risk and assurance model for IOs/INGOs to enhance the financial assurance and effectiveness of mitigating measures.						
MA-9318	Revised external audit Terms of Reference emphasizing risk-based assessment of PR internal controls, and updated guidelines for grant audits to reflect additional due diligence and consistent audit report and management letter templates. Delivered and effective from 2021-year end audits.						
MA-9319	Systems-generated reports linking recoveries and PUDR-reported ineligibles have been developed. In line with new OPN on recoveries regular monitoring and reporting of non-OIG recoverable through aging, tracking of issuance of demand letter and refunds.						
MA-9320	Multiple mitigating measures at the corporate level including mandatory GF direct payment to certain suppliers, new measures for Bank Account Management, 2-factor authentication. Training on phishing and cyber fraud awareness.						
MA-9321	Effective implementation of Financial Guidelines (e.g., Financial risk management, Budgeting and Financial reporting guidelines) for Country Teams and implementers.						
MA-9322	Independent mitigation and assurance providers pre-selected by Global Fund: <ul style="list-style-type: none">- Use of Fiduciary/Fiscal/ Payment Agents in thirteen 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.- Robust external audit process through use of comprehensive guidelines and use of GLAI external auditors and SAIs along with constant engagement with them for consistent audit opinion and assurance						
MA-9323	Driving minimum use of cash and support implementing partners in cash optimization and use of innovative cost-efficient technological payment platforms, such as mobile money and mobile device solutions. At country level: Assessment of bank solvability and mandatory verification of grant dedicated bank account.						
MA-9324	Strengthening of fiduciary controls 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. Investment Committee oversight on C19RM activities via monitoring of spot checks. Oversight on C19RM investments particularly capital and large procurements through pulse checks and LFA check on tender.						
MA-9325	Mandatory consultation on use of pre-qualification of professional service providers for technical assistance toward effective capacity building and fraud risk management at the implementer level.						
MA-9326	Two-tier M&O within Finance working closely with CTs, Risk and OIG <ul style="list-style-type: none">- Reinforcement of 1st line monitoring of financial and fiduciary risks through centralized thematic lead- Dedicated independent 2nd line oversight on monitoring of financial and fiduciary risks through periodic CRMM reviews involving evaluation of risk ratings, adequacy, and quality of KMA and MAs, self-audits of 1st line risk management activities- Dedicated team for capacity building, working with countries to align with PFM and seeking innovative solutions to financial management issues						
MA-9327	Raising awareness at Secretariat and country level, training and capacity building on fraud risk identification and management. Two modules on FRA that have been launched						
Assurances							
AFRO annual self-audit on FA and external audit reviews + EAT compliance							
Continuous monitoring of IO and INGO performance							
GFM review of FA performance and internal and external audit reports							
Second line reviews and monitoring and oversight							
LFA spot-checks on use of mobile money & review of expenditures.							
Oversight of PR change by CPR and GAC.							
Public Financial Management (PFM) and Country Financial Management Strengthening and Innovation (CFMSI) reviews							
Review and approval by GFM, Semi-annual independent review and validation of completeness and accuracy by Recoveries Officer in BFCA and AFRO self-audit.							
Secretariat audits + audits at PR level. Secretariat IT							

AFRO Reviews				
External & Internal Audit Reports IC – C19RM M&O				
Pre KIM review, KIM assurance and recommendations to CPR - CFMSI				
Overall Status		Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned		Status	Target completion	Action owner
MA-9328	Undertake a deep dive on triangulating assurance received from service providers like external auditor, FA and LFA, including role of internal auditor	Underway	31-12-2023	F&A – GFM
MA-9329	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. Phase 1 completed in Oct-22 Phase 2 to Resume in Feb and E2E complete by Sep-2023 for implementation in NFM4.	Underway	31-12-2023	F&A - AFRO
MA-9330	Dedicated team working on strengthening in-country financial management flows and systems. So far, 34 out of the 46 countries have achieved 80% implementation of agreed action plans and 8 high priority countries have completed public financial management transition efforts towards use of country PFM system. Action to continue into 2023.	Underway	31-12-2023	F&A - GFM
MA-9331	Annual thematic reviews on risk management by UN entities and INGOs	Underway	31-12-2023	F&A
MA-9332	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. Most important being set-up of programmatic assurance and Fraud M&O mechanism. The detailed action plan will be implemented in line with the OIG Agreed Management Actions due in 2023.	Underway	30-09-2023	Risk
MA-9333	Joint in-country fraud conference planned for 2023, to be held with OIG and Risk department.	Underway	30-09-2023	F&A - AFRO
MA-9334	Ongoing work to streamline Financial reporting while at the same time revising the Assurance Framework to enhance the “risk and control” based aspect as well as strengthen synergies and avoid duplication between assurance providers.	Underway	31-12-2023	F&A
MA-9335	Fraud Risk Assessment in 11 HI and Core countries, selected based on risk profile is ongoing. 10 have been completed (Nigeria, Zambia, Malawi, Zimbabwe, Sierra Leone, Cameroon, Liberia, Pakistan, Uganda and DRC) and 1 is ongoing (Ethiopia). For countries completed, integration of FRA outcome into CRMM for Q1 2023 cycle and long-term systemic changes will feed into GC7 grant making to be implemented and monitored from 2024 - 2025.	Underway	30-09-2023	F&A - AFRO

07b - Accounting & Financial Reporting by Countries		Second line: F&A		2023-Q2	CRO Review			
Risk Description	Possibility that the records maintained, and the financial reports provided by the Principal Recipient and Sub Recipients in relation to Global Fund funds are incorrect, delayed, and incomplete or have inadequate supporting documents.							
Risk Impact	Poor decision making due to inadequate or poor-quality data. Suboptimal impact as resources will not be allocated to areas of greater impact.							
Key Partners	The World Bank and US Government agencies. 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 [Represents prioritized risk appetite cohort countries]							
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	Dec 2023	
Root Cause						Related Action		
Accounting and financial reporting: Significant investment in countries with inadequate human resource capacity and weak or nonexistent financial management systems – with operations right down to peripheral level.						MA-9445 MA-9448 MA-9450 MA-9449		
Accounting and financial reporting: Weak processes and internal controls at PRs / SR levels.						MA-9445 MA-9448 MA-9450 MA-9449		
Auditing Arrangements: suboptimal auditing arrangements hence limited assurance from external auditors.						MA-9451		
Current controls & mitigations								
MA-9445	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. Co-Link initiative action plans in place and being implemented in at least 46 High Impact and Core countries for strengthening implementers' financial management capacity in People, Processes, and Systems. To date: i) 34 out of 46 targeted countries met the 80% action plan completion threshold (cumulative results since 2017 to 31.12.2022) - 74% KPI attainment and ii) 8 out of 8 targeted countries met, for using at least 6 defined public financial management or donor-harmonized system components - 100% attainment. Action maintained and continues for 2023.							
MA-9448	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-9449	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.							
MA-9451	Revised external audit Terms of Reference emphasizing risk-based assessment of PR internal controls, and updated guidelines for grant audits to reflect additional due diligence and consistent audit report and management letter templates. Delivered and effective from 2021-year end audits.							
Assurances								
Corporate Forecasting uses of Fund review								
SO2G Corporate KPI review								
Review of progress and actions taken in case of delays.								
GFM review of FA performance and internal and external audit reports								
AFRO annual self-audit on FA and external audit reviews + EAT compliance								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9450	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	31-12-2023	F&A

08 - In-Country Governance		Second line: GMD		2023-Q2	CRO Review			
Risk Description	Inadequate national program governance, inadequate CCM and/or Principal Recipient (PR) oversight of grants, and non-compliance with Global Fund requirements for the effective management of grants. Limited capacity by the Ministry of Health to develop, implement and oversee the national strategic health plan priorities to drive Universal Health Care.							
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.							
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 [Represents prioritized risk appetite cohort countries]							
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	
Root Cause						Related Action		
Absence of human resource capacity development plans and consequent gaps in health staff training for the delivery of health services.						MA-9553 MA-9557 MA-9558		
Inadequate processes for SR selection and limited SR oversight.						MA-9557 MA-9558		
Suboptimal human resource capacity at the PR level.						MA-9553 MA-9557 MA-9558		
Ineffective or absent internal controls at the PR level.						MA-9551 MA-9553 MA-9561		
Ineffective government oversight over the implementation of the disease strategies by national programs						MA-9552		
Suboptimal collaboration between PRs, national disease programs, government and non-government stakeholders, including humanitarian partners in acute or protracted emergencies.						MA-9553 MA-9557 MA-9558		
Inadequate policies, processes, procedures, tools and protocols to identify and mitigate risks at PR and SR level.						MA-9554		
Ineffective planning, budgeting, implementation and supervision performed by national disease programs						MA-9548 MA-9553 MA-9555 MA-9556		
Insufficient prioritization of financial and human resources allocation to disease programs by national and subnational governments.						MA-9553 MA-9557 MA-9558		
Unclear lines of authority and responsibility from national to subnational levels to implement disease strategies.						MA-9548 MA-9553 MA-9555 MA-9556		
Inadequate PR management and reporting capacity, and inadequate oversight of PRs due to weaknesses in CCM engagement structures and coordination.						MA-9553 MA-9554 MA-9556		
External contextual factors including political instability, security threats, macro-economic factors, disruptions to health services due to pandemic and/or natural disasters impacting in-country governance structures and their ability to monitor and oversee grant implementation						MA-9559 MA-9562		
Current controls & mitigations								
MA-9548	PR selection, prior to Technical Review Panel and Grant Approvals Committee approval, that meet Global Fund minimum standards for internal controls and capacity.							
MA-9551	Integrated Risk Management Module 2.0 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.							
MA-9554	Implementation arrangement mapping conducted for all new grants.							
MA-9555	Grant implementation monitoring focusing on oversight and supervision done by government entities and national disease programs respectively.							
MA-9556	Grant making actions specifically to address implementation and capacity challenges prior to grant signing.							
MA-9557	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-9558	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-9559	Use the Portfolio Performance Committee or its leadership to inform context specific, risk-based approach and trade-offs to mitigate the impact of external events on grant oversight and implementation.							
MA-9560	- Support to CCMs, PRs and implementers to enhance IT infrastructure to facilitate remote meetings and shifting planned trainings and cross-learning events to online format where appropriate.							
MA-9563	Support to PRs to develop contingency plans to ensure continuity of services in COE and acute emergencies (conflict or climate events) and safeguard GF assets and alternative approaches for providing assurance including higher reliance on use of partners or communities.							
Assurances								
LFA spot checks reports								
External audit reports								
Review design and/or effectiveness of the internal control environment								
Joint programmatic, supply chain and financial spot checks								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9552	Roll out of CCM Evolution to strengthen CCM capacity in all High impact, core and focused portfolios.					Underway	01-12-2023	GMD - GPS
MA-9553	Phase roll out to develop, test, and implement the PR performance rating methodology for improved grant oversight to be deployed by end of 2025.					Underway	31-12-2025	GMD - GPS
MA-9561	Development and roll out of front-line risk management approach, including undertaking in-country risk workshops with CCMs, PRs, implementers and partners for High Impact and Core countries (aligned to the roll out of CCM evolution, and COE workshops).					Underway	01-12-2023	Risk
MA-9562	Improve the operationalization and implementation of the COE Policy considering recommendations from TERG Evaluation and OIG Audits.					Underway	01-12-2023	GMD

