Semi-annual Risk Management Report
46th Board Meeting

GF/B46/19
8-10 November 2021, Virtual

Board Information

Purpose of the paper: to provide the Board with an updated report on the current risk profile of the organization, as well as risk management priorities for 2021 and 2022.
Executive Summary

Context

1. COVID-19 has continued to cause widespread disruption throughout 2021. Diversion of resources to the COVID-19 response and restrictions on movement and travel have continued which has negatively impacted service availability and the ability of patients to access health facilities, which in turn has resulted in disruption to outreach prevention programs, case notification, new patients being put on treatment and treatment adherence. There also continues to be significant upstream disruption to global and in-country supply chains impacting the timely availability of critical HTM and COVID-19 health products and equipment.

Issues this paper addresses

2. COVID-19 related disruption and ongoing volatility have increased the organizational risk profile. However, the expectation is that it will start to stabilize moving into 2022 and for some risks, the direction of travel should already start to decrease.

3. The May Risk Report and CRO’s Annual Opinion to the Board called out a number of priorities for 2021 that were needed to adapt the Global Fund’s risk management tools in response to the evolving risk landscape. Significant progress has been made in this context with all priorities now either fully operationalized or in the process of being operationalized.

4. Risk relating to Program Quality have been the most impacted by the pandemic and consequently this is where the majority of effort has been focused, in particular in terms of understanding the impact of COVID-19 on reaching programmatic targets and what this means for mitigating actions, and how they need to be adapted, and for risk appetite. Strengthening and building out monitoring and oversight tools and processes has also been a major area of focus.

5. Looking forward to 2022 the key risk management priorities will be focused around monitoring and oversight, including tracking the implementation and scale-up of priority interventions for HTM programs, concluding operationalization of monitoring and oversight initiatives, ensuring that the data being collected through the new reporting and assurance mechanisms is being effectively used, and leveraging lessons learned from monitoring and oversight to inform broader organizational strengthening efforts around implementation oversight.

Conclusions

6. Despite the ongoing challenges and the increased organizational risk profile the Global Fund has made good progress in 2021 in adapting the risk management framework and mitigating the impacts of the pandemic. Through this process of adaptation the organization’s approach to risk management has also matured and the organization is in a strong position moving into 2022.
Input Sought

7. This Report is provided for information and has been shared with all standing Committees of the Board. It has been discussed as an agenda item at the 17th Audit and Finance Committee and Strategy Committee meetings in October 2021. Ethics and Governance Committee members were invited to submit written comments. Key areas for the attention of the Board are the updates provided on individual risks and on the organizational risk profile, as well as progress made on priorities for 2021 and those identified for 2022.

Input Received

The Audit and Finance Committee (AFC) and the Strategy Committee (SC) acknowledged that risk levels have increased as a result of COVID-19 disruption, and that additional mitigating measures are being implemented. It was highlighted that the current operating environment will continue to have an impact on programs, and that mitigating measures will need to continually evolve and adapt. The Committee’s reiterated the support of constituencies for continued efforts to strengthen mitigation measures with the aim of bringing risk levels down, balanced against the need to ensure program continuity and drive improvements in programmatic performance.
Report

Background

8. If the watchword of 2020 was ‘crisis’, as the Global Fund, like the world at large, quickly tried to adjust to the widescale disruption caused by COVID-19, the watchword for 2021 is ‘adaptation’.

9. In early 2021 there was hope that the roll out of vaccines would bring about the end of the pandemic. However, the emergence of new variants and challenges with vaccine roll out, have meant that this has not been the reality. The pandemic persists and the expectation is that it will continue to hit countries in waves for the foreseeable future. Nonetheless, despite the ongoing disruption, the Global Fund, partners and implementers have all adapted.

10. Working modalities have changed, with remote working now considered the new normal by many. It continues to pose challenges though, large swathes of the global population still struggle with remote access, and many have feelings of isolation, but it has largely enabled the Global Fund’s work to continue despite restrictions on movement and travel.

11. Internal processes have also been adapted. Additional flexibilities have been introduced through Business Contingency Plans to ensure continuity of internal and in-country operations. C19RM has been significantly scaled-up to respond to a new injection of funds, both in terms of operational capacity but also in terms of process efficiency, effectiveness and internal monitoring and oversight. In-country assurance and monitoring and oversight is also being strengthened in response to increases in risk levels for grant-facing risks, heightened expectations in terms of data availability and use, and the need for more agile issue identification and course correction.

12. Programs have also adapted in response to disruption. Priority interventions have been identified to ensure a clear and strategic focus on the adaptations that are critical to reversing losses sustained as a result of COVID-19 disruption. Work is also ongoing to identify opportunities for further scale-up.

13. The operational context remains challenging as the Global Fund’s implementing countries continue to be impacted. The organization’s risk profile has inevitably increased and the speed of the response needed in the face of such volatility is unlikely to relent in the near term. However, the adaptations introduced over the course of 2021 to the risk management framework, underpinning processes and tools, and the initiatives being rolled out over the remainder of 2021 and into 2022, put the organization in a strong position to continue to respond effectively and with the required agility.

Operating context

14. As already highlighted COVID-19 has continued to cause widespread disruption throughout 2021. Diversion of resources to the COVID-19 response and restrictions on movement and travel have continued which has negatively impacted service availability and the ability of patients to access health facilities, which in turn has resulted in disruption to outreach prevention programs, case notification, new patients being put on treatment and treatment adherence. Between 2019
and 2020, HIV testing dropped globally by 22% which has held back HIV treatment initiation in most countries, the number of people treated for drug-resistant TB in the countries where the Global Fund invests dropped by 19%, and suspected cases of malaria testing fell by 4.3%.

15. Movement restrictions have also required adaptations to the way CCMs, PRs, LFAs and Fiduciary and Fiscal Agents provide oversight and undertake planned assurance activities. There also continues to be significant upstream disruption to global and in-country supply chains, especially production and freight, impacting the timely availability of critical HTM and COVID-19 health products and equipment. Global restrictions through 2020 and early 2021 limited supplier capacity to undertake requisite pre-shipment QA testing in some instances, impacting quality assurance. Human rights violations and gender-related abuse have also been on the rise, and whilst yet to materialize, the negative economic impacts of COVID-19 and the persistent uncertainty create opportunities and incentivize fraud and other negative behaviors.

16. Although COVID-19 related disruption remains the single most influential factor impacting the Global Fund’s operating environment, other political and environment events have also had implications for Global Fund operations including natural disasters, regime changes and conflict. Whilst these events do not have the global reach of COVID-19 they have significant implications for program continuity at country level and potentially devastating consequences for individuals and Global Fund beneficiaries.

