




Risk Type	#	Risks	Risk Owner	Existing Risk Mitigations in place	Residual Risk	Current Direction of Travel	Target Risk	
Strategic Risks (SIIC)	1	Partnerships New or strengthened strategic partnerships, partner commitment and accountability at highest levels critical to achieve the Global Fund mission will not be ensured at global and country levels (Government, technical partners, donors, civil society, private sector, humanitarian organizations in COEs).	All MEC	Partner engagement at country and global levels. New private sector partners via Innovation Hub. Performance based contracts put in place with WHO for targeted technical support under NFM with mid-term review currently being conducted.	Medium		Ongoing Further expansion of partnerships and close cooperation at operational level for increased impact, addressing critical implementation bottlenecks and building sustainable in-country capacity (e.g. COEs, human rights/gender, private sector).	Medium
	2	Value for Money/ Cost-effectiveness (a) of interventions: Poor cost-effectiveness of strategic investment decisions (b) in procurement (50% of grant budgets)	Policy, SIID	(a) Major focus of NFM country dialogue process, TRP and GAC review. Use of optimisation model in country dialogue of several high impact countries. (b) Pooled Procurement Mechanism improved: lower prices and efficiencies achieved which led to expanded use of PPM across grants.	Medium		Ongoing (a) Work with key partners to expand use of optimization models and strengthening of due diligence process as part of national strategic planning process. (b) New PPM tender planned for early 2016 which will bring further savings.	Low
	3	New Strategy Development and Allocation Model New strategy not meeting donor, implementer and other stakeholder expectations and not positioning the Global Fund to be fit for purpose in a changing development context. New allocation model not achieving new strategic goals. Middle income countries: not addressing differentiated needs of MICs.	Policy, SIID	Strategy Draft strategy framework shaping up based on wide stakeholder consultation and close cooperation with SIIC and Board (including 3 Regional Partnership fora). Preparation of analytical inputs to inform decision-making. Pro-active engagement and communication strategy. Allocation Model: on track with close oversight from Senior Management and SIIC. Analytical inputs and approach being developed and advanced.	Medium		On track Ongoing consultation with key stakeholders with modified allocation being reviewed by SIIC and Board in Oct/Nov 2015. Timeframe to achieve target risk: Q1 2016	Low
	4	Impact/ Mission Risk Impact in the 3 diseases at a global level will not be achieved to the desired level. Top 3 countries with high disease burden (in terms of population), highest Global Fund investment and critical for impact at global level are: Nigeria, Democratic Republic of Congo and India.	GMD	Comprehensive and tailored risk management approach in place for high impact and high risk countries (QUART), with total coverage of 43% (2014-15). Average risk across QUART rated grants in 2014-2015 is also high. Priority countries - Increased focus on implementation and oversight at sub-national levels. Improved alignment with and greater reliance on partners for strategic program development, data collection and monitoring and evaluation. Improved ongoing grant management controls with these countries receiving greater management time and scrutiny, including at the highest levels. For Nigeria: fiscal agent in place, using a risk based approach to focus on certain PRs and SRs, supply chain integration project ongoing, increased investment in CSS part of current grant making.	High		Ongoing Implement differentiation initiative in 3 priority countries (being large federal states with high disease burden and diversity), with targeted state level focus. Nigeria pilot starting in Q1 2016. Further intensify implementation support, oversight and strategic partner engagement, requiring additional Country Team resources and continued senior management engagement of Government at highest levels to ensure political leadership, increased domestic funding, improved quality of services, supply chain challenges and accelerated approach on a national scale. Timeframe to achieve target risk: 3-5 years. 2015-2020	Medium
	5	Sustainability and Transition Risk Countries are unable to sustain impact without further Global Fund support due to lack of political commitment & prioritization (in particular concerning highly stigmatized KAPs) and/or poor health systems which may lead to reversal of gains. a) Programmatic Sustainability b) Financial sustainability (domestic funding)	Policy, SIID, ER, GMD	Several actions as part of 2015 Corporate Priority 5 (expanded scope of work on sustainability). Review of 12 transition cases managed to date with critical findings, being considered in new draft guidance and implementation in EECA and LAC. New "major gift strategy" (mobilizing high net worth individuals, HNWI) led by Private Sector Department. Increased focus of sustainability and transition also in the new draft strategy framework.	High		On track New Framework and Policy on Sustainability & transition being prepared by Policy Hub for Board approval in March 2016. Continued collaboration with World Bank, WHO, PEPFAR, GAVI and other partners on sustainability planning. Continued advocacy for domestic financing including at high-level events (e.g. UNGA, ICASA, ICAAP, etc). Continued follow-up to HNWI opportunities. Timeframe to achieve target risk: 2-3 years.	Medium