09 - Quality of Health Products		Second line: SO		2023-Q2	CRO Review			
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.							
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	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 [Represents prioritized risk appetite cohort countries]							
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	
Root Cause						Related Action		
Lack of implementation of good dispensing practices.						MA-9509 MA-9513 MA-9517		
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-9515 MA-9516		
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-9505 MA-9506 MA-9508 MA-9511 MA-9512 MA-9513 MA-9549		
Guidance and tools that support implementers to comply with quality control testing requirements for LLINs (linked to GF-OIG-21-001, AMA #4.2) published for pre-shipment inspection, sampling, and testing of LLINs.						MA-9508 MA-9509 MA-9510 MA-9512 MA-9513 MA-9517 MA-9518 MA-9519 MA-9549		
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-9505 MA-9506 MA-9508 MA-9511 MA-9514 MA-9515 MA-9516 MA-9549		
Weak supply chain systems that store, transport, distribute, control, monitor and maintain product quality throughout the in-country supply chain.						MA-9508 MA-9509 MA-9510 MA-9513 MA-9517 MA-9518 MA-9549		
Introduction of innovative health products with inherent uncertainty on the safety risk/benefit profile including limited knowledge on variability of manufacturing process (re. Dual AI LLIN)						MA-9508 MA-9518 MA-9549		
Current controls & mitigations								
MA-9505	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-9506	ERP process to support introduction and provide access to innovative health products established in collaboration with WHO.							
MA-9507	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.							
MA-9508	Guidance and tools that support implementers to comply with quality control testing requirements for LLINs (linked to GF-OIG-21-001, AMA #4.2) published for pre-shipment inspection, sampling, and testing of LLINs							
MA-9509	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.							
MA-9510	Targeted RSSH investments for strengthening selected countries pharmacovigilance systems in order to identify and take appropriate action in response to adverse reactions.							
MA-9511	The 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.							
MA-9512	Change of Market Surveillance methodology from ad-hoc to planned monitoring activities (currently only one ad-hoc market surveillance scheme in launch for PPE)							
MA-9514	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-9516	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.							
MA-9517	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.							
Assurances								
Verification of product eligibility within procurement transactions is conducted through PQR								
Enhanced non-compliance database is regularly updated to track and consolidate instances of non-compliance with the Global Fund QA policy and outcomes.								
Review of in-country quality monitoring activities								
Performance of Audits of the 3 Procurement Service Agents used for PPM by independent 3rd party								
Overall Status				Risk mitigation is progressing but there are some delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9513	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	31-12-2023	SO
MA-9515	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-9518	Development of procedures to investigate and support countries to identify and remove ineffective or dangerous products from the market. Collecting and considering publication by stringent regulators such as Notice of Concern by WHO, Warning and Notice of Violation Letters by SRAs esp. USFDA to capture external risk identified.					Underway	30-09-2023	SO

MA-9519	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-9549	Development of new guidance documents to advise recipients on the best practices to conduct post market surveillance that covers all Insecticide-Treated Nets procured through the Global (ref. GF-OIG-21-001 - Investigation report TANA Netting Procurement of Sub-standard Long-Lasting Insecticidal Nets)	Underway	30-09-2023	SO
MA-10293	Review of implementation status of Corrective and Preventive Action (CAPA) for 1 Procurement Agent following the 3 PSA audit.	Planned	31-03-2024	SO
MA-10294	Development of a e-learning platform for QA training for PRs and organization of on-line training sessions	Underway	30-09-2023	SO

10 - Human Rights & Gender Equality		Second line: SIID - CRG		2023-Q2		CRO Review	
Risk Description	Human rights related barriers, including stigma and discrimination, increase risk and vulnerability, limit access to HIV, TB and malaria-related health services for key, vulnerable and/or underserved populations, and worsen health outcomes. Gender inequality increases risk and vulnerability, reduces access to health services, and worsens health outcomes for women, girls, and gender-diverse communities, particularly those in key and vulnerable populations.						
Risk Impact	Failure to address human rights related barriers can result in failure to achieve impact through Global Fund investments, in as much as they increase risk and vulnerability, hinder access to and retention in health services, and worsen health outcomes. Failure to address gender inequalities and related barriers to access can undermine the effectiveness and impact of Global Fund-supported programs.						
Key Partners	UN, Bilateral, Foundation, Community and Civil Society partners						
Key Countries	Human Rights: DRC, Mozambique, Uganda, Botswana, Kenya, South Africa, Indonesia, Côte d'Ivoire, Honduras, Jamaica, Cameroon, Senegal, Benin, Nepal, Philippines, Kyrgyzstan, Tunisia, Sierra Leone, Ukraine, Ghana; Bangladesh, Burkina Faso, Nigeria and Thailand. [Breaking Down Barriers (BDB) initiative countries (24 countries)] Gender Equality: Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Eritrea, Eswatini, Gambia, Guatemala, Guinea, Guinea-Bissau, Honduras, Indonesia, Kosovo, Liberia, Madagascar, Malawi, Nigeria, Pakistan, Papua New Guinea, Philippines, Rwanda, Somalia, South Sudan, Sri Lanka, Suriname, Tajikistan, Tanzania (incl. Zanzibar), Timor Leste, Uganda, Zambia, Zimbabwe. [High priority countries for gender as part of country prioritization exercise. These countries have high levels of gender inequality and assessed in GC6 as weak on gender by the TRP; with high levels of funding and a high proportion of GF funding in-country.]						
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
Root Cause							Related Action
Human Rights							
Harmful laws, regulations, or policies increase risk & vulnerability and limit access to services for key and vulnerable populations and others left behind.							MA-9373 MA-9376 MA-9377 MA-9378 MA-9379 MA-9380 MA-9383 MA-9384 MA-9388 MA-9389 MA-9390 MA-9392
The understanding of and response to the nature and extent of human rights-related barriers to health services is inadequate as a result of a failure to conduct or update an assessment of human rights-related barriers and existing programs, and develop or update an evidence-based plan to address existing barriers and scale up programs.							MA-9374 MA-9386
The scale, scope and quality of programs to address human rights-related barriers to HIV, TB and malaria services is limited and does not include all human rights program essentials.							MA-9373 MA-9374 MA-9376 MA-9378 MA-9379 MA-9384 MA-9387 MA-9388 MA-9389 MA-9390 MA-9391
Risks to security of implementers of programs for key and vulnerable populations and their beneficiaries have not been adequately assessed, and a risk mitigation plan has not been developed and implemented as part of program management.							MA-9377 MA-9381 MA-9384 MA-9388 MA-9392
Community involvement in the design, implementation and monitoring of the response to the three diseases is insufficient.							MA-9384 MA-9385 MA-9388
Gender Equality							
Political or social backlash against gender equality undermines ability to implement gender-transformative programs effectively.							MA-9444 MA-9446
Workplace policies and practices of implementers and within the health workforce perpetuate or fail to address gender inequalities.							MA-9444 MA-9446
Limited understanding and knowledge of health system planners, CCMs, and implementers on how gender inequality affects access to services and disease outcomes for women, girls and gender-diverse people, particularly KVPs, and how to address gender-related risks, vulnerabilities, and barriers to services in strategies and programs.							MA-9443 MA-9444
Poor engagement and lack of meaningful participation of women and gender-diverse communities, particularly KVPs, in Global Fund decision-making and accountability hinders the identification of gender-related risks, vulnerabilities, and barriers to services, and undermines effective programming.							MA-9444 MA-9446
Laws and policies fail to protect against, or exacerbate, gender inequalities, including discrimination and GBV, increasing risk and vulnerability and limiting access to services for women, girls, and gender-diverse communities, particularly KVPs.							MA-9444 MA-9446
Limited capacity and expertise of implementers to implement gender-responsive and -transformative interventions hinders effective programming for women, girls, and gender-diverse people, particularly KVPs, and the reduction of gender-related risks, vulnerabilities, and barriers to services.							MA-9443 MA-9444
Harmful and/or discriminatory gender-related social and cultural norms and practices increase risk and vulnerability, reduce access to services, and worsen health outcomes for women, girls and gender-diverse communities, particularly KVPs.							MA-9443 MA-9444
Limited capacity and/or willingness of implementers to monitor and evaluate gender-related dimensions of programs, including through the collection and analysis of sex and gender-disaggregated data, limits their ability to identify and address gender-related risks, vulnerabilities, and barriers to services throughout program implementation.							MA-9447
Insufficient investments in national systems and processes for collection and analysis of data disaggregated by sex and gender, as well as key population, age and other relevant factors, hinders understanding of gender inequities in access to services and health outcomes and the design of programs to respond to them.							MA-9447
Current controls & mitigations							
Human Rights							
MA-9374	New technical briefs on reducing human rights-related barriers to HIV and TB services, and on equity, human rights and gender equality and malaria developed.						
MA-9374	Guidance and tools for undertaking a rapid assessment of human rights-related barriers and existing programs developed.						
MA-9376	Program essentials for HIV and TB contain human rights program essentials (including efforts to remove criminal and other harmful laws and policies), meaning that countries will have to report on status of these programs and, for core and high impact portfolios, will have to detail what they plan to do to ensure full implementation.						
MA-9377	Regularly update the register of human rights crisis situations (as defined by the Global Fund guidance on managing grants in such a situation) that occur in countries receiving funding from the Global Fund, based on reports from technical partners, media coverage etc.						
MA-9379	Breaking Down Barriers (BDB) cohort expanded to 24 countries, with (reduced) human rights matching funds available to 20 initial and 4 new countries (Bangladesh, Burkina Faso, Nigeria, Thailand). More stringent financial and programmatic matching fund conditions developed and included in allocation letters.						
MA-9380	New KPI (E1) developed to measure progress towards comprehensive programming to reduce human rights-related barriers in the 24 BDB countries over the period of the new Strategy. This will include annual assessments of progress.						
MA-9381	Security toolkit: "Protecting implementers and improving programme outcomes: guidance and tools to strengthen security in GF supported KP programmes" developed and published.						