**The Global Fund’s response to the COVID-19 pandemic**


   i. The Situation Response Team (SRT) continues to meet to monitor the situation and ensure the organization is responding to unfolding events and changing guidance in order to keep our people safe.

   ii. Business Contingency Plans (BCPs) remain in place to ensure operational continuity through defined flexibilities.

   iii. Through a scaled-up COVID-19 Response Mechanism (C19RM) the Global Fund also continues to support countries to maintain the Global Fund’s core mission, financing interventions to help mitigate the impact of COVID-19 programs on HTM as well activities to reinforce the national pandemic response1.

   iv. The Global Fund also continues to act as a core partner on the Access to COVID-19 Tools (ACT) Accelerator, acting as a co-lead or significant player in every pillar, excluding vaccines.

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1 C19RM received an injection of USD 3.7 billion in 2021, the majority of which has now been awarded. Investments are split across reinforcing the national COVID-19 response (72%), mitigating the impact on HIV, TB and malaria programs (16%), and making urgent improvements to health and community systems to help fight COVID-19 (12%).
The Global Fund's risk profile

Overview

18. COVID-19 related disruption and ongoing volatility have increased the organizational risk profile. However, the expectation is that it will start to stabilize moving into 2022 and for some risks, the direction of travel should already start to decrease.

19. Annex 1 contains the Organizational Risk Register (ORR) update for Q2-2021. Key thematic risks are discussed further in this section, and a summary from the ORR provided in the table below.

<table>
<thead>
<tr>
<th>Risk Name</th>
<th>Residual Risk</th>
<th>Risk Appetite</th>
<th>Change since last quarter</th>
<th>Direction of travel</th>
<th>Global Fund ability to mitigate</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 - Program Quality - HIV</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Steady ➔</td>
<td>Moderate</td>
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<td>02 - Program Quality - TB</td>
<td>Very-High</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
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<td>03 - Program Quality - Malaria</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Steady ➔</td>
<td>Moderate</td>
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<td>04 - M&amp;E</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Steady ➔</td>
<td>Moderate</td>
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<tr>
<td>05 - Procurement</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
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<tr>
<td>06 - In-Country Supply Chain</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
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<tr>
<td>07 - Financial and Fiduciary</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>10 - Human Rights &amp; Gender Inequality</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Minor</td>
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<tr>
<td>13 - SEAH and Misconduct</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
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<tr>
<td>21 - Workforce Capacity, Efficiency &amp; Wellbeing</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Significant</td>
</tr>
</tbody>
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20. More detailed information on the risk drivers, mitigating actions and the impact on risk levels can be found in the paper to the Board, Recommended Updates to Risk Appetite.²

Program Quality

21. The risks for Program Quality for HIV and malaria remain High and following adjustments to grant-risk levels, the TB risk level increased in Q1 from High to Very High. The 2021 Global Fund Results report confirm the impact of COVID-19 on HIV testing and prevention services by 22% and 12% respective, TB notifications for drug sensitive and drug resistant cases also declined (notifications reduced by over 18%) with 1M fewer cases notified in 2020 compared to 2019 and this gap is even more marked if we project the level of ambition on finding missing TB cases. The number of suspected cases tested and cases treated for malaria dropped slightly, by 4.3%

² GF/BM46/06
and 0.5% respectively. Thanks to adaptation measures, prevention activities including mosquito net distribution, IRS and SMC campaigns remained stable or increased compared to 2019.

22. National disease programs and Global Fund grant implementers, with technical support from partners, continue to adapt their programs and implementing a range of prioritized adaptations to mitigate the impacts of the pandemic. These include, scale-up of multi-month dispensing, out-of-facility dispensing and virtual service delivery, optimization of health systems capacity, for example through bi-directional testing, digitization and for malaria specifically, door-to-door campaign operation. To facilitate prioritization and informed risk trade-offs there have been disease specific thematic discussions to review the prioritized adaptations and target critical set of countries that have been significantly impacted and or likely to have the most impact and likelihood of success. These set of priorities will be systematically monitored.

M&E

23. The M&E risk level remains high. Although the Global Fund was on course to achieve the target risk level of moderate by mid-2021 this no longer is the case due to increased M&E needs and a corresponding strain on human resources, resulting from the need to oversee COVID-19 initiatives alongside already existing and routine HTM programs. COVID-19 has also created the need for more data more frequently whilst simultaneously raising expectations about the extent to which this is possible.

24. Joint efforts with partners have facilitated the establishment of COVID-19 surveillance systems, including specific reporting modules under national tools like DHIS. Investments are being directed towards improving surveillance capacity and digitization of HTM programs especially for reporting, malaria control campaigns and patient monitoring and adherence systems. Establishing the infrastructure for more frequent reporting and better use of data to drive decision at the country and global levels, and within the Secretariat, is also a priority. Through these initiatives the M&E risk is anticipated to stabilize and achieve the target risk level by end 2022.

Procurement

25. Following adjustments to grant-risk levels, the Procurement risk level increased in Q1 from Moderate to High but this increase is expected to be short-lived. There have been delays at manufacturing sites and lengthy international transportation processes causing disruption to freight and logistics. However, some impacts on production disruption have been resolved for HTM commodities, and further mitigations are in place and / or planned.

26. Mitigations include collaboration with ACT-A partners to ensure equitable access across countries to limited supplies (such as SARS-CoV-2 diagnostics), coordination with WHO and UNICEF to help secure new sources of products (oxygen equipment and services), and aggregated demand planning to facilitate negotiations with manufacturers. Order placement is also being strengthened leveraging Wambo/PPM mechanisms as the preferred procurement channel for C19RM grants.
In-Country Supply Chain

27. The In-Country Supply Chain risk remains High. Although in-country supply chains have proven to be resilient, major up-stream delays are placing pressure on in-country systems, compounded by restricted workforce capacity, prioritization of manufacturing chains for COVID-19 products and lengthy international transportation processes causing disruption to freight and logistics. Higher flows of products through non-PPM channels and the introduction of more complex product categories, like oxygen supply, also introduce additional risk and the potential for diversion of resources and product leakage.

28. To mitigate these risks, assurance activities are being strengthened and drivers of buffer stocks are being reconstituted in preparation for potential future delays in international deliveries. The private sector is also being selectively engaged to deliver specific supply chain functions, such as storage and transportation, in under-performing environments. Alongside these measures, the Global Fund and partners (WFP, UNDP) are working to set-up parallel supply chain systems in challenging operating environments to provide further options and interventions to countries.