	6	Resilient and sustainable systems for health (RSSH) Investment in critical HSS/CSS across countries with poor health infrastructure is insufficient or ineffective which may negatively affect coverage and sustainable impact of the disease programs including access to essential / quality health services for vulnerable populations.	SIID	Resilient health system strengthening included in new draft strategy framework as key pillar based on wide consultations, also considering better integration in SDG agenda and wider health impact with GF investments. Improved coordination with strategic partners at global level. Increased focus on HSS/ CSS data collection and analysis. Global Fund invests approx 30% of funds in RSSH. Increasing trend noted in new grants under NFM being signed including GF investment in DHIS, supply chain and human resources capacity strengthening. Independent evaluation by TERG on HSS conducted which is positive about Global Fund investment in RSSH.	High		On track Finalization of scope in new strategy framework to be approved in March 2016. Operationalise guidance and establish systematic coordination and TA with partners. Mobilise partnerships with other key global health actors to generate more robust data on community systems and stronger guidance on their inclusion in national health and disease strategies Timeframe to achieve target risk: 2-3 years.	Medium
	7	Human rights related barriers to accessing health services Most vulnerable and marginalized key affected populations in need will not be reached leading to not achieving impact and strategic objective No. 4.	SIID	Information Notes and guidance for inclusion in Concept Notes in place and being used during Country Dialogue which led to increased GF investment in removing legal barriers under new grants. New Minimum Standards included in grant agreements and part of OIG whistleblowing procedure. Further focus on operationalisation and capacity building planned and partnerships with UNHCR, MSF etc. Human Rights and Gender focus Included in new draft strategy framework as key pillar based on wide consultations.	High		On track Better integration of a human rights/ gender based approach in programming and implementation. Roll-out practical trainings internally (and to LFAs) to ensure better understanding and awareness raising of Human Rights and Gender issues, GF mandate and partners. Timeframe to achieve target risk: 2-3 years.	Medium
	8	Challenging Operating Environments (COE) No or limited health impact due to extreme external / contextual factors (chronic conflict, insecurity, weak governance/ health systems and capacity, large populations with no access to basic health services, poor oversight, high human rights violations etc). Approx. 30% of GF funding in COE's.	Policy, GMD	Comprehensive and tailored risk management approach in place for high risk countries (QUART) with coverage of COE countries currently at 60%. For acute crisis countries including Ebola affected countries, use of flexible reprogramming and/or emergency fund. Further other new innovative and flexible approaches approved by Senior Management and being implemented or pursued (e.g. Ukraine, Syria).	High		On track COE policy framework and GF differentiated approach to COEs based on TERG recommendations, internal and external consultations being prepared for SIIC approval in October 2015. Expand partnerships in COEs and strengthen knowledge sharing on COEs within GF and with other institutions active in COEs. Timeframe to achieve target risk: 2-3 years.	Medium
	9	Drug and Insecticide Resistance (TB and Malaria) Threat of increasing drug resistance in TB and Malaria due to poor quality programs (non-adherence with WHO standards/ guidelines), incorrect diagnosis, inappropriate use of drugs in particular by private care providers leading to increased mortality, propagation of drug-resistance, and higher treatment costs (MDR and XDR TB). For Malaria also risk of increasing insecticide Resistance (used in LLINs and IRS).	SIID, GMD	WHO normative guidance in place. Increased funding of MDR TB under GF grants, with particular focus on highest burden countries, to help prevent further spread of MDR TB. RAI project funded in Myanmar/ Thai border. Close monitoring of vector control interventions proposed during country dialogue and concept note review.	High		Ongoing Improve quality of services, scale up diagnostic and treatment capacities for drug-resistant TB and malaria. Support implementation of drug-regulatory policies, QA and adequate monitoring/ surveillance capacity in countries. Increase monitoring of quality of drugs and faster provision of available new quality drugs. Timeframe to achieve target risk: 3 years.	Medium
	10	Strategic Data quality and availability Poor quality and/or unavailability of strategic results and impact data due to poor in-country data systems may negatively affect accurate GF strategy development, new allocation model and Replenishment.	SIID	Strategic Data initiative and other actions as part of 2015 Corporate Priority 2 and 8: greatly improve results and impact measurement and Prepare for New Strategy & 5th Replenishment. Special Initiative on health data for impact with partners (World Bank, USAID and others).	High		On track As part of the Strategic Data to Maximize Impact Initiative, establish improved quality assurance mechanisms, consistent reporting standards/methodologies and accountability for programmatic data.	Medium