MA-9382	Reorganize CRG and review CRG support across the Secretariat to ensure effective implementation of the new strategy.			
MA-9385	"Community Engagement: A Guide to Opportunities Throughout the Grant Life Cycle" developed and launched; regional workshops to support enhanced community engagement in all phases of grant lifecycle held.			
Gender Equality				
MA-9443	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.			
Assurances				
TRP assessment of gender responsive grants.				
Overall Status		Risk mitigation is on track. There are no material delays.		
Controls & mitigations in development or planned		Status	Target completion	Action owner
Human Rights				
MA-9375	Build Secretariat capacity on human rights 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 risk.	Underway	30-11-2023	SIID - CRG
MA-9378	Intense effort to scale up and increase quality of programming in expanded cohort of 24 BDB countries, including support to country teams and long-term TA provision to countries and implementers. Intermediary milestone for 2023: (1) Support provided to four new BDB countries (Bangladesh, Burkina Faso, Nigeria, Thailand) to access human rights matching funds and fulfill matching fund conditions Target completion: 15 December 2023 (intermediary milestone), 31 Dec. 2026 (full completion)	Underway	31-12-2023	SIID - CRG
MA-9383	Analysis of challenges and opportunities to remove harmful laws, policies and practices underway in 10 key portfolios, to inform GC7 support in those countries and beyond; strengthening of partnership, particularly with UNAIDS and UNDP and PEPFAR, for collaborative and complementary activities in this area.	Underway	31-12-2023	SIID - CRG
MA-9384	Phase III of partnership with Thomson Reuters Foundation, aiming to support young people's leadership on human rights issues related to the 3 diseases, and on removing legal barriers that hinder young people's access to health services and increase risk and vulnerability, and negatively impact disease outcomes. Intermediary milestone: pilot training of young leaders Target completion of intermediary milestone: 31 Oct 2023. Target for full completion: 31 Jul. 2024	Underway	31-10-2023	SIID - CRG
MA-9386	Supporting rapid assessments of human rights-related barriers and existing programs, to inform funding requests, with focus on 4 new BDB countries.	Underway	30-09-2023	SIID - CRG
MA-9387	Strengthening of multiple partnerships aimed at increasing collaboration and action to eliminate all forms of stigma and discrimination. Intermediary milestone: Leadership meeting assesses progress in strengthening partnerships. Target completion of intermediary milestone: 15 December 2023. Target for full completion: 31 Dec. 2025	Underway	31-12-2023	SIID - CRG
MA-9388	Build Secretariat capacity on human rights and developing necessary tools and trainings aimed at ensuring that the Global Fund can implement the ambition of the new Strategy with the necessary capacity and capabilities. Intermediary milestones: (i) 2 participatory trainings on human rights programming to increase capacity of new CRG investment support advisers undertaken and (ii) e-learning on human rights drafted. Expected completion of intermediary milestones: 15 December 2023	Underway	30-04-2024	HR
MA-9389	Supporting progress assessments in 20 BDB countries, to document progress made, results and impact of BDB in the countries; and support GC7 funding requests.	Underway	31-12-2023	SIID - CRG
MA-9390	Developing the new (2024-2026) Human Rights Strategic Initiative so it best supports the effort to scale up and increase quality of programming, as well as efforts to remove harmful laws and policies and efforts to ensure more equitable access to malaria services.	Underway	31-12-2023	SIID - CRG
MA-9391	Operationalizing the new human rights KPI (KPI E1), as well as supporting an evaluation of the extent to which human rights barriers are reducing because of program scale up in priority countries (part of the Office of Evaluation & Learning's 2023-2025 evaluation calendar). Intermediary milestones: (i) Baseline assessments have been undertaken in all countries that accessed human rights matching funds in windows 1 and 2; evaluation scheduled and expected completion of intermediary milestones: 31 December 2023. Target for full completion: 31 Dec. 2026	Underway	31-12-2023	SIID - CRG
MA-9392	Enhanced activities and coordination within Secretariat and with partners on human rights crisis situations. Intermediary milestones: (1) Report about enhanced activities to Strategy Committee and Board; (2) Meeting held with UNAIDS to discuss enhanced coordination. Expected completion of intermediary milestones: 15 December 2023 Target for full completion: 31 Dec. 2025.	Underway	31-12-2023	SIID - CRG
Gender Equality				
MA-9444	Roll out a Gender Equality Marker to track and improve grant investments in gender equality. Intermediate milestone: TRP applies GEM assessment to Funding Requests during Windows 1 and 2 by 31 August 2023. Expected overall completion by 31 December 2025	Underway	31-08-2023	SIID - CRG
MA-9446	Strengthen the Secretariat's approach to gender equality with a more ambitious and systematic approach in GC7, including through new funding request requirements, TA, program essentials, new technical brief, thematic evaluations and KPIs measuring engagement and grant performance relating to gender equality. Interim milestone: apply new approach to funding request and grant making processes for Windows 1 and 2 by December 2023. Expected overall completion: by 31 December 2025.	Underway	31-12-2023	SIID - CRG
MA-9447	Data driven decision making: 1. Draft, pilot and use gender equality indicators to improve gender inequality risk assessment and implement appropriate mitigation plans. Trainings undertaken, together with the Human Rights Risk trainings. Interim milestone: training completed by December 2023. 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. Interim milestone: gender tools used to inform funding requests in Windows 1 and 2 by December 2023. 3. Support the implementation of KPI S7 (formerly KPI6e) to track collection and use of sex-disaggregated data. Interim milestone: KPI up and running by December 2023. Expected overall completion by 31 December 2025.	Underway	31-12-2023	SIID - CRG

11 - Transition		Second line: HFD		2023-Q2		CRO Review			
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.								
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 2023-2025, this is a cohort of approximately 73 disease components (including those receiving transition funding but not including COEs or components within multi-country grants).								
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate		Minor		
Residual Risk	High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable		
Root Cause							Related Action		
Continued epidemiological challenges and programmatic gaps in the national disease responses, particularly amongst key and vulnerable populations. Inability to domestically finance interventions for key and vulnerable populations (KVP) in an optimal and sustainable manner.							MA-9452 MA-9455 MA-9458		
Limited country ownership of the transition process, including lack of advanced planning.							MA-9453 MA-9454 MA-9459		
Low prioritization of health and or the specific national responses and / or misalignment between disease and Universal Health Care (UHC) financing mechanisms and reforms impacting sustainable financing for health in the long term.							MA-9452 MA-9454 MA-9455 MA-9458		
Medium to long term macroeconomic and fiscal constraints that impact long term sustainability of domestic financing for health.							MA-9455 MA-9459		
National stakeholders have limited capacity or political will to address the underlying economic, political, legal and social issues and/or have insufficiently initiated country level dialogue to address sustainability and transition challenges.							MA-9455 MA-9457 MA-9458		
Current controls & mitigations									
MA-9452	Embedding STC principles and practices through the operationalization of the STC policy and supporting in-country stakeholders to address transition challenges and manage the transition process. This includes continued provision of transition grants to support efforts to address transition challenges, ongoing development and use of guidance related to transition planning and sustainability, TA support to address transition challenges, negotiation of co-financing commitments and ongoing reviewing of the realization of those commitments, ongoing support for sustainability and transition planning, ongoing review by the TRP of transition / sustainability considerations in the review of Funding Requests (including the addition of a new principle on sustainability in 2023-2025), approval of extended use of Wambo for non-grant funding (including in transition contexts), maintaining engagement with development partners on sustainability and transition planning and with civil society and community groups to effectively support the STC agenda.								
MA-9453	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 by 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-9454	The updated eligibility policy included 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, to support / mitigate ongoing transition challenges (including those exacerbated by COVID-19). 4 countries (6 disease components) exceptionally received Board approval for an additional allocation of Transition Funding for the 2023-2025 allocation period (GC7).								
MA-9457	Strengthened organizational focus and Secretariat coordination on transition and STC, in collaboration with Grant Management Division -- development of joint OIG, TRP, TERG, and Secretariat recommendations to guide STC policy implementation in 2020-2022; embedded sustainability / transition specialists within AELAC region.								
MA-9459	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, to mitigate transition challenges (including those exacerbated by COVID-19). This includes several extensions of previous transition grants and allocation of limited amount of portfolio optimization to support these extensions.								
Assurances									
Transition Readiness and Sustainability Assessments									
Co-financing compliance monitoring									
STC considerations in external audits									
2018 OIG audit on Transition, TERG 2019 Thematic Review on STC Policy									
Overall Status					Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-9456	Implementation of STE-SI -- Ongoing 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	31-12-2023	SIID - HF
MA-9458	Implementation / operationalization of transition and transition preparedness considerations into the 2023-2025 allocation cycle, including Access to Funding processes. This includes the provision of transition funding to eligible disease components for 2023-2025, which will continue to support addressing transition challenges and supporting the transition process.						Underway	31-12-2024	GMD
MA-9455	Systematic review of STC considerations and co-financing trends in the development of Global Fund funding requests and grants, including grants in the transition preparedness portfolio.						Underway	31-12-2024	GMD