Financial and Fiduciary (Grant-Related Fraud and Fiduciary, and Accounting and Financial Reporting by Countries)

29. The financial and fiduciary risks remain High. COVID-19 has caused widespread economic turmoil and the outlook remains uncertain. Disruptions have impacted oversight by CCM, PRs and assurance providers particularly in the initial phase of the pandemic, but all stakeholders have rapidly adapted to the new normal, facilitated by technology, improved contingency plans and adaptations in the assurance approach. Nonetheless the risk of fraud remains heightened and there is also likely to be an increase in recoveries due to lack of documentary evidence, delays in reporting and an increase in ineligible expenses. COVID-19 has also highlighted some emerging risks such as cyber-security.

30. To ensure reporting and assurance practices are maintained with the same rigor, the Secretariat is continuing to work proactively to establish and update Business Contingency Plans with PRs and grant implementers, fiduciary and fiscal agents, and LFAs. These plans aid the strengthening of systems and introduce adapted process controls and monitoring measures, to give greater flexibility to assurance providers to provide the requisite assurance and oversight. Measure to mitigate the risk of cyber fraud and fraudulent financial transactions include mandatory Global Fund direct payments to certain suppliers, interim measures for bank account management, multi-factor authentication, and new guidance to mitigate cyber security fraud risk have also been introduced.

Human Rights and Gender Inequality

31. The Human Rights and Gender Inequality risk remains High. COVID-19 has resulted in increased human rights violations, including a spike in gender-based violence. Barriers to service access for key and vulnerable populations have been compounded under the pandemic whilst efforts to break down barriers throughout services and programs have been hampered by COVID-19 restrictions, causing material delays. This has led to further marginalization of key groups within society.
32. The Global Fund has been leveraging C19RM funding requests to help mitigate the risk of human rights and gender barriers, and further support in-country programs. Templates, frameworks, and guidance were disseminated with the help of CRG networks to support CCMs when making funding requests. This is helping countries ensure high quality human rights interventions are being integrated into grants. The Global Fund is also strengthening the partnership with Thomson Reuters Foundation to better equip implementers with skills needed to raise awareness about human rights and gender inequality, and report the topic to the public.

Sexual Exploitation, Abuse, Harassment (SEAH), and misconduct

33. Restrictions on movement, social distancing and isolation, a difficult socio-economic context causing heightened vulnerability and power differentials, and disruption to services and personnel normally available to support and safeguard vulnerable populations, are all contributing to an increased risk of prohibited behavior, and an increased risk that any such prohibited behavior will cause serious harm to individuals and the ability to deliver on the Global Fund mission. Assessment of the risk of SEAH in Global Fund grants is needed.

34. The nature of this risk and changes in the operating environment mean that the Global Fund must engage in thorough capacity and risk analyses of implementers. Through this analysis, a range of preventive practices will be identified as needing strengthening or adapting, and new measures will be explored. This process requires careful consideration, and it is expected that it will take time to fully embed such efforts, particularly with downstream partners. Measures already introduced include updates to the Global Fund’s Codes of Conduct to include specific language that creates accountability for preventing and responding to acts of sexual exploitation and abuse and sexual harassment, the publication of the PSEAH Framework, the creation of the PSEAH Coordination Unit, and the remodeling of internal governance structures to engender and reflect high-level and diverse engagement and support for cross-cutting PSEAH efforts throughout the organization.

Workforce Capacity, Efficiency, and Wellbeing

35. Increased workload, Secretariat capacity and constraints on international recruitment all continue to cause staff fatigue or delays in long-term activities.

36. The Global Fund has undergone significant organizational change to mitigate the impacts of COVID-19 through a process of re-prioritization and resource re-allocation. Business Contingency Plans have also been introduced to facilitate appropriate remote working solutions and provide greater support to staff under COVID-19 restrictions. Integrated organizational planning has been embedded as part of an annual process cycle, to drive alignment between organizational priorities and workforce requirements, and recruitment and onboarding of new staff continues to meet the increased capacity required to address ongoing and future challenges. While the risk level is moderate it will need to be closely monitored given that the crisis is expected to continue for the foreseeable future.
Risk management priorities in 2021

37. The May Risk Report and CRO’s Annual Opinion to the Board called out a number of priorities for 2021 that were needed to adapt the Global Fund’s risk management tools in response to the evolving risk landscape. Significant progress has been made in this context with all priorities now either fully operationalized or in the process of being operationalized. Inevitably there will need to be a focus on lessons learned and continuous improvement, but the framework is robust and aligned to the specific demands of the operating context. Furthermore, experience with C19RM and the steps taken to respond to lessons learned from 2020 and ongoing learnings from 2021 have also highlighted a strong organizational appetite, and the necessary humility, to look for, acknowledge and respond to improvement opportunities.

38. Risk relating to Program Quality have been the most impacted by the pandemic and consequently this is where the majority of effort has been focused, in particular in terms of understanding the impact of COVID-19 on reaching programmatic targets and what this means for mitigating actions, and how they need to be adapted, and for risk appetite. As we move further into implementation of both HTM grants and C19RM strengthening monitoring and oversight tools and processes for grant implementation has also been a major area of focus.

Updates to risk management tools

39. The risk management tools were updated late last year to reflect the impact of COVID-19 on root causes and risk drivers. Moving into 2021 the priority was to reassess risk levels to ensure they equally reflect the impact of COVID-19 related disruption. A combination of top-down analysis, using a range of tracer indicators as a proxy for disruption, and bottom-up analysis, involving engagement with Country Teams to ensure country context was taken into account, and resulted in adjustments to a range of grant facing risks. These adjustments were subsequently updated in the Integrated Risk Management tool to generate updated organizational risk levels, which have been reflected in the Organizational Risk Register since Q1.

Updates to risk appetite

40. The impact of COVID-19 on risk levels, as reflected in the adjustments to grant-facing risk levels, has meant that the risk appetite set by the Board in 2018 required revisiting. The Global Fund’s starting point has been to look at the level of programmatic ambition and the activities that would need to be implemented to deliver on that ambition.

41. The paper to the Board, Recommended Updates to Risk Appetite3, provides a detailed overview of the process that was undertaken to develop recommendations on risk appetite, the rationale for the recommendations on individual risk appetites and the approach to operationalization. In summary the process involved engagement with disease Situation Rooms and partners on the level of programmatic ambition and an assessment of the anticipated impact of prioritized mitigations on risk levels, and the timeframes for those mitigations to take effect.

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3 GF/BM46/006
42. Increases in risk appetite are being requested for four out of eleven grant-facing risks: Program Quality TB, procurement, and the two financial and fiduciary risks. Extensions of timeframes for reaching target risk levels are being requested for five out of the eleven risks: Program Quality HIV, TB and malaria, M&E, and In-Country Supply Chain. No changes to risk appetite statements are being recommended for three out of the eleven risks: In-Country Governance, Quality of Health Products; and Foreign Exchange.