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Financial and Operational Risks (FOPC)	11	Foreign Exchange risk Inability to hedge foreign exchange exposures due to external institutional factors in the financial sector leading to losses.	FISA	All new contribution agreements are consistently hedged.	Medium		On track - improvement (risk reduced) Close monitoring of the FX "legacy" risk and related market entry strategy.	Low
	12	Substandard Quality of Health Products Substandard quality of GF-procured health products	Sourcing, GMD	Currently using a policy based approach to manage risk, but insufficient. Requirement for implementer to have a QA plan in place.	Medium		Need more resources in-house to industrialise policy and monitor conformance through a range of Supplier Quality Assurance and Product Quality Assurance activities.	Low
	13	New Projects/ Initiatives/ Processes: Critical projects and initiatives will not be delivered on time, as per required quality or in an effective way. (1) Automation (Salesforce, Grant Management Platform) (2) Differentiation and simplification of grant making and management processes (3) Risk and Assurance (4) E-Marketplace The organization is unable to significantly improve the way it defines, implements and maintains its core processes, including integrating business processes, enabled by IT, embedding risk management and risk based internal controls. Consistently slow implementation of Agreed Management Actions stemming from OIG reports.	GMD, FISA, SIID, Risk	(1) Project put on hold and independent diagnostic review conducted. Project significantly re-designed and re-initiated. (2) Differentiation concepts being developed within Strategy, Access to Funding, Finance, Risk and Grant Management, however lack of project management, governance and overall coordination structure. (3) Project & change management and governance structure in place but project has experienced delays. Currently in pilot phase. (4) Project and risk management plan in place and close monitoring by Senior Management and Board Committees. Process improvements ongoing: Consolidation and simplification of the Funding Model process and differentiation and improvement of grant making and management processes until end 2015.	Medium		Delayed (1-3) Need to ensure project management and governance structure for all critical projects, including effective coordination of multiple initiatives and improved collaboration. Embed Change Management and Risk Management in the process. Ensure adequate expertise and resourcing of project teams (sourcing external expertise as needed). Close monitoring and support by senior management to address bottlenecks and ensure successful project delivery (on time and as per required quality). Increased focus on timely implementation of Agreed Management Actions from OIG reports.	Low
	14	Organizational Culture Management fails to deliver new Global Fund culture including embedding values and improved managerial accountability, as well as driving high performance.	ED, MEC	Trainings to management targeted on improving culture conducted. Now expanded to all staff. Implementation of HR Strategy (ongoing).	Medium		Ongoing Continued focus on culture and values ('tone from the top'). Working Group on "fear to speak up" led by Chief of Staff to come up with recommended actions addressing root causes.	Low
	15	Grant related fraud and fiduciary risks There is a risk of a lack of financial / fiduciary control, including with respect to procurement, within implementers. The outcome of these risks if not managed appropriately are, under-absorption of funds, mis-use of funds and/or a lack of financial efficiency.	FISA	Strengthening of fiduciary controls including over procurement is being applied to new grants and during grant implementation (ongoing). Risk & Assurance project aims to implement financial assurance improvements and an agreed plan of action for improving the financial management capabilities of implementers.	Medium		Ongoing Ongoing monitoring and further improvements as per the Risk & Assurance project.	Medium
	16	IT risks Business interruption and disaster recovery: Interruption of activities due to loss of data and dis-functioning operational and back-up systems in IT. Data security/ Cyber risk due to external or internal cyber attack of sensitive Global Fund information which could lead to financial loss or reputational damage.	FISA	New IT Security officer hired leading an upgrade of the security infrastructure. Risk management plan in place and actions pursued to effectively strengthen IT internal controls based on OIG audit findings.	Medium		On track Upgrading of IT General Controls to ensure compliance with international IT control standards until end 2015. Upgrade of security infrastructure including mitigation of cyber risk until mid 2016. Implementation of risk mitigation actions towards good functioning of IT infrastructure improving business efficiency and effectiveness.	Medium
	17	Grant Oversight & Compliance Inadequate Principal Recipient oversight of grant program, typically caused by capacity gaps.	GMD, FISA, Risk	Under the NFM Principal Recipients must be chosen prior to TRP and GAC approval and meet minimum standards. Increased efforts are being made in grant making to address critical capacity issues prior to grant signing ('disbursement ready grant'). Implementation arrangement mapping being done for all new grants which helps in optimisation of implementation structure and targeted strengthening of internal controls.	Medium		ongoing Initiatives aiming to improve implementer capacity and strengthening of internal controls (e.g. new Finance initiative on FMS of PRs). Implementation of Risk & Assurance project, currently in pilot phase.	Medium
	18	Future funding / replenishment (2017-19) Inability to ensure sufficient funding as per target from public and private donors due to lack of political and CSO support for GF, not meeting stakeholder expectations and other factors outside of GF control (increased competition from climate change/ SDGs, changing development landscape, economic constraints of traditional donors).	ER	Replenishment Strategy and coordinated actions as part of 2015 Corporate Priority 8: prepare for New Strategy & 5th Replenishment. Close collaboration and engagement by External Relations with SIID, Policy Hub and Communications.	High		On track/ ongoing Close monitoring of high external risks (political, global economy, changing development landscape, SDGs-increased competition) and ongoing engagement of donors and partners at highest level.	Medium
	19	Poor quality of programs/services funded by Global Fund, including poor adherence to international standards for diagnosis, treatment and prevention, adherence to regimens, rational use of health products and targeting programmes to those populations most in need and at risk impeding achieving impact.	SIID, GMD	Global quality standards for key interventions in place and being considered under Global Fund grants (grant making and monitoring of implementation). Work-streams to address these issues include Risk and Assurance project and Program Quality Initiative.	High		Implementation of the Program Quality strategy in collaboration with partners (similar to Strategic Data initiative) targeting improvement of quality of services, embedding of a human rights/ gender based approach in programming and implementation, and increased monitoring (including civil society and community involvement).	Medium
	20	Treatment disruptions due to inadequate supply chain management and/ or poor quality forecast and consumption data. Causes may include inaccurate quantification or forecasting, poor stock management, distribution problems, unexpected events.	GMD, Sourcing	A systematic annual review and approval by the Secretariat of forecast and quantification is in progress and should be embedded this year. New Rapid Supply Mechanism being implemented by the Global Fund. Cooperation with key partners.	High		Need to implement strategy to strengthen in-country supply chain and ensure adequate resources.	Medium
	21	Low absorption (use of funds) Low Absorption of funds is a risk following delays in the signing of NFM grants and progress of grants. The use of funds of the portfolio is below expectations for 2015 and is expected to increase by 30% in 2016 to support the desired impact from the allocation.	FISA, GMD	There is a cross-Secretariat focus on the causes and remedies for identified Top 20 countries, and action plans have been developed to address grant bottlenecks and avoid further delays in grant signing.	High		On track Implementation of action plans for Top 20 countries in collaboration with strategic partners. Close monitoring and support from senior management as needed to address critical bottlenecks.	Medium
	22	Poor financial reporting It is the possibility that the records maintained and the reports provided by the PRs or SRs in relation to the GF funds are incorrect, delayed, incomplete or have inadequate supporting documentation.	FISA	Tracking of audit reports, identified issues and progress in addressing these. Capacity Assessment Tool (CAT) action plans and follow up of those action plans related to address weak PR financial management capacity and systems. Best practice approach by Implementers being pursued and piloted.	High		On track Develop and implement capacity-building action plans with a focus on "use of country systems & harmonization" (PRs are encouraged to focus on both their own & SR capacity building efforts) in collaboration with Government/PR & other partners. Enhanced fiduciary controls, systems, expenditure tracking and consistent reporting on Health (across different partners).	Medium
	23	Staff Health Risk of continued high stress levels and high sick leave of staff due to increased and unsustainable workload, tight deadlines, inadequate staffing and support, poor culture (and potential other root causes yet to be defined) leads to staff burnout and productivity loss.	ED, GMD, HR	Streamlining and differentiation of grant processes is a key priority for 2015 and is expected to reduce current high workload and inefficiencies. MEC agreed to support more flexible working arrangements for improved work-life balance. New Staff Working Group for Health and employee well-being came up with recommended actions addressing root causes analyzed. MEC approved action plan.	High		On track/ ongoing Continue implementation of MEC approved Action Plan. Implementation of streamlining and differentiation of grant making and management processes supported by effective IT automation.	Low