12 - Drug & Insecticide Resistance		Second line: HFD		2023-Q2	CRO Review				
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 heightened disease burden and increased mortality across portfolios, complicating the HTM response (operationally and financially) and negatively impacting the path to ending the epidemics. Insecticide resistance may diminish the effectiveness of vector control tools which have been critical in reducing the malaria burden, thus negatively impacting ability to reduce cases and deaths and the Global Fund investments in Malaria control and elimination.								
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	For Antimalarial drug resistance, the threat of emerging artemisinin partial resistance and partner drug resistance is a concern for all of malaria endemic countries in sub-Saharan Africa. For insecticide resistance: sub-Saharan Africa is the main area of concern given intense and widespread insecticide resistance. Areas of insecticide resistance also exist outside of SSA more focally. TB: Bangladesh, Cameroon, Cambodia, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Mozambique, Myanmar, Nigeria, Pakistan, Philippines, South Africa, Tanzania, Uganda, Ukraine, Viet Nam, Zambia								
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		
Root Cause							Related Action		
HIV: Treatment interruptions related to patient (e.g. cost, access, side-effects), program (e.g. unstable ARV supply, inadequate patient support, inadequately trained providers) and/or policy factors (e.g. guidelines not updated to include newer ARVs with better resistance profiles, user fees).							MA-9425 MA-9431 MA-9432 MA-9433 MA-9423		
TB: Limited access to rapid molecular testing to detect resistance to first and second-line TB drugs, use of inappropriate regimens and poor patient management including monitoring for adverse drug events that affects treatment adherence and outcome. Inadequate support to those at highest risk of DR-TB including prisoners, miners, urban slum dwellers, etc.							MA-9424 MA-9434 MA-9423 MA-10285		
Malaria: Drivers of drug resistance include challenges in case management such as insufficient access to care and poor-quality services (including lack of parasitological diagnosis, poor adherence to clinical algorithms, and reliance on select ACTs which are more affordable than alternative pre-qualified ACTs and parasite factors).							MA-9430 MA-9435 MA-9436		
Malaria: Pressure resulting from the persistent and widespread use of the same insecticides over time, when used in agriculture and at scale in public health.							MA-9426 MA-9428		
Malaria: Inadequate and inconsistent insecticide resistance monitoring and surveillance / in-country capacity to collect and analyze data and lack of a clear framework to define and guide appropriate scope and scale of insecticide resistance monitoring.							MA-9427 MA-9429		
Current controls & mitigations									
MA-9423	Drug resistance – HIV/TB: WHO normative guidance regarding appropriate treatment guidelines and protocols in place; Global Fund support for implementation of new WHO guidelines regarding Drug Resistant Tuberculosis, HIV Drug Resistance.								
MA-9425	Drug resistance – HIV: Support development and implementation of the WHO-led integrated Global Action Plan on drug resistance to HIV, viral hepatitis and STIs.								
MA-9431	Drug resistance – HIV: Continued engagement with SO and CTs to flag orders for ARVs no longer recommended for HIV treatment, and that could contribute to development of drug resistance, and work with Ministries of Health (via HPMs and CTs) to transition to more efficacious regimens (DTG-based).								
MA-9432	Drug resistance – HIV: With technical partners, support countries to improve ART adherence, expand use of viral load testing monitor failure and rapidly switch to 2nd line regimens.								
MA-9433	Drug resistance – HIV: With technical partners, support development of national action plans to prevent, monitor and respond to HIV drug resistance and implementation of HIV drug resistance surveillance.								
MA-9435	Drug resistance – Malaria: Support therapeutic efficacy studies to monitor drug efficacy and inform decisions on malaria treatment in SSA. Support for GC7 funding request development to include consideration of strategies and implementation of ACT diversification approaches for countries in SSA, to be completed by technical assistance and leveraging of new product introduction initiatives.								
MA-9436	Drug resistance – Malaria: Continued multi-country funding for the Greater Mekong Sub-region through the Resistance to Artemisinin Initiative to: limit the spread of artemisinin resistance; accelerate elimination of Plasmodium falciparum in the GMS through intensified activities such as mass drug administration and IPT forest goers; document interventions and develop lessons learned that can be applied in the region and in other regions; use regional component to address transnational issues including spread of malaria due to migration.								
MA-9426	Insecticide resistance: Data on insecticide resistance widely available to guide appropriate product choice. WHO GMP Threats Map includes a section on insecticide resistance. This tracks all reports of insecticide resistance and is often used by CTs, TAP and partners to check / cross check status of resistance to help inform appropriate tool choice.								
MA- 9424	Through the TB Strategic Initiative, deploy a pool of pre-qualified providers to support increased access to molecular diagnostics, roll out of new recommendations and guidelines for DR-TB, support update of all-oral regimens in the priority countries; multi-country investments for programs focused on migrants and cross border issues, mining sector, refugees, and improved laboratory services								
MA-9428	Market intervention to increase supply and/or affordability of most effective ITNs in place (achieved via work with SO, suppliers and the Gates Foundation)								
MA-9429	Entomological surveillance and/or insecticide resistance monitoring is strengthened and /or expanded in GC7 grants via TAP works with country teams to ensure appropriate entomological monitoring is included in funding requests; internal guidance sharing meetings held to support these (PHME meetings etc.).								
Assurances									
Programmatic LFA spot check focused on Drug and Insecticide resistance									
TRP evaluation of funding requests demonstrate appropriate vector control plans and justified prioritization decisions									
Partner led reviews and evaluations (IVCC for instance)									
National or targeted Health Facility Assessments done by independent entity									
Overall Status					Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-9427	Insecticide resistance Global Fund and partners work to support development of a healthy marketplace for vector control tools with sufficient capacity and affordable pricing of the most effective tools. Catalytic funding (NextGen SO SI and Net Transition Initiative SI, as well as partnership work currently support).						Underway	31-12-2023	SIID - TAP
MA-9430	Work with partners in-country and internationally to support implementation the 2022 WHO Malaria Drug Resistance strategy pillars: a) strengthen surveillance of antimalarial drug efficacy and resistance by supporting implementation of						Underway	31-12-2023	SIID - TAP

	TES at national/subnational level; b) ensure appropriate malaria diagnosis are available and quality assured; c) reactive interventions to respond to identified resistance such as support to implementation and documentation of ACT diversification; Leverage use of the SO SI to support these activities d) contribute institutionally to develop better tools and interventions to mitigate resistance			
MA-10285	Drug resistance – TB: Provide technical support for DR-TB including through the Green Light Committee (GLC) mechanism and agreement with WHO and support for the scale-up of new diagnostics for rapid detection of TB/DR-TB cases, as well as new all-oral regimens including BPaLM.	Underway	31-12-2023	SIID - TAP

13 - Ethical Misconduct and SEAH		Second line: CRG		2023-Q2		CRO Review			
Risk Description	Ethical Misconduct: Implementers, suppliers and other in-country partners engage in non-merit based, skewed decision-making and/or abusive behavior that is in contravention of the Global Fund's corporate values, its Codes of Conduct or applicable policies on ethical behavior and conduct. 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.								
Risk Impact	Ethical Misconduct: Leads to poorly designed investments, poor quality delivery of grant-financed activities, unreliable programmatic data, fraud, asset diversion, financial loss, and / or reputation damage limiting the organization's ability to deliver on its strategic objectives and maximize impact against the three diseases. 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.								
Key Partners	Not Applicable								
Key Countries	Not Applicable								
Change since last quarter	No change	Current direction of travel		Steady	Global Fund ability to mitigate		Moderate		
Residual Risk	High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable		
Root Cause							Related Action		
Ethical Misconduct									
Tone from the top, institutional incentives, and institutional culture inadequately aligned with and committed to corporate values and codes of conduct.							MA-9475 MA-9477 MA-9488		
Existing conflicts of interest across all stakeholders in Global Fund environment inadequately disclosed and managed.							MA-9475 MA-9477 MA-9484 MA-9486		
Owners of risks and processes are not adequately accountable for ethics risks pertaining to their sphere of control.							MA-9476 MA-9478 MA-9479 MA-9480 MA-9487 MA-9489		
Ineffective and inefficient business processes generate perverse incentives and lack of transparency and accountability.							MA-9476 MA-9478 MA-9481 MA-9482 MA-9485		
SEAH									
Inadequate capacity to prevent, detect or respond to from Sexual Exploitation, Abuse or Harassment, or forms of Child Abuse.							MA-9537 MA-9538 MA-9539 MA-9540 MA-9541 MA-9547		
Current controls & mitigations									
Ethical Misconduct									
MA-9475	Policies and procedures to manage and mitigate Ethical Misconduct in place. E.g. Ethics and Integrity Framework and Ethics Policy, including Conflicts of Interest; Codes of Conduct; Policy to Combat Fraud & Corruption (PCFC).								
MA-9476	Integrated Risk Management System (IRM) incorporates root causes of fraud and corruption risk across programmatic, governance, sourcing, and finance functional areas, consistently with the Global Fund Policy to Combat Fraud & Corruption (PCFC).								
MA-9477	Governance bodies, including the Board, TRP and CCMs, as well as Secretariat Senior Management regularly trained on conflict of interest and required to make conflict of interest disclosures or declarations as per agreed upon procedures.								
MA-9479	Global Fund governance officials, employees, CCMs, recipients and suppliers covered by codes of conduct and ethics case management process for managing code of conduct violations in place.								
MA-9482	Grant oversight, fiduciary safeguard, and assurance model in place across Global Fund grants.								
MA-9483	New CCM members required to complete Code of Conduct e-learning.								
MA-9485	Systematic risk-based integrity due diligence undertaken for counterparties, that is, the Board, TRP, Independent Evaluation Unit, staff, direct and indirect sourcing.								
MA-9486	Allegations of fraud, corruption and other prohibited practices managed by OIG investigative unit.								
MA-9489	Integrity Due Diligence framework. i) (Exc. GMD) Corresponds to AMA 6 of the 2019 OIG Audit of Ethics & Integrity rolled out								
SEAH									
MA-9537	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).								
MA-9538	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).								
MA-9539	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.								
MA-9540	Developed training plan and completed the first annual cycle of trainings for relevant Global Fund staff, tailored to their specific roles. Corresponds to AMA 2 of the Ghana investigation.								
MA-9541	All Codes of Conduct updated to incorporate prohibitions of SEAH and Child Abuse.								
MA-9542	PSEAH Steering Committee endorses metrics for annually measuring the implementation of the PSEAH Operational Framework (corresponds to AMA 1.1/MoV 1)								
MA-9543	Inform all CCMs and non-UN PRs across the Global Fund portfolio (with requirement for PRs to cascade the message to SRs and SSRs) of 1) the need for implementers to have strong reporting channels and quickly and effectively respond to allegations of wrongdoing; and 2) their obligation to promptly report such allegations to the Global Fund Secretariat or OIG. (corresponds to AMA 1.5/MoV 5)								
MA-9547	Assess SEAH 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.								
Assurances									
3rd Line OIG audit									
OIG clearance of associated AMA.									
Overall Status					Risk mitigation is not on track and there are significant delays.				
Controls & mitigations in development or planned							Status	Target completion	Action owner