43. Subject to the Board’s approval of the recommendations on risk appetite the focus will switch to ongoing operationalization through a combination of business-as-usual processes, and continuous improvement.

**Leveraging lessons learned to strengthen mitigations**

44. Changes to the risk landscape require adaptations and changes to mitigating actions. As highlighted in paragraph 13 there has been a systematic review of program adaptations in the first half of 2021, working with disease Situation Rooms and partners. This process has been used to understand what has worked well and which interventions are most critical in regaining lost ground, so that they can be prioritized and where appropriate scaled-up. This exercise has also set a precedent for a more rigorous and systematic approach to developing risk management strategies at country level, that we anticipate leveraging moving forward, and that will help ensure more focused follow-up on key mitigating actions. Again, in the paper to the Board, Recommended Updates to Risk Appetite⁴, a detailed breakdown of the different prioritized interventions is included in the annex.

**Improved monitoring and oversight and decision-making**

45. In a higher risk and volatile environment, where there may be a need for greater risk taking, it is critical that there is timely access to, and use of, data to identify bottlenecks, emerging risks and to facilitate course-correction. In addition, as already highlighted, as the focus is now grant implementation there needs to be increased attention on downstream operational monitoring.

46. Strengthening monitoring and oversight has been a key area of focus throughout 2021. The C19RM monitoring and oversight workstream (M&O) is being used as an entry point for strengthened oversight of C19RM 2021 investments but it will also be used to track disruptions to HTM programs, implementation of adaptations for HTM and the impact of disruption on programmatic performance. In the medium-term efforts to leverage data for operational monitoring and oversight will be rolled into broader organizational efforts to strengthen oversight of grant implementation. Strengthening initiatives that are already being operationalized include: routine reviews of upstream operational data to assess performance against KPIs and to identify bottlenecks and problem-solve; enhancement of monitoring tools including more integrated IT solutions to improve data access and use; and enhanced routine PR reporting through the introduction of quarterly Pulse Checks and updates to Progress Updates. Pulse Checks are being rolled out from Q4⁵ to improve visibility on programmatic performance, implementation progress and expenditure and forecasts.

47. Assurance is also being strengthened to provide visibility of the extent to which risks are materializing. Strengthening initiatives include the introduction of a centralized Supply Chain and

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⁴ GF/BM46/06
⁵ Pulse Checks will be rolled out for all High Impact and Core portfolios.
Health Services Spot Check\(^6\), which is being rolled out from Q4 focused on providing increased visibility and assurance in relation to HTM and C19RM health product and service availability and disruption at facility level.

**Risk management priorities moving into 2022**

48. Looking forward to 2022, the key risk management priorities will be focused around monitoring and oversight and leveraging revised risk appetite (subject to Board approval) to make intelligent risk trade-off decisions in support of programmatic priorities.

49. Tracking the implementation and scale-up of priority interventions for HTM programs will be critical to understand progress with roll-out but also the extent to which the interventions are having the intended impact on programmatic outputs and outcomes.

50. Concluding operationalization of the monitoring and oversight initiatives listed in the preceding section will also be key. Several of these are on track for roll out in Q4. However, there will inevitably be teething troubles and consequently a process for lessons learned and continuous improvement will need to be embedded into routine processes, looking at the timeliness, completeness and quality of the data being reported, challenges and opportunities for improvement.

51. A parallel priority will be to ensure that the data being collected through the new reporting and assurance mechanisms is being effectively used. This means ensuring that data is being analyzed in a way that focuses on red flags and outliers. This is already happening but there is still room for improvement in terms of systematizing this process to ensure a shift away from pure reporting to issue identification, root cause analysis and problem solving. This in turn will enable the organization to become even more agile in how it responds to issues specific to individual portfolios but also in terms of addressing more cross-cutting issues.

52. Finally, leveraging lessons learned from monitoring and oversight to inform broader organizational strengthening efforts around implementation oversight will also be key. C19RM is an emergency response and consequently it has been rolled out at speed. This has inevitably involved significant ‘learning by doing’ which will continue to provide lessons learned that can be used as an input into the design, implementation and scale-up of broader initiatives.

\(^6\) Supply Chain and Health Services Spot Checks will be rolled out for 45 High Impact and Core portfolios.
Conclusion

53. The impact of COVID-19 continues to be significant. Inherent risk levels have increased and the Secretariat, partners, implementers and beneficiaries continue to feel the effects both professionally and personally. The organizational risk profile has increased. However, despite the challenges and the ongoing volatility of the operating environment the Global Fund has made good progress in 2021 in adapting the risk management framework and mitigating the impacts of the pandemic. As a result, the expectation is that the risk profile will start to stabilize moving into 2022, and for some risks, the direction of travel should already start to decrease.

54. It is also important to note that through this process of adaptation the organization’s approach to risk management has also matured. There is more rigor around prioritization to ensure that resources are being targeted where they can have the most impact. The appetite for institutional self-reflection and building on lessons learned has also increased enabling a more mature approach to problem identification and, critically, problem solving. In addition, the organization’s agility has also increased. Staff, partners and implementers have all stepped up, supporting the implementation of new initiatives that will ultimately help maximize the impact of HTM and C19RM investments and save lives.

55. Challenges nonetheless remain and risks will inevitably materialize. There is also still work to be done in terms of operationalizing improvement and strengthening initiatives linked to risk management. However, the organization is in a strong position moving into 2022.
Annexes

The following items can be found in Annex:

- Annex 1: Organizational Risk Register (ORR) for Q2-2021
- Annex 2: Relevant past Board Decisions
- Annex 3: Links to relevant past documents and reference materials
1. The organization’s overall risk profile continues to be elevated due to the impact of COVID-19 in-country disruption effecting program delivery, supply chains and national economies. Since the last ORR update in Q1-2021, risk levels remain unchanged with 12 of the 22 risks having a ‘High’ or ‘Very High’ risk level, of which, majority are grant facing. In addition, direction of travel for 13 of the 22 risks continues to trend upwards.

2. However, the direction of travel for the Program Quality (PQ) - HIV & Malaria have stabilized due to ongoing efforts of various program adaptations. For PQ-HIV, ongoing adaptations to support people on ART and maintaining access to HIV testing are moving forward. For PQ-Malaria ongoing adaptations and support for malaria campaign implementation have had positive results.