Risk Type	#	Risks	Risk Owner	Existing Risk Mitigations in place	Residual Risk	Current Direction of Travel	Target Risk	
Governance Risks (Transitional Governance Committee)	24	Weak governance and risk oversight Failure to adequately respond to identified weaknesses in governance mechanisms related to risk management and governance oversight, risks weak decision making and failure to provide clear strategic direction by the Board.	Board Chair	Key issues identified as needing action included in the mandate of the Transitional Governance Committee for recommendation to the Board in November 2015.	Medium		On track Board approval and implementation of improvements to the Board governance structure (Nov 2015 for Phase 1 and April 2016 for Phase 2).	Low
Ethical Risks (AEC)	25	Ethical Misconduct Non Compliance with ethical standards by key stakeholders and decision-makers leading to poor decision-making and the GF not meeting its strategic goals.	Ethics Official	Ethics Policy incl. Conflict of Interest in place. Codes of Conduct and various ethics policies in place for staff, GF recipients, suppliers, LFAs and Board. Whistleblowing line to OIG in place. Strengthened Ethics & Integrity Framework approved by GF Board in Nov 2014. Code of Conduct for Governance Officials and creation of an independent Ethics Office approved by GF Board end March 2015.	Medium		Some delays Hiring of new Ethics Official (until end 2015). Strengthening of existing ethics & integrity policies and system (Supplier Code of Conduct and Staff Code of Conduct until end 2015). Awareness raising and training to all key stakeholders and decision-makers. Monitoring of implementation and compliance.	Low
All	26	Reputation Misleading or disproportionately negative media coverage of misuse of funds or other inappropriate activities leads to reputational damage and potential loss of future donor funding.	Comms, MEC	Consultation with relevant Board members and partners as needed. Fast-moving communications and media coverage require coordinated planning and agile engagement.	Medium		Ongoing Consider expansion of integrity due diligence to Sub-Recipient level (in particular in COEs) and strengthening of QA verification of quality of drugs.	Medium