Ethical Misconduct				
MA-9478	Secretariat to define desired maturity levels, set overall responsibility for implementing the PCFC, enhance programmatic assurance related to fraud risk management, and establish an overall approach for monitoring fraud risk at enterprise level. Corresponds to AMA 1, 2, 3 & 4 of OIG Fraud Risk Maturity Assessment.	Underway	30-09-2023	Risk
MA-9480	Clarify the accountabilities for managing, monitoring, and overseeing a defined set of Ethics and Integrity risks and integrate into existing mechanisms. Corresponds to AMA 2 of OIG Audit of Ethics & Integrity.	Underway	31-12-2023	Risk
MA-9481	Prepare a paper reviewing misconduct investigation mandates and required resources across the Global Fund, propose options for decision by the relevant Committees (and if necessary, the Board) and update terms of reference of the affected functions. Corresponds to AMA 3 of OIG Audit of Ethics & Integrity.	Planned	31-12-2023	MEC
MA-9484	Increase frequency of training and real-time engagement with the Board, Committees and Constituencies on conflict-of-interest management and duty of care.	Underway	28-06-2024	Ethics
MA-9487	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	31-12-2023	Ethics
MA-9488	Develop and roll out standard training and communication on the Global Fund's values and codes of conduct across the Secretariat.	Underway	28-06-2024	Ethics
SEAH				
MA-9544	Complete PSEAH capacity assessments and agree capacity building plans in the top 10 highest SEAH impact countries for all INGO, NGO and Government PRs (corresponds to AMA 1.2/MoV 2).	Planned	31-07-2024	Ethics
MA-9545	Undertake Grant-level SEAH risk mitigation activities (Module IV) in 3 of the 10 highest SEAH impact countries. (corresponds to AMA1.2/MoV2)	Underway	31-07-2024	Ethics
MA-9546	Agree, and obtain PSEAH Steering Committee endorsement of, an approach and risk-based, impact-based pilot plan (road map) to strengthen local SEAH reporting channels, including considerations of accessibility, confidentiality, monitoring and awareness. (Corresponds to AMA1.4/MoV4)	Planned	31-07-2024	Ethics
MA-9550	Revise the 2024-25 roll out plan of SEAH Risk Management Modules III and IV to be risk-based and impact-driven based on the SEAH Risk Index, GF allocation and investment, nature of programs, populations served, size/relevance of portfolio to the Global Fund mission (corresponds to AMA1.2/MOV2)	Planned	31-07-2024	Ethics

14 - Future Funding (Donor Funding & Domestic HF)		Risk owner: ERCD / SIID - HF		2023-Q2	CRO Review		
Risk Description	Failure to convert pledges for the current Replenishment (and remaining pledges from prior Replenishment) due to loss of donor support and confidence, major reputational damage, external factors outside of the Global Fund's control, and/or failure to set up the enabling environment needed for the launch of the next Replenishment. 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. [Donor Funding risk is significantly offset by Domestic Health Financing risk of 'High' and an 'Increasing' direction of travel]						
Risk Impact	Inability to secure the funding for country allocations and catalytic initiatives to sustain Global Fund-supported programs, and inability to maximize and sustain health and disease outcomes, particularly for key and vulnerable populations.						
Key Partners	Not Applicable						
Key Countries	Not Applicable						
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
Root Cause						Related Action	
Donor Funding							
Perceived under-performance of the Global Fund, particularly with relation to strategy delivery, the new grant cycle, and/or misunderstanding and misperceptions related to the Global Fund model.						MA-9520 MA-9521 MA-9524 MA-9526 MA-9527 MA-9528 MA-9530 MA-9531	
Insufficient resources for external relations and communications 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-9521	
Shift of the attention towards emerging and protracted issues such as pandemic preparedness, climate change, the food crisis, the war in Ukraine and other conflicts, resulting in the reduced profile of the Global Fund and the three diseases, affecting the partnership's positioning vis-à-vis the Eighth Replenishment.						MA-9521 MA-9526	
Failure to meet donor expectations, criteria or conditions for continued funding or technical/in-kind support, including under-delivery in catalytic investment-related partnerships.						MA-9520 MA-9521 MA-9524 MA-9526 MA-9527 MA-9528 MA-9530 MA-9531	
Fiscal pressures and reductions in ODA affecting pledge conversion.						MA-9527 MA-9532	
Competition for resources given multiple other replenishments expected & planned over 2024-2026, and/or 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-9521 MA-9524 MA-9528 MA-9529 MA-9530	
Negative shift in sentiment towards the Global Fund among donors, due to shifts in national politics or international priorities, fatigue with the three diseases, and de-prioritization of health versus other SDG priorities.						MA-9520 MA-9521 MA-9524 MA-9527 MA-9528	
Perceived de-prioritization or lack of responsiveness by the Global Fund to issues of concern/priority to donors (for example, RSSH, gender equality, universal health coverage, geographic focus areas, climate change, pandemic preparedness, domestic and innovative health financing, community engagement, and humanitarian response, among others).						MA-9520 MA-9521 MA-9524 MA-9528	
Perceived lack of data on effectiveness and impact of C19RM interventions.						MA-9523 MA-9525 MA-9532	
Domestic Health Financing							
Revenue raising – macro-fiscal risks: Low prioritization of the health sector in general or in the face of economic downturn (e.g., COVID-19 pandemic, Ukraine crisis), poor government capacity to collect and mobilize funds or political instability affecting the government expenditure prospect.						MA-9564 MA-9565 MA-9566 MA-9572 MA-9573 MA-9574 MA-9576	
Governance: Lack of data and systems to reliably measure co-financing commitments and their realization in a standardized manner on a routine basis; Constraints in tracking expenditure through existing country systems and processes; and when policy not applied consistently across portfolios.						MA-9564 MA-9566 MA-9567 MA-9568 MA-9570	
Pooling: Fragmentation/duplication/overlap of financing flows to the health sector and HTM financing, reduces the capacity to redistribute available prepaid funds and create inefficiencies.						MA-9564 MA-9565 MA-9566 MA-9567 MA-9570 MA-9572 MA-9575	
Purchasing: Failure to adequately finance and purchase critical commodities with domestic funds.						MA-9564 MA-9567	
Coverage & benefits: Inability to domestically fund interventions for key and vulnerable populations (KVP) in an optimal and sustainable manner						MA-9564 MA-9566 MA-9569	
Current controls & mitigations							
Donor Funding							
MA-9520	Closely monitor political transitions and sustain strong cross-party support for Global Fund in key donor countries to address increasingly challenging political landscape.						
MA-9521	Conducting regular assurance reviews on resource mobilization and providing updates to MEC and Global Fund governance bodies.						
MA-9522	Engage with Board stakeholders around political and governance issues, ensuring that additional public donors continue to be part of key conversations.						
MA-9523	Continue positioning the partnership as a key actor in pandemic preparedness and in the global health landscape through its engagement in intergovernmental processes, the Pandemic Fund, post-ACT-A arrangements, and other coalitions/partnerships.						
MA-9524	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 increased pledges have been identified						
MA-9525	Timely report on 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-9526	Continue resource mobilization efforts across different markets to secure timely pledge conversion for the Sixth and Seventh replenishments.						
MA-9527	Performing Internal MEC assurance reviews to oversee alignment of partnerships, pledge conversion and advocacy work with the Global Fund's strategic drivers and objectives.						
MA-9528	Continue deploying impactful communication assets to continue increasing the visibility of the organization's mandate and results.						
MA-9529	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.						
MA-9530	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.						
MA-9531	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.						
MA-9532	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.						

MA-9535	Continue to mature performance and accountability processes based on lessons learned from the Seventh Replenishment, setting the foundations and paving the way for a successful Eighth Replenishment.
Domestic Health Financing	
MA-9564	Operationalized HF Risk Management Framework in preparation for GC7 by implementing change management activities (guidance to CTs, trainings, indicators etc.) so that appropriate analysis of health financing risks is done and corresponding MAs developed.
MA-9565	Use innovative financing mechanisms to strengthen DRM, including Debt2Health, blended finance leveraging WB framework agreement for joint financing through institutional partnerships with MDBs (co-financing, loan-buy downs, EFOs) to expand fiscal space.
MA-9566	Strengthen GF Secretariat efforts to enhance capacity of domestic health finance functions in countries through country teams and leverage partners through the creation of a Health Financing Department. Embed Health Finance Specialists in Country Teams.
MA-9567	Development of a health finance risk framework to comprehensively identify HF related risks, and to integrate into existing GF risk management processes, including integration of HF considerations into the Integrated Risk Management (IRM) tool.
MA-9569	Implement Strategic Initiative on Sustainability, Transition and Efficiency (STE-SI) to support countries with technical assistance on health financing, strengthen resource tracking, advocacy and improve value for money.
MA-9570	Consistent implementation of the 2022 workplan for the GAC-approved Strategic Initiative on Sustainability, Transition and Efficiency (STE-SI) to support countries with technical assistance on health financing, strengthen resource tracking, advocacy and improve value for money.
MA-9575	Leverage partners via the Sustainable Financing for Health Accelerator (SFHA) to enhance DRM, VfM, and more effective development assistance.

Assurances	
Close work with Global Fund Advocacy Network chapters and other critical stakeholders, including funders of advocacy (e.g., BMGF), regular updates/reporting on advocacy activities by PCSAD, and provision of updates and organization of informative townhalls	
Regular resource mobilization updates to MEC and Global Fund governance bodies	
Ongoing engagement of the Private Sector Engagement Risk Committee	
Internal MEC oversight over partnerships, pledge conversion and advocacy work versus the Global Fund's strategic drivers and objectives	
Regular engagement with the Global Fund Advocacy Network family and other critical stakeholders to ensure the impact of advocacy activities and mitigate resource mobilization risks in key geographies or vis-à-vis key donors	
Risk Department oversight through PPCs, CRMMs and CPRs	
Health financing risk assessments done by independent entities (e.g. LFA, external agencies)	
Health financing data fraud risk assessments	
Health financing related data reports generated by independent entities	

Overall Status	Risk mitigation is on track. There are no material delays.
-----------------------	---