3. While majority of grant facing risks remain at a ‘High’ risk level, we expect that the direction of travel will stabilize and reverse in the coming quarters. The primary drivers behind this reversal include:
   i. Program Quality - ongoing efforts of various program adaptations;
   ii. M&E - integration of COVID-19 reporting into national HMIS platforms like DHIS and improved use of data for COVID-19 surveillance and localized response, contact tracing and program adaptations;
   iii. Procurement - ongoing efforts on articulating the health product segmentation framework to manage procurement related risks, and additional grant assurance activities;
   iv. In-Country Supply Chain - implementation of Supply Chain and Health Services Spot Checks and restructured technical assistance modalities, with a particular focus on regional and remote assistance; and,
   v. Finance & Fiduciary - ongoing efforts of various adaptations and additional assurances under the C19RM mechanism.

4. Since the COVID-19 pandemic has had a significant impact on the Global Fund’s operating environment, causing widespread disruption, risk levels are significantly higher, and some have exceeded the Board Approved Risk Appetite levels. Implementing mitigating actions will take time, and for those risks where the Global Fund has less influence, higher risk levels may need to be accepted for longer. Therefore, work is currently underway to revise the Risk Appetite Levels, new target levels and associated timeframes to achieve the target risk levels. These revisions and recommendations will be presented to the 2021 November Board and will be reflected in the ORR upon approval.
## ORR Risk Summary

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<td>07 - Financial and Fiduciary</td>
<td>Audit &amp; Finance Committee</td>
<td>High</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>08 - In-Country Governance</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>09 - Quality of Health Products</td>
<td>Strategy Committee</td>
<td>Moderate</td>
<td>Under Review</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>10 - Human Rights &amp; Gender Inequality</td>
<td>Strategy Committee</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Minor</td>
</tr>
<tr>
<td>11 - Transition</td>
<td>Strategy Committee</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Minor</td>
</tr>
<tr>
<td>12 - Drug &amp; Insecticide Resistance</td>
<td>Strategy Committee</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
</tr>
<tr>
<td>13 - SEAH and Misconduct</td>
<td>Ethics &amp; Governance Committee</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>14 - Future Funding</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>15 - Internal Operations</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
</tr>
<tr>
<td>16 - Integrated Grant Policies, Processes, Systems &amp; Data</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
</tr>
<tr>
<td>17 - Risk Management &amp; Internal Controls</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Significant</td>
</tr>
<tr>
<td>18 - Legal</td>
<td>Ethics &amp; Governance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
</tr>
<tr>
<td>19 - Governance &amp; Oversight</td>
<td>Ethics &amp; Governance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Significant</td>
</tr>
<tr>
<td>20 - Organizational Culture</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
</tr>
<tr>
<td>21 - Workforce Capacity, Efficiency &amp; Wellbeing</td>
<td>Audit &amp; Finance Committee</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Significant</td>
</tr>
<tr>
<td>22 - Reputation</td>
<td>Board</td>
<td>High</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
</tr>
<tr>
<td>Risk Description</td>
<td>Risk Impact</td>
<td>Change since last quarter</td>
<td>Root Cause</td>
<td>Related Action</td>
<td></td>
<td></td>
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<tr>
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</tr>
<tr>
<td>Current controls &amp; mitigations</td>
<td>Poor treatment outcomes and loss of patient cohort. Failure to find missing cases of HIV – and failure to reach those at high risk of HIV with effective prevention-leading to ongoing HIV transmission/acquisition. Impact mediated by pandemic response (lockdowns and stigma and fear generated) as well as physical difficulty accessing services, and diversion of health systems attention and resources.</td>
<td>No change</td>
<td>COVID-19 related restrictions, use of administrative measures and other efforts to control the pandemic have negatively affected prevention programs (especially for KP's e.g. harm reduction services for PWID, services for sex workers and VMCC which reported a high level of disruption). All care and treatment activities relying on attending health facilities disrupted – but most are returning to previous pre-pandemic levels, although in several countries new starts on treatment have been impacted. Case finding for children highly disrupted with slower recovery. People currently on treatment retention less affected with disruptions. Diversion of government and other bilateral financial and human resources to COVID19 response resulting in limited fiscal space for HIV specific programmes.</td>
<td>MA-5728 MA-5729 MA-5740</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.</td>
<td>Current direction of travel</td>
<td>Interventions and targets not sufficiently focused on populations most in need of services or include highest impact to reduce new HIV infections and well-linked to achieving program outcomes.</td>
<td>MA-5728 MA-5732</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inadequate quality of programs/services and/or delays and disruptions in implementation and service delivery of existing programs due to COVID19 pandemic, funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable outcomes in the fight against the HIV and the effort to strengthen resilient and sustainable systems for health.</td>
<td>Steady</td>
<td>Guidelines/tools to review quality of services are not available or programs are not routinely reviewed and/or deprioritized during COVID.</td>
<td>MA-5730 MA-5732 MA-5733 MA-5734 MA-5735 MA-5736 MA-5737 MA-5739</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Global Fund ability to mitigate</td>
<td>Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines and tailored communication to GMD for acceleration of transition to updated technical partner guidance.</td>
<td>MA-5730 MA-5734</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Change in timeframe</td>
<td>Target Risk</td>
<td>Inadequate staff capacity working in environments that are often not sufficiently supportive (gaps in training, support and supervision, miscalculated incentives, etc.) and health care worker burn out as tasked with COVID related activities.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Risk Appetite</td>
<td>Insufficient and inadequate use of data for the appropriate design of quality and efficient programs aligned with epidemiological context, combined with insufficient monitoring and surveillance.</td>
<td>MA-5730 MA-5736</td>
<td></td>
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<td></td>
<td></td>
<td>Moderate</td>
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<td></td>
<td>Under Review</td>
<td>Erosion of political momentum to pursue bold ambitions to scale up prevention and curative services.</td>
<td>MA-5730 MA-5735 MA-5736</td>
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</tbody>
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<tbody>
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<td>Interventions and targets not based on programs’ context or not addressing National Strategic Plan priorities.</td>
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<td>Target Risk</td>
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<td></td>
<td>Change in timeframe</td>
<td>MA-5730 MA-5735 MA-5736</td>
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<tr>
<td></td>
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<td>Target Risk</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Erosion of political momentum to pursue bold ambitions to scale up prevention and curative services.</td>
<td>MA-5730 MA-5735 MA-5736</td>
</tr>
</tbody>
</table>
countries have introduced new policies to adapt HIV service delivery under lockdown.