1 Identifying Risk & Risk definitions

Consider the risks and risk factors that could affect the organisation and/or your division/dept reaching its objectives.

Risks: are potential events and circumstances that could affect the achievement of organisational, management and program objectives and results.

Strategic Risks: Risks related to achieving the strategic objectives of the organisation and ensuring its existence in the long term.

Operational Risks: Risk events arising from people, systems and process failures and external events which might negatively affect the achievement of operational objectives.

Risk description: describe the risk event, root causes and key drivers, and the potential impact/ consequence(s) if the risk event were to occur.

2 Assessing Inherent Risk

Inherent risk is the level of risk before any controls or other mitigating actions are in place

For each risk: Consider the likelihood of the risk occurring. Rank the likelihood from 'low' to 'high' (1-3) - see "Key" sheet

Consider how serious the impact would be if that risk were to actually happen. Rank the impact from 'low' to 'high' (1-3) - see "Key" sheet

Multiply the likelihood by the impact to get the level of inherent risk

3 Onset of risk

The timeline within the risk could occur e.g. immediate, in the next 3-4 months or in the next year(s).

Consider whether the risks are time bound (linked to specific activity) vs systemic

4 Existing Controls

Think of the existing controls and mitigation measures in place that are designed to manage the risk and assess their effectiveness.

Risk management strategies (available options): accept, avoid, transfer/ share, mitigate risk.