Controls & mitigations in development or planned		Status	Target completion	Action owner
Donor Funding				
MA-9533	Examine potential arrangements for new donors with LGD and the EGC to ensure their participation and engagement in governance processes.	Planned	31-12-2023	ERCD
MA-9534	Continue and evolve the global positioning of the Global Fund in multi-stakeholder platforms. particularly in discussions on the new global health architecture under a more structured internal cross-divisional partnership approach.	Planned	31-12-2023	ERCD
MA-9536	Strengthen and adapt the Global Fund advocacy approach in preparation for the Eighth Replenishment.	Planned	31-12-2023	ERCD
MA-10286	Refresh and sharpen the Global Fund core narrative and positioning to respond to the evolving landscape and shifting donors priorities.	Underway	31-12-2024	ERCD
Domestic Health Financing				
MA-9568	Introduce a Co-financing monitoring tool and revising Co-financing OPN to clarify roles and responsibilities and ensure an audit trail of Co-financing numbers.	Underway	31-12-2023	SIID - HF
MA-9571	Identify at-risk countries and incorporate mitigation actions in grant agreements. This includes monitoring macro-fiscal risks to inform GF allocations (i.e., qualitative adjustments and portfolio optimizations), compliance of co-financing incentives etc.	Underway	31-12-2023	SIID - HF
MA-9572	Use the Innovative Finance Strategic Initiative to approve additional joint investments and strengthen alternative sources of DRM. This includes developing the Blended Finance OPN to articulate the approach for joint investments with multi-lateral and/or other development partners.	Underway	31-12-2023	SIID - HF
MA-9573	Enhance risk monitoring to identify countries with constrained capacity to finance health. Country capacity will be assessed systematically using indicators including economic growth prospect, structural risks of HF systems through IRM and domestic health expenditure trajectory.	Planned	31-12-2023	SIID - HF
MA-9574	Implement a multi-pronged approach to Domestic Financing Advocacy leveraging various entry points (global, regional, and country platforms) for promoting increased domestic financing of health in LIC & LMICs.	Underway	31-12-2023	SIID - HF
MA-9576	Implement expanded scope of Debt2Health as approved by AFC ("tripartite debt swaps") supported by related risk mitigation measures including due diligence on country selection, transaction cost caps as well as other existing GF processes for e.g. reviews and monitoring of performance.	Planned	31-12-2023	SIID - HF

15 - Internal Operations			Risk owner: SO, IT, F&A		2023-Q2	CRO Review		
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.							
Key Partners	Not Applicable							
Key Countries	Not Applicable							
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
Root Cause							Related Action	
Sourcing								

The procurements are inconsistent with the Procurement Policy and thus fails to protect the Organizations commercial interests and operations.		MA-9284 MA-9285 MA-9286 MA-9287
Financial Controlling		
Low absorption level for implemented grants or potential OPEX underspend at Secretariat level		MA-9229
Improper/incomplete reconciliation of grant closure process.		MA-9230
Absence of structured Strategic Workforce Planning process impacting value for money of HR 'investment'		MA-9231
Misalignment between Secretariat OPEX for current and next allocation period and GF ambition		MA-9232
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-9241 MA-9242 MA-9245 MA-9246 MA-9247 MA-9250
Operational Risk: External 3rd party IT systems at country level and partners could be hacked leading to possible negative impacts to Global Fund.		MA-9246 MA-9248 MA-9250
Operational Risk: Lack of training, accidental mistakes and errors.		MA-9242
Operational Risk: Business functions across the secretariat may be using non-secure solutions for sensitive information		MA-9251
Operational Risk: Lack of MFA for externals e.g., PRs, CMMs, iSupplier etc.		MA-9249
Vendor Risk: Poor contract oversight and supplier performance.		MA-9243
Solution (Project) Risk: Lack of scope control, cost overruns, quality issues & timeline failures.		MA-9240 MA-9252
Information Security Risk: Cyber security incidents, accidental or malicious loss of sensitive Global Fund information.		MA-9244 MA-9246 MA-9250 MA-9252
Administration		
Unclear GHC operational guidance, roles and responsibilities		MA-9440
Lack of business continuity management systems, staff compliance with existing security procedures and frameworks and lack of, or partial asset reconciliation		MA-9437 MA-9440 MA-9441
Technical building failure and/or security incidents at the Global Health Campus (GHC).		MA-9437 MA-9439
External factors disrupting staff travel and GHC building operations		MA-9438
Foreign Exchange		
Poor internal FX limit management (FX Policy) or Model risk		MA-9356
Assets and Liabilities Management (ALM) changes (i.e., donor pledges or grant commitment changes leading to different FX exposures).		MA-9356 MA-9360
Changes in the economic and financial market conditions may lead to market disruption, increase counterparty credit risk and impact FX liquidity for currencies, which may create issues when rolling over hedges, may lead some banks may show bigger spreads, which may impact FX settlements.		MA-9354 MA-9359 MA-9361
Foreign Exchange (FX) market volatility		MA-9353 MA-9355 MA-9356 MA-9357 MA-9362
Internal and external poor FX execution and internal operational risk		MA-9356 MA-9358
Current controls & mitigations		
Sourcing		
MA-9284	Procurement Framework in place, which includes Procurement Policy, Regulations and Procedures that enable procurement oversight and accountability.	
MA-9285	Efficient procurement planning and process optimization in place.	
MA-9286	Robust compliance system with Legal, Ethics, and Procurement Review Committee support.	
MA-9287	BCP's developed and are in place to ensure smooth supply operations in case of business process disruptions.	
MA-9288	Comprehensive supplier selection, contract management and evaluation system in place.	
Financial Controlling		
MA-9229	Quarterly grant re-forecast including when available update on absorption shared with MEC and AFC. Identification of funds available for Portfolio Optimization or reallocation to C19RM fund.	
MA-9230	Monthly Monitoring and triangulation of grant closures communicated by Grant Finance Management to highlight exceptions that requires actions. Quarterly report update on status and progress on grant closures to MEC & AFC.	
MA-9231	Involvement of Financial Controlling in workforce planning, review of reorg memo, and determination of budgetary impact, and alignment with new budgeting framework.	
MA-9232	Budgeting framework implemented to help with alignment of Secretariat OPEX for current and next allocation period and GF ambition.	
IT		
MA-9240	Project Management: Reinforced IT governance, including new "control gates" for demand review, project approval and operations acceptance, defined and finalized. Remediation action plan to address late projects and IT Operational issues in place.	
MA-9241	Management Review: Monthly IT operations and project performance reviewed by CIO and IT Leadership Team.	
MA-9242	Business Continuity Management System: Business Continuity Management System (BCMS) in place and in conformity with the ISO-22310 standard. BCPs in place, regular updates are done on BCP status and flexibilities that are being used. End to End exercises is performed twice a year involving Business.	
MA-9243	Vendor Management: 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. Rolled out 3rd party Information Security Platform to review 3rd party information security risk exposure from breaches / phishing / ransomware attacks.	
MA-9244	Information Security Management System: Information security controls embedded in the organization, Global Fund's ISMS for Treasury cash payments data & processes, OIG and Ethics and all related IT operational management processes and facilities are ISO-27001 certified.	
MA-9245	Information Technology Service Management: Service Level Agreement monitoring are in place for all tickets and reviewed daily to avoid delay in the processing of user tickets.	
MA-9246	Access Control: Multi Factor Authentication (MFA) rolled out to TGF employees, consultants and some critical external users.	
MA-9247	SaaS: All key Secretariat applications migrated to the "cloud" or external high availability service providers reducing GHC Data Center requirements to a bare minimum.	
MA-9248	Risk Management: Continuous monitoring, review, and impact analysis of new emerging cyber threats e.g., ransomware etc.	
MA-9250	Information Security Management System: TGF has incorporated dual-layer security through optional MS BitLocker encryption and mandatory USB document scanning, supplemented with SOP distribution to users for increased awareness.	
MA-9252	Training: Project management training and mandatory on-line information security awareness trainings delivered to IT and Secretariat staff respectively. Including focused and targeted trainings for high-risk individuals as it relates to cyber-attacks / fraud / phishing / social engineering.	
Administration		

MA-9440	All subleases with subtenants, maintenance/repairs contracts (including dashboards and annual schedule for maintenance contracts) and GF/GAVI Partnership Agreement (which defines responsibilities for governance of GHC) are in place and signed.
MA-9441	Full physical inventory performed, and databases updated regularly on a daily basis and following annual random or full physical inventory.
MA-9439	Contract in place with 2 main security providers to perform security in the field.
MA-9437	A robust security framework, including the GF Crisis Management Plan, travel security policy, asset management, and dedicated Senior Security Officer (SSO) with a team overseeing procedures and SOPs, is in place.
Foreign Exchange	
MA-9353	Conservative Fx limit established. Limits exposure well within the limit. Regular updates on hedging positions are provided to AFC.
MA-9354	Close monitoring of the FX operations, counterparty exposures and regular reporting to Senior Management.
MA-9355	Global FX Management Framework in place to ensure that contribution agreements, adjusted pledges and other exposures are consistently hedged.
MA-9356	Revised and approved Treasury, Cash and FX Management Procedure is in place. Separate ALM committee and Investment and FX Committee has been formalized, with clear responsibilities set in ToRs.
MA-9357	Foreign exchange risk is being significantly reduced with a systematic hedging strategy. VaR limit utilization ratio of 52.6% at the end of Q2-23, with daily VaR limit at USD 23.2m and absolute daily VaR after hedges standing at USD 12.2m (before hedges: USD 49.9m).
MA-9358	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 based on PFC request.
MA-9360	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-9361	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.
Assurances	
ISMS, BCMS, ITSM	
Bitsight	
Internal and external audits	
IRM (Riskconnect)	
ISO 20000, ISO 22301, ISO 27001 certification	
IT Governance	
IT Project Management	
Pen tests	
Vendor Management Office	
VaR calculation is done in Bloomberg BRM, which is a reference in its field. Orders of magnitude are in line with our previous in-house model (TAR), which was reviewed externally. Ratio of VaR after hedges to VaR before hedges is consistent with hedge ratios.	
Overall Status	
Risk mitigation is on track. There are no material delays.	
Controls & mitigations in development or planned	
Status	
Target completion	
Action owner	
IT	
MA-9249	Zero Trust approach: MS E5 architecture (DLP)
MA-9251	Confidentiality: Secure case management tools to be adopted by key business functions within Secretariat
Administration	
MA-9442	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.
Foreign Exchange	
MA-9359	Potential Future Exposure (PFE) monitoring is being implemented in Bloomberg.
MA-9362	Project previously known as multi-currency disbursements (MCD) is being deployed for USD disbursements under EUR grants.