<table>
<thead>
<tr>
<th>MA-5775</th>
<th>Focused support for HIV prevention programs in a subset of countries that face significant disruptions:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Re-establish VMMC services, where appropriate</td>
</tr>
<tr>
<td></td>
<td>- Condom programs – supply, distribution to non-facility-based outlets and community sites, adapted demand creation</td>
</tr>
<tr>
<td></td>
<td>- Support for adaptation of HIV prevention outreach services towards alternative/ redefined service delivery models (social media platforms for KPs, peer-led network-based outreach programs, including protective measures for peer/ community outreach staff)</td>
</tr>
<tr>
<td></td>
<td>- Prioritize investment for self-testing, self-care and other rapid and community-based testing programs. Move for over the counter status and subsidy for HIV ST, condoms, PreP - with private sector distribution and subsidy.</td>
</tr>
<tr>
<td></td>
<td>- Additional support for gender-based violence services</td>
</tr>
</tbody>
</table>

**Overall Status**

Risk mitigation is on track. There are no material delays.

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5736 Further differentiation of HIV testing to improve efficiency and effectiveness for first 90 (90-90-90 Global Target) and as entry point to prevention. Work with technical partners to improve modalities of out of facility HIV testing, and linkages to treatment for positives and prevention for HIV negative individuals. Scale up differentiated service models in all countries with added support through the DSD SI in 8 countries, accelerate use of HIV self-testing in all countries – special focus on those with matching funds.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>TAP</td>
</tr>
<tr>
<td>MA-5739 Further support for implementation of new guidance and action planning related to: - Working with sourcing, GMD and partners (such as PEPFAR) on TLD transition countries - PreP surge – accelerate introduction of prep and use of new DVP ring for prevention in females. - HIV self-testing surge - investment case prepared for C19RM IC/Portfolio optimization consideration. - Managing risk of and transition to pediatric treatment DTG 10 mg. Accelerate transition to more effective regimens and address potential country level need to dispose of existing stock.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>TAP</td>
</tr>
<tr>
<td>MA-5776 Accelerate adoption of five Covid HIV program adaptation must haves (Multi-month dispensing of prevention, care and treatment products; out-of-facility dispensing of prevention, care and treatment products; virtual service delivery through telephone or online platforms; differentiated HIV testing –including self-testing (HIVST) and out-of-facility models; and KP and AGYW Prevention Programming adaptations): - Technical guidance developed and dissemination in collaboration with HIV partners and the HIV Situation Room - UNAIDS virtual clinics and UAIDS/WHO technical support though regional focal person - Streamlined support to CCM through Global Fund partnership for C19RM funding request development. Rigorous process for Secretariat and CTAG/GAC partner review of funding requests and recommendation by Investment Committee - An enhanced Monitoring and Oversight approach to further strengthen systematic review of program performance and identify risks and outliers (portfolio wide or country specific issues) for attention and steer from C19RM Investment Committee.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>TAP</td>
</tr>
<tr>
<td>MA-6071 Align with PEPFAR and review funding and alignment to ensure adequate support for program adaptation implementation. Deep Dive look at implementation readiness, appropriateness, and scale to protect treatment across 9 high burden countries and to protect prevention across 4 priority countries.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>TAP</td>
</tr>
</tbody>
</table>
### Risk Description
Inadequate quality of programs/services funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable outcomes in the fight against Tuberculosis and the effort to strengthen resilient and sustainable systems for health.

### Risk Impact
Poor adherence to international standards for prevention, diagnosis and treatment, and poor adherence to treatment regimens, or treatment disruptions contributed by the (lockdown and restriction of movement) pandemic, contributing to the reduction in case detection, treatment and prevention activities which may lead to increased drug resistance, treatment failure and heightened disease burden. Based on current information, while the current risk level is ‘Very High’, with ongoing efforts of various program adaptations, we expect the direction of travel to stabilize and reverse in the coming quarters.

### Change since last quarter
<table>
<thead>
<tr>
<th>Current direction of travel</th>
<th>Increasing</th>
<th>Global Fund ability to mitigate</th>
<th>Moderate</th>
</tr>
</thead>
</table>

### Residual Risk
| Very High | Risk Appetite | High | Target Risk | Moderate | Target risk timeframe | Under Review |

### Key Countries
Bangladesh, Cameroon, Cambodia, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Mozambique, Myanmar, Nigeria, Pakistan, Philippines, South Africa, Tanzania, Uganda, Ukraine, Viet Nam, Zambia

### Root Cause
- Treatment disruptions due to lockdowns; constraints on both demand for health (less people accessing health care centers from fear of Covid infection) and supply for health care services (TB staff and domestic funding resources redeployed for pandemic response, MDR wards repurposed for Covid 19, gaps in supply chain for therapeutic).
- Insufficient and inadequate use of data for the appropriate design of quality and efficient programs aligned with epidemiological context, combined with insufficient monitoring and surveillance.
- Interventions and targets not based on programs’ context or not addressing National Strategic Plan priorities.
- Key interventions not sufficiently focused on populations most in need of services, or well-linked to achieving program outcomes.
- Guidelines/tools to review quality of services are not available or programs are not routinely reviewed.
- Programs do not adhere to approved national or WHO guidelines e.g. medicine formulations, diagnostic tools, laboratory, procurement, patient identification, prevention, care and treatment or adherence to TB treatment, or there is an absence of a clear framework to guide decision making.
- Poor quality of health products and unstable drug supply, which is further exacerbated by the pandemic.
- Insufficient adequate capacity working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and inappropriate use of drugs.

### Current controls & mitigations

| MA-5483 | Guidance (internal and from WHO) has been elaborated on how to continue with TB programs activities and mitigate the impact of Covid-19 epidemic. This guidance has been shared internally (country teams) and externally (countries). | MA-5484 |
| MA-5486 | Refocusing on grant programs' quality and efficiency, within current budget limitations, through strengthening in country review and dialogue with partners to identify opportunities to improve quality and leverage partner technical, financial and political resources accordingly. | MA-5490 |
| MA-5488 | WHO normative guidance regarding appropriate treatment guidelines and protocols in place. Global Fund support for implementation of new WHO guidelines, including guidelines in Drug Resistance TB, innovation initiatives including the Innovation 2 Impact Initiative to develop and deliver new vector control products, and development of new and innovative disease management strategies. | MA-5495 |
| MA-5492 | Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines. | MA-5493 |

### Assurances
- Country evaluations, Thematic reviews
- Routine Programmatic analysis
- National Health Facility Assessment
- Partner reviews