5 Assessing Residual Risk

Residual Risk is the risk that remains after controls and risk mitigation measures have been put in place and considering their effectiveness.

E.g. Controls or regulations in place but not implemented, not complied with by the users or not effective will lead to a higher residual risk level and trigger improvement actions.

For each risk: Define the likelihood of the risk occurring, considering current controls in place and their effectiveness. Rank the likelihood from 'low' to 'high' (1-3). - see "Key" sheet

Define how serious the impact would be if that risk were to actually happen, considering current controls in place and their effectiveness. Rank the impact from 'low' to 'high' (1-3) - see "Key" sheet

Multiply the likelihood by the impact to get the level of residual risk. - see "Key" sheet

6 Direction of travel (Trend)

Given new or improved controls/ risk mitigation measures put in place and implemented, is the likelihood/impact of the risk increasing, decreasing or static?

Please note that in order for the risk trend to decrease (i.e. improve) there needs to be evidence that new or improved controls are actually being implemented and demonstrated to be effective.

The direction of travel will help decide whether further management actions are needed to mitigate the risk.

7 Target Risk (Risk Appetite & Risk Tolerance for a specific risk) -

Currently as defined and proposed by the Risk Owner. Subject to approval from MEC and Board (planned for Q3 2015)

Target risk describes how much risk management is willing to accept in order to reach objectives. It helps define management's 'risk appetite'

Target risk helps to ensure that risks are not over or under managed, and that GF financial and human resources are allocated effectively.

8 Further Risk Management Actions

Think of further actions or activities that are required to manage the likelihood or impact of the risk down to the target risk level, also considering current gaps or ineffective controls.

9 Responsibility and Timeline

Assign the risk to a responsible staff member (senior manager) to manage and define a respective timeline related to effective implementation for each action.

10 Status

On a quarterly basis track implementation of planned controls & risk mitigation measures: done, on track, delayed

Examples of the risks that commonly arise:

Strategic

Poor implementation of strategy

Poor partner relations

Financial

Funding from donors

Liquidity/Foreign Exchange

No budget to cover planned activities

Operational

Poor quality data

Poor quality programmes

Difficulty in recruiting or retaining suitable staff

Not complying with statutory regulations

Fraud or corruption

Hazard

Death of an employee

Office is unaccessible due to a crisis

Corporate Risk Management Plan Key:

(a) Strategic Objectives 2012-2016

- 1 Invest more strategically
- 2 Evolve the funding model
- 3 Actively support grant implementation success
- 4 Promote and protect human rights
- 5 Sustain the gains, mobilize resources
- SE1 Enhance partnerships to deliver results
- SE2 Transform TGF governance, operations and fiduciary controls

(c) Risk Ranking

Overall risk rating considering both likelihood and impact of risk occurring, as per table below, resulting in - High risk (red), Medium risk (yellow), Low risk (green) -

Likelihood	High	3	6	9
	Med	2	4	6
	Low	1	2	3
		Low	Med	High
		Impact*		

***Note: High Impact** in case risk event would materialize in terms of:
 1 - major deviation from target (significant underachievement or delay)
 2 - major financial loss or wastage of funds
 3 - major reputational damage.

(b) 2015 Priorities

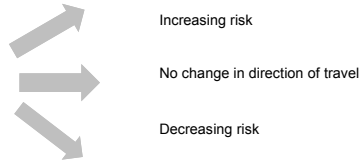
- P1 Implement and Improve the funding model
- P2 Greatly improve results and impact measurement
- P3 Increase cost-effectiveness & synergies of investments
- P4 Implement combined assurance framework
- P5 Expand scope of work on Sustainability
- P6 Governance Strengthening
- P7 Upgrade capabilities and efficiency of Global Fund resources
- P8 Prepare for New Strategy & 5th Replenishment

Strategic Objectives allocation

- SO 1
- SO 1
- SO 1 and 3
- SO 3
- SO 5
- SE 2
- SE 2
- SO 5, SE 2

(d) Direction of travel (looking ahead)

Based on risk mitigation measures implemented to date and working effectively.



Guidance for further Management action

- New or improved mitigation actions required (incl. potential increased resources or efforts)
- Close monitoring of implementation of improvement actions and potential further actions related to target risk
- Continued monitoring