16 - Integrated Grant Policies, Processes, Systems & Data			Risk owner: GMD - GPS		2023-Q2	CRO Review		
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.							
Key Partners	Not Applicable							
Key Countries	Not Applicable							
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	
Root Cause						Related Action		
Lack of standards and guidance on data management, and limited data availability.						MA-9278		
Limited assessment of the operational feasibility, timeliness and implications of Board-approved policies and strategies resulting in sub-optimal integration into the GLC.						MA-9272		
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-9279 MA-9283		
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-9272 MA-9274		
Limited monitoring of efficiency and effectiveness of GLC processes hampering ability to timely identify bottlenecks.						MA-9275 MA-9281		
Limited consideration of the impact of GLC changes to in-country partners and their workload, and limited PR capacity to absorb such changes.						MA-9272 MA-9273		
Sub-optimal integration between cross-cutting GLC policies, procedures systems, data and the core GLC processes.						MA-9272 MA-9273 MA-9280		
Limited tools to build PR capacity – on Global Fund, GLC, Managing SRs, functional capacity development etc.						MA-9276 MA-9277		
Current controls & mitigations								
MA-9274	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).							
MA-9275	Regular GLC monitoring & exception reporting to monitor performance.							
MA-9276	Training suite on GLC processes is developed and updated.							
MA-9277	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.							
MA-9278	Data Governance Committee established, and program of work agreed, to review and implement improvements to the Secretariat's approach to data management.							
MA-9279	Business Contingency Plans in place and operational flexibilities covering GLC have been discontinued or are being integrated into the regular process.							
MA-9280	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-9281	Comprehensive suite of reports 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-9282	Implementation of the Operational Launch enhancing the Secretariat's ability to maintain up to date policies, procedures, systems and data.							
MA-9283	C19RM guidelines and process based on lessons learned and opportunities for process improvement are periodically updated.							
Assurances								
Monitoring of business process controls								
OIG audits								
Overall Status					Risk mitigation is on track. There are no material delays.			
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9272	Implementation of the Data Governance Program, currently focused on developing supporting data management procedures.					Underway	31-12-2023	IT
MA-9273	The following launches are scheduled or continuing for 2023; the grant-making part of the integrated FR/GM launch and the LFA Launch. The Implementation Oversight launch & the Revisions launch are postponed until funding becomes available. 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 strong 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 = reported upon by A2F and GPS.					Underway	30-06-2024	GMD - GPS

17 - Risk Management & Internal Controls			Risk owner: PMRD - Risk		2023-Q2	CRO Review		
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.							
Key Partners	Not Applicable							
Key Countries	Not Applicable							
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	
Root Cause							Related Action	
Risk Management								
Risk management not adequately embedded into Global Fund operations, and decision-making processes							MA-9491 MA-9492 MA-9497 MA-9498 MA-9503 MA-10296	
Absence, or limited operationalization of key policies, processes, and tools							MA-9490 MA-9494 MA-9496 MA-9501	
Lack/non-use of standardized risk approaches and tools for decision-making, risk acceptance and risk management responsibilities							MA-9490 MA-9492 MA-9494 MA-9495 MA-9497 MA-9503	
Inadequate implementation and follow up of prioritized risk mitigations, and quality and timely assurances							MA-9492 MA-9503 MA-9504	
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.							MA-9503	
Internal controls								
Weakness in the control environment (country portfolio/grants) including inadequate standards, processes and structures that provide the basis for internal controls.							MA-9577 MA-9578 MA-9579 MA-9580	
Current controls & mitigations								
Risk Management								
MA-9490	There is a standardized and objective risk assessment approach in place across the portfolio to facilitate ongoing Risk Appetite-based decision-making.							
MA-9491	Proactive 1 st Line risk management practices embedded across the grant life cycle, with clear roles and responsibilities of the first and second lines of defense.							
MA-9492	Country Portfolio reviews (and use of Country Risk Management Memorandum) by the Portfolio Performance Committee to facilitate structured approach to risk trade-off decisions and risk acceptance.							
MA-9493	Risk Assurance Monitoring and Oversight framework developed for C19RM							
MA-9494	Enterprise Risk Management Framework and associated operational policies and procedures developed for coordination of second line oversight and to improve consistency and efficiency across all second line functions.							
MA-9495	Active risk management of non-grant facing risks 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-9496	Roll out the Integrated Risk Management tool (IRM 2.0) redesigned to align with the strategy priorities and to further improve and streamline risk management, risk analytics and risk reporting.							
MA-9498	Matured organizational risk review process, including thematic deep dives, driving improvement in managing key organizational risks with greater focus on mitigating actions and ensuring linkages with strategic goals.							
MA-9499	Operationalized 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 (including training materials rolled out in Q1 of 2023 as part of the transition to IRM 2.0).							
MA-9500	Conduct specific thematic deep dives to inform prioritized adaptations and mitigation plans and drive grant performance under the oversight of Portfolio Performance Committee.							
MA-9501	Use of updated Integrated Risk Management module to facilitate robust risk identification and prioritization, design and follow up of key mitigating actions and strategic assurance activities.							
MA-9504	2 nd line monitoring of execution of key mitigating actions and assurance activities, and through exception reports to strengthen risk oversight.							
Internal controls								
MA-9577	Business Process Oversight procedure is in place to describe the Global Fund’s approach to managing business process risks and outline roles and responsibilities of key actors.							
MA-9578	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-9579	Key Business Process Reviews (KBPRs) performed to assess the system of internal controls for prioritized processes and ongoing implementation of improvement actions by the Business Process Owners to strengthen internal controls in line with the COSO framework.							
MA-9580	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.							
Assurances								
OIG Annual Report and Opinion on Governance, Risk Management and Internal Controls of the Global Fund								
Regular work plan monitoring to ensure KBPRs are conducted as planned.								
Monitoring implementation of improvement actions resulting from the KBPRs.								
Overall Status					Risk mitigation is on track. There are no material delays.			
Controls & mitigations in development or planned						Status	Target completion	Action owner
Risk Management								
MA-10296	Conduct deep-dives on key countries and grant facing risks (Program Quality, Procurement, In-Country Supply Chain, Fraud & Fiduciary) at the portfolio level to determine key cross-cutting drivers, evaluate and revise key mitigating actions and triggers to adequately reduce the risk level in line with the target risks set by the Board.					Underway	31-12-2023	PMRD - Risk
MA-9119	Plan, implement and monitor additional risk-based grant assurances to cover C19RM investments. This includes enhanced mandatory minimum assurance activities across the top 45 portfolios (accounting for 90% of C19RM investments) under the oversight of Investment Committee.					Underway	31-12-2023	PMRD - Risk
MA-9503	Update Risk Management OPN and related risk management guidance documents to improve risk oversight at the PR, CCM and Secretariat levels.					Underway	31-10-2023	PMRD - Risk

18 – Legal		Risk owner: LGD		2023-Q2		CRO Review		
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. 3. 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. 4. 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; increasing questions of potential non-conformity with procurement contracts. 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.							
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 23 signatories to the P&I Agreement (of which 17 have ratified or otherwise approved, indicated by *): Afghanistan*, Burkina Faso*, Burundi, Côte d'Ivoire*, Eswatini*, Ethiopia*, Gabon, Georgia*, Ghana, Guinea Bissau, Lesotho*, Liberia*, Malawi*, Moldova*, Montenegro, Mozambique*, Niger*, Rwanda*, São Tomé and Príncipe, 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 21 countries.							
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	
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 originator pharmaceutical companies or suppliers of health products refuse to accept GF terms. Geopolitical volatility may also affect counterparties' ability to deliver on procurement contracts, including purchase orders through wambo.org, whether due to inflationary or foreign exchange effects on component or commodity costs, production constraints due to the energy capacity and/or supply chain challenges. Increasing set asides, conditions and reporting may increase negotiation timeframes and compliance costs for TA or contribution arrangements, not only for the GF but also at the country level. Mechanisms for differentiated approach to request for/review of applicant requirements and modified/simplified forms for grant agreements may increase the potential for contract claims or re-negotiations. New procurement modalities for health products, including volume commitments, may also increase financial risk.							MA-9233 MA-9239	
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, particularly in areas affected by conflict. In addition, risks may arise from further development of the operational framework for C19RM and its continuing implementation.							MA-9237	
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; open and diversify accounts; and 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-9234 MA-9236	
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. Compliance risk in relation to Q&A policies continues for COVID-19 products.							MA-9235 MA-9238	
Current controls & mitigations								
MA-9233	Contract risk: Grant procurement, contribution and other agreements of strategic importance are prioritized. GF standard terms and templates have been developed for grants, procurement, and contributions. Revised procurement terms and conditions have been published and amended Grant Regulations have been approved. Updated Delegations of Signature Authority require business, financial, legal, and certain specialized (risk, ethics and/or assurance) contract clearance.							
MA-9234	P&I risk: GF standard terms and template contracts address P&Is and dispute resolution. EGC oversight and Secretariat identification of countries for priority engagement.							
MA-9235	Internal legal risk: LGD guidance to governance bodies and advice to the Secretariat on the development and application of GF policies. LGD collaboration enables timely Board and Committee approvals, including extensions of C19RM policy framework. Legal review of GF rules and procedures contribution conditions and reporting requests. Legal review/clearance of GF rules and procedures (including C19RM, HTM and other operational policies and procedures), contribution conditions, and reporting requests. Embedded Legal Counsels advise CTs on C19RM and other grant requirements; controls and assurance mechanisms (including Legal input into the C19RM monitoring and oversight framework) for grants aim to mitigate risks associated with C19RM implementation.							
MA-9237	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) including disputes; 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.							
Assurances								
Tracking of selected contract deviations presented by business teams; escalation mechanism for acceptance of counterparty contract terms								
Protection of P&Is (where granted) in countries where the Global Fund is active or has assets; legal opinions of local counsel								
Signed and ratified country-specific P&I Agreements. Entry into force of P&I Agreement. P&Is under domestic laws in certain countries.								
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-9236	P&I Risk: Certain operational measures to further expand the geographical coverage of P&Is in line with EGC steer, including: enhanced involvement of ministries of foreign affairs; linkage of structural programmatic changes to conferral of P&Is; and, other targeted efforts.					Planned	31-12-2025	LGD
MA-9238	Internal legal risk: Development of new Procurement Procedures for Direct Procurement.					Underway	31-12-2023	LGD
MA-9239	Contract risk: Standard grant confirmation requirements to be updated.					Underway	31-12-2023	LGD