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

## Controls & mitigations in development or planned

| MA-5482 | Accelerate uptake of program adaptations, innovations and catch-up plans using existing grant resources and C19RM mechanism, through ongoing dissemination of best practices and technical guidance and support to programs through Global Fund Partnership mechanisms to maintain and expand disease prevention and treatment programs, including strengthening of communities and community responses. Specifically, this entails:
- Work with 20 priority countries with the largest level of disruption to develop context-specific mitigation interventions and monitoring mechanisms by end 2021, and implement country specific surge-up plans after mapping priority interventions to scale-up TB screening and testing to bridge the gap in TB notification.
- Prioritized adaptations include:
  - TB/CIOV19 bi-directional screening and testing
  - TB/CIOV19 contact tracing
  - Provide virtual TB care in community (using NGOs or community workers, digital adherence technologies)
  - Accelerate engagement with private sector for early diagnosis and treatment
  - CSO/Community facilitated drug delivery and patient support: Home based TPT delivery and integration of TPT delivery in existing MMD strategies etc.
  - Campaign style approach to diagnosis, treatment and prevention
  - Ensure commodity security. Accelerate use of smart purchasing for TB services (lab, CXR, drug delivery, treatment
| MA-5484 | | Underway | 31-12-2022 | TAP |
| MA-5493 | Strengthening integrated service delivery: Integration of HIV, TB and malaria services into broader service delivery platforms (i.e.-ANC/PNC, PHC) through technical partners and implementers. | Underway | 31-12-2021 | TAP |
| MA-5494 | The efforts of the TB Strategic Initiative will continue in the next cycle 2020-2022 with expansion of coverage (from 13 to 20) and scope (finding missing people with TB including DS-TB, DR-TB, and TB prevention therapy): US $ 150 million: Matching Fund for priority countries; US $ 14 million: TB Strategic Initiative to support implementation of innovative approaches to find and treat missing people with TB through working with Stop TB Partnership and WHO; US $ 40 million multi-country investment for programs focused on migrants and cross-border issues, the mining sector, refugees, improved laboratory services. The signing of the grants with implementing partners for the TB SI is underway. The implementation of the country component for TA has been initiated and TA has been deployed in consultation and coordination with partners. There is a significant delay in signing of the grants to initiate work on the Global Component of TB SI to support countries. | Underway | 31-12-2023 | TAP |
| MA-5495 | Further support for implementation of new guidance and action planning related to TB: Support to countries for implementation of new guidance and action planning related to both drug sensitive drug and drug resistance TB through the TB Strategic Initiative. This includes operationalization of the new GLC MoU which was signed in July 2020; supporting countries transition to the new MDR-TB regimens (About 75% (15) of the 20 priority countries will start implementing the new regimens for treatment of patients with DR-TB and about 80% of the countries will receive TA support from GLCs in 2021 and dissemination of new WHO regimens and guidelines within the Secretariat. | Underway | 31-12-2021 | TAP |
### Change since last quarter

<table>
<thead>
<tr>
<th>Residual Risk</th>
<th>Direction of travel</th>
<th>Global Fund ability to mitigate</th>
<th>Target Risk</th>
<th>Target Risk timeframe</th>
<th>Key Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Current</td>
<td>Steady</td>
<td>High</td>
<td>Moderate</td>
<td>The Global Fund's bilateral and multilateral partners have the capacity and opportunity to influence but not control program quality risk</td>
</tr>
</tbody>
</table>

### Key Countries

Bangladesh, Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Nigeria, Pakistan, Rwanda, , Sudan, Tanzania, Uganda, , Viet Nam, Zambia, Zimbabwe

### Root Cause

- Inadequate and inappropriate use of data for the appropriate design of programs and efficient programs aligned with epidemiological context, combined with insufficient monitoring and surveillance.
- Interventions and targets not based on programs' context or not addressing National Strategic Plan priorities.
- Key interventions not sufficiently focused on populations most in need of services, or well-linked to achieving program outcomes.
- Guidelines/tools to review quality of services are not available or programs are not routinely reviewed.
- Programs do not adhere to approved national or WHO guidelines e.g. medicine formulations, diagnostic tests, laboratory, procurement, patient identification, prevention, care and treatment or adherence treatment, or there is an absence of a clear framework to guide decision making.
- Early detection and treatment: Case management may be challenging when increases in PPEs at health facilities and at the community (to ensure and assure continuation of services) which is a challenge in many countries, prolonged lead times for key commodities and reports of stock outs in some countries.

### Current controls & mitigations

| MA-5851 | Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines. |
| MA-5854 | WHO normative guidance regarding appropriate treatment guidelines and protocols in place. |
| MA-5855 | Supporting sub-national stratification to target vector control tools and other interventions to maximize impact through modeling under STC SI in support of High Burden High Impact (HBHI) initiatives. All 11 HBHI countries submitted funding requests based on outcomes of modeling and sub national stratification. |
| MA-5857 | Expanding access to care via appropriate channels (public, community versus private) |
| MA-5858 | Sub-national stratification to target vector control tools to maximize impact and efficiency. Routine monitoring (community/ facility) |
| MA-5859 | Scale up of synergist LLINs to address pyrethroid resistance. And ensuring campaigns remain on track or are accelerated (where possible): ITN, SMC campaigns are generally noted to be on track. Some challenges noted with IRS campaigns, mostly supply chain related issues linked to PPEs and/or insecticides. To note that non-COVID-19 related downstream operational and political challenges (in some countries) have also contributed to the delays in IRS campaigns. Country evaluations, Prospective Country Evaluations |
| MA-5861 | Refocusing on grant programs' quality and efficiency, within current budget limitations, through strengthening in country review and dialogue with partners to identify opportunities to improve quality and leverage partner technical, financial and political resources accordingly. Routine Programmatic analysis |
| MA-5861 | Strengthening review of quality at Secretariat level through country-specific and cross-portfolio reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement. Population based surveys/ Malaria Indicator Surveys |
| MA-5862 | Global Fund grants support countries to implement changes to drug policies when necessary, accelerate uptake of innovation and behaviour change communication for disease prevention and support programs to improve treatment adherence. National Health Facility Assessment |
| MA-5863 | Aligning program and data quality assurance with overall Risk and Assurance Planning. |
| MA-5864 | Enhancing quality of service provision given access. Program quality spot checks, Thematic reviews |
| MA-5865 | 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). |

### Overall Status

Risk mitigation is on track. There are no material delays.
### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>ID</th>
<th>Description</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5856</td>
<td>Accelerating elimination of malaria in 20 countries, through technical assistance and the use of catalytic funding of USD 7m. As at the end of Q4 and conclusion of the SI: 5/21 E2020 countries have been certified malaria-free, of which 4 are Global Fund supported. Seven of the 10 countries meeting the 2020 GTS elimination milestone were supported through this strategic initiative: Algeria, Belize, Cabo Verde, China, El Salvador, Islamic Republic of Iran and Malaysia.</td>
<td>Underway</td>
<td>31-09-2021</td>
<td>TAP</td>
</tr>
<tr>
<td>MA-5866</td>
<td>Catalyzing market entry of new LLINs through pilots in a number of high burden countries in Western Africa which have intense pyrethroid insecticide resistance. Includes USD35m in catalytic funding. As at the end of Q4 the SI had supported the cost differential of 21.3M new nets for deployment in 5 countries with critical insecticide resistance concerns.</td>
<td>Underway</td>
<td>30-12-2021</td>
<td>TAP</td>
</tr>
</tbody>
</table>
| MA-5867| Accelerate uptake of program adaptations, innovations and catch-up plans using existing grant resources and C19RM mechanism, through ongoing dissemination of best practices and technical guidance and support to programs through Global Fund Partnership mechanisms to maintain and expand disease prevention and treatment programs, including strengthening of communities and community responses. Specific measures include:  
- Vector control: Prioritize filling gaps in vector control coverage of current geographic areas and upgrade tools (Pyrethroid-only ITNs to pyrethroid-PBO ITNs) where feasible and applicable.  
- Seasonal Malaria Chemoprevention (SMC): Prioritize filling gaps in current geographic areas and expanding geographic coverage to areas identified through stratification exercises and incorporated into funding requests for (full scale up of SMC following WHO criteria is expected in 2021 onwards, subject to TRP approval)  
- Work with manufacturers to maximize product availability in view of advance procurement and increased need for health products: This applies to PPEs, ACTs/RDTs, ITNs, insecticides and SMC drugs. For some products such as for SMC, manufactures’ capacity for expansion beyond 2021 campaigns may be limited. Market entry for additional manufacturer is subject to PQ approval, which may bring additional capacity  
- Partner mobilization and collaboration to support adaptations of mass LLIN, SMC and IRS campaigns to the COVID-19 context enabling scheduled campaigns to proceed and targeted coverage to be achieved.  
- Coordinating with partners to triangulate information on stock-out situation (based on partner data/LFA survey etc.) and improve health product demand forecast (12-18months outlook).  
- Minimize (and prevent) risk of potential stock outs of ACTs/RDTs by ensuring adequate stocks are maintained at the central level, including flexibilities based on increased consumption and prolonged procurement lead times.  
- An enhanced Monitoring and Oversight approach for C19RM initiated to further strengthen systematic review of program performance and identify risks and outliers (portfolio wide or country specific issues) for attention and steer from C19RM Investment Committee. | Underway     | 31-12-2021        | TAP          |
Risk Description: Poor quality and/or unavailability of program data due to weak in-country M&E systems and/or delays or disruption in service provision (caused by the COVID-19 pandemic) that do not lead to proper planning decisions and efficient investments and therefore hamper programs' ability to reach their targets and health impact.

Risk Impact: Poor quality data (delayed and/or incomplete data) can impede implementers' management of quality programs and the Global Fund’s ability to assess their impact. This can result in programs with improper focus on relevant interventions and beneficiary populations and failure to achieve desired public health impact. While the programs were largely on track to reach moderate level in 2021, the risk has transiently increased to 'High' due to COVID-19 disruptions and repurposing of M&E staff and increase in demand for frequent and recent data. However, with integration of COVID-19 reporting into national HMIS platforms like DHIS and improved use of data for COVID-19 surveillance and localized response, contact tracing and program adaptations we expect the direction of travel to decrease in the coming quarters.

Change since last quarter: No change

Current direction of travel: Steady

Global Fund ability to mitigate: Moderate

Residual Risk: High

Risk Appetite: High

Target Risk: Moderate

Target risk timeframe: Under Review

Key Partners: The World Health Organization, GAVI, Gates Foundation, USG (PEPFAR/OAGC, USAID, CDC), NORAD, GIZ and World Bank and University of Oslo have a moderate ability to mitigate Strategic Data Quality and Availability risk.

Key Countries: Bangladesh, Burkina Faso, Cameroon, Côte d’Ivoire, DRC, Ethiopia, Ghana, Guinea, India, Indonesia, Kenya, Malawi, Mali, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Rwanda, South Africa, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia, Zimbabwe. PNG

Root Cause

- Insufficient human and financial resources, and infrastructure and/or disruptions in routine HMIS reporting contributed by reduced staff availability and capacity and repurposing of M&E staff for COVID-19 response and reporting.
- Weak management at country level and/or delays in coordination of activities with in-country stakeholders delayed due to prioritization of COVID-19 response activities.
- Inadequate supervision (also caused by restrictions and lockdowns in country from the COVID-19 pandemic).
- Poor analytical capacity
- Sub-optimal access to and use of program data
- Inadequate national M&E and HMIS Strategy with costed work plans
- Incomplete, multiple, or non-functional in-country data systems and data sources
- Fraud of program and performance data
- Disruption in the implementation of planned systems strengthening activities, including roll out of HFAs, DQRs, surveys or evaluations are due to Covid-19 pandemic disruptions in countries, as well travel restrictions which prevent or delay the QA/TA providers, including international service providers to travel to the countries, and the restrictions with in-country movement restrictions which prohibit or delays field-based visits to sites.

Current controls & mitigations

- Grant supported investments for strengthening of in-country M&E systems, including routine monitoring of facility and community systems rollout and maintenance.
- Developed Global Fund Data Use for Action and Improvement Framework for 2017-2022 and operational guidance to guide how the Global Fund supports countries in strengthening their data collection and analysis capacity in order to ensure good quality data and analyses are available at country level and used for decision making during all stages of the program cycle, and the use of identified 3rd party service providers for data quality assurance.
- Through Catalytic Funding, development of a pool of pre-qualified providers to increase availability of Technical Assistance for M&E. Consultants in the pool (~200) have been deployed in over 40 countries, completing 82 TA requests across 8 M&E technical areas during NFM2. In addition, 13 new TAs currently ongoing, and 3 TAs are at initial planning stages (SI 2021).
- Systematic roll-out of evaluations in most focused portfolios. Through the 2018-2020 Strategic Initiative for Data (DATA-SI), 74/83 program evaluations (i.e. 89.1%) of HTM programs were successfully completed in GF Focused portfolios/countries by the end of December 2020, and rest being cancelled due to COVID-19 related disruptions. Mitigating measures were implemented to ensure the conduct/completion of these evaluations in some of the focused countries. NFM 3 evaluation planning in focused countries is ongoing across the relevant GF regions (working closely with GMD) and is expected to be finalized in Q3 2021.
- Guidance note on key areas for M&E investments issued and being used by Country. Resources also developed for the COVID-19 context and disseminated to Country Teams; includes digital health information systems guidance. It also supports adapting M&E global tools, normative guidance and tools to virtual versions and e-learning training courses. Continuous structured review by MEGA Team of the M&E and HMIS Module of all HI and Core country new Funding Requests.
- Rigorous assessment of key population service coverage in 65 countries, with in-depth review in 32 countries and desk reviews for 33 countries completed. Recommendations for systems improvement