19 - Governance & Oversight		Second line: LGD		2023-Q2	CRO Review				
Risk Description	Global Fund governance structures, processes, culture, stakeholders, or support mechanisms are not effective. Governance fails to adapt as needed to serve as an effective partnership enabler for the new Strategy period.								
Risk Impact	Weaknesses in governance affect: (i) 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 necessary adaptations to meet strategic goals for the 2023-2028 period; and (ii) actual or perceived weaknesses promote sub-optimal resource mobilization outcomes, as well as an increased need for financial resources.								
Key Partners	Not Applicable								
Key Countries	Not Applicable								
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	
Root Cause							Related Action		
Structural issues ('fit for purpose') including Board Members / Alternate Board members' short terms, high turnover, large governance mechanism and complex/labor-intensive governance processes (e.g. selections). Structure largely unchanged since inception.							MA-9337 MA-9338 MA-9340 MA-9344		
Limited oversight and enforcement capacity on constituency internal matters, and appropriate use and reporting of constituency funding.							MA-9341 MA-9345		
Crisis setting. Re-adjusting governance operations and priorities following prolonged crisis setting.							MA-9348 MA-9350		
Diverse stakeholder interests, existing Conflict of Interest, and lack of full consensus or alignment on some decision-items.							MA-9336 MA-9339 MA-9342		
Diverse nature, setup, and resources available in constituencies, with implications for constituency functioning engagement and participation.							MA-9347 MA-9349		
Differing capacity to engage impacts on informed and inclusive decision-making and oversight.									
Lack of trust leading to culture of over-consultation, high level of effort and sub-optimal collaboration and division of labor among governing bodies, and between governance bodies and the Secretariat.							MA-9343 MA-9346 MA-9351 MA-9352		
Current controls & mitigations									
MA-9337	- 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-9338	Board approved 3 terms for Board Leadership and Committee terms, from 2022 onwards.								
MA-9339	Strengthened role of Coordinating Group, facilitating coordination between the Board / committees on cross-cutting issues. Guidance issued explaining committee roles on cross-cutting matters.								
MA-9340	BCOP define procedures for delegation of authority and provide for how key leadership roles would be filled in the event of a vacancy.								
MA-9341	Support to constituencies on routine review and continuous improvement of internal practices.								
MA-9343	- Codes of Conduct last updated in 2021 to reflect (1) key findings from the Governance Culture initiative and (2) international standards on SEAH - Annual Declarations of Interest and Code of Conduct Certification campaigns for all Governance Officials								
MA-9344	Onboarding Framework (2022) in routine implementation for Board and committees. Dedicated on-boarding and ongoing advisory support to constituencies.								
MA-9345	Application process and independent LFA verification of use of constituency funding.								
MA-9346	Board documents adapted to focus on strategic input needed for decision making and oversight.								
MA-9347	- Constituency Management Guidelines, provide best practice guidance on constituency management (2023). - Guidance Note for Constituency Dispute Resolution (2018) (provides guidance and an escalation mechanism in case of dispute within a constituency).								
MA-9348	Flexibilities and contingency approaches developed for the continuity of governance operations and process, engagement of constituencies, and leadership continuity.								
MA-9349	Constituency Funding Policy: funding provided to implementer constituencies to support engagement.; guidance provided to constituencies and recipient organizations on financial management								
MA-9350	Expedited decision-making processes for the adoption of urgent decisions required to safeguard the GF mission, with ongoing transparent and regular reporting.								
MA-9351	Roll out of the Integrity Due Diligence framework, as listed under SEAH and Misconduct risk.								
Assurances									
Governance Performance Assessment Framework (external review of Board, Board leadership and Committee performance)									
Overall Status				Risk mitigation is on track. There are no material delays.					
Controls & mitigations in development or planned							Status	Target completion	Action owner
MA-9336	Reporting matters will continue to be discussed with the EGC and efforts are ongoing.						Underway	30-06-2024	LGD
MA-9342	GAP 2.0: Coordinating Group (CG) and leadership onboarding on culture of trust; regular engagement between CG and Management on strategic issues, including space to discuss culture and trust. CG-MEC retreats as part of leadership onboarding and planned on annual basis.						Underway	28-12-2023	LGD
MA-9352	Culture initiative led by EGC and aimed at strengthening a culture of trust, collaboration and accountability and to foster effective governance culture, within and between governance bodies, and between governance and administrative bodies.						Underway	28-12-2023	LGD
MA-10295	New Virtual Governance Platform rollout as an operational improvement to enable, strengthen and simplify constituency engagement in governance activities.						Underway	28-12-2023	LGD

20 - Organizational Culture		Risk owner: HR		2023-Q2		CRO Review		
Risk Description	Failure to drive a performance based and ethical culture and ensure all staff 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.							
Key Partners	Not Applicable							
Key Countries	Not Applicable							
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	
Root Cause						Related Action		
Direction from senior management on aspirational culture is not consistently cascaded or demonstrated						MA-9254 MA-9255 MA-9256 MA-9257		
Breaches of the code of conduct, unethical behavior, and conflicts of interest.						MA-9253		
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-9256		
Operational inefficiencies, lack of process definition and performance targets and lack of accountability limits prioritization of work, collaboration, and increases staff workload						MA-9256		
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-9254 MA-9255		
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-9254		
Current controls & mitigations								
MA-9253	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. At the Secretariat level, the Ethics Office continue targeted training on specific ethics risks alongside the regular Secretariat on-boarding training for new joiners and 'Managing at the Global Fund' ethics sessions for new managers.							
MA-9254	The People &Organization Ambition has been developed and socialized with staff, AFC, MEC and other relevant stakeholder groups. The governance structure for Organizational Culture has been finalized and approved by the MEC with various MEC members being (re)assigned to key working groups and deliverables on wellbeing, talent, DEI (diversity, equity & inclusion) and other important culture & talent topics.							
MA-9255	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.							
MA-9256	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 and Organization Ambition and will drive accountability, performance, and a culture of care and candor.							
Assurances								
OIG Functional Audit Pulse Survey Check								
Engagement Survey and Pulse Surveys								
Overall Status					Risk mitigation is on track. There are no material delays.			
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9257	Continue the development and embedding of Organizational and Divisional / Departmental / Team action plans based on the survey result.					Underway	31-12-2023	MEC

21 - Workforce Capacity, Efficiency & Wellbeing			Risk owner: HR		2023-Q2	CRO Review		
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.							
Key Partners	Not Applicable							
Key Countries	Not Applicable							
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	
Root Cause						Related Action		
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-9301 MA-9302 MA-9305		
Inadequate people management capability to drive performance and support talent development.						MA-9304 MA-9305		
Inefficient business processes driving down productivity.						MA-9300 MA-9302		
Significant organizational change and shifting priorities, leading to change fatigue and loss of motivation / engagement.						MA-9301 MA-9303		
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-9302		
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-9300 MA-9302 MA-9304		
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-9306		
Current controls & mitigations								
MA-9300	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-9301	Further embed the Future of work project which includes a hybrid working, alongside policies and processes to support our new ways of working and enabling technologies							
MA-9302	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.							
MA-9303	Continued focus on managing change effectively through various learning and development programs, clear and consistent communication, and transparency in the organization.							
MA-9304	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-9305	New performance & development cycle implemented as well as the recognition framework							
MA-9306	People and Organization Ambition is in place to prioritize organizational development, a culture of care and candor, sourcing and retaining the right talent for now and the future, increased leadership and accountability and continuously improved HR delivery.							
Assurances								
OIG Functional Audit Pulse Survey Check								
Engagement Survey and Pulse Surveys								
Overall Status					Risk mitigation is on track. There are no material delays.			
Controls & mitigations in development or planned						Status	Target completion	Action owner
MA-9307	Implement the People and Organization Ambition priorities for 2023 on organizational development, a culture of care and candor, sourcing and retaining the right talent for now and the future, increased leadership and accountability and continuously improved HR delivery.					Underway	31-12-2023	HR

22 - Reputation		Risk owner: ERCD		2023-Q2		CRO Review		
Risk Description	Issues emerging unexpectedly from control weaknesses, performance issues, poor governance or oversight, misreporting by media or other events beyond the control of the Global Fund.							
Risk Impact	Damage to reputation can lead to potential loss of future donor funding and ability to achieve impact against the three diseases.							
Key Partners	Not Applicable							
Key Countries	Not Applicable							
Change since last quarter	No change	Current direction of travel	Steady	Global Fund ability to mitigate		Moderate		
Residual Risk	High	Risk Appetite	Not Applicable	Target Risk	Not Applicable	Target risk timeframe	Not Applicable	
Root Cause						Related Action		
Political factors influencing news coverage. Factually inaccurate news coverage that is not quickly mitigated and disproportionality in negative media coverage.						MA-9311 MA-9312		
Media misunderstanding global health and development issues and making errors in their reporting.						MA-9309 MA-9313		
Extensive and/or inaccurate coverage of OIG and other reports that identify misuse of funds or other serious issues.						MA-9309		
Performance issues or internal control weaknesses						MA-9310		
Current controls & mitigations								
MA-9308	Constant coordination with external relations teams to adjust communications plans to priorities and emerging risks in key markets and audiences.							
MA-9309	Proactive identification of potential issues by country teams and senior management with relevant teams.							
MA-9310	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.							
MA-9311	Proactive, agile communications strategy by Communications Department.							
MA-9312	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.							
MA-9313	Continual focus on strengthening organizational maturity of risk management, internal controls, governance, and increasing transparency.							
MA-9314	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-9315	Proactive media outreach in key markets to build media relations and understanding of our work within the media who cover us, and regular monitoring of media and social media coverage							
MA-9316	Develop a proactive communications strategy for key donor markets to build relationships with relevant media and continue positioning the Global Fund.							
MA-10287	Regular communication and collaboration among ERCD Leadership Team and internal working groups to help identify, address, and mitigate potential risks and issues in a timely manner.							
MA-10288	Regular (daily/hourly if needed) monitoring of social media to identify a potential trigger early so it can be managed.							
Assurances								
Regular communication and collaboration among ERCD Leadership Team and internal working groups to help identify, address, and mitigate potential risks and issues in a timely manner								
Evaluation of Country Team reports ensuring adequate performance and alignment with goals and objectives. Active quarterly monitoring by SPH of P&A indicators and relevant MEC discussions to ensure objective assessment of performance.								
Quarterly reporting, SPH active monitoring, and MEC discussion on the status of P&A indicators								
Review of monthly media coverage, metrics, feedback and third-party assessments for comprehensive performance review for reliable decision-making within the ERCD Leadership Team								
Overall Status				Risk mitigation is on track. There are no material delays.				
Controls & mitigations in development or planned						Status	Target completion	Action owner

Annex 2: Relevant past Board decisions

Relevant Past Decision Point	Summary and Impact
GF/B49/DP04: Amended Risk Appetite Statements (May 2023) https://www.theglobalfund.org/kb/board-decisions/b49/b49-dp04/	Based upon the recommendation of the Audit and Finance Committee, the Board approves the amended Risk Appetite Statements, including risk appetite and timeframes to achieve target risk, as set forth in the table in Annex 1 to GF/B49/04, acknowledging that the target risk level for each risk shall become the revised risk appetite at the target due date, or when earlier achieved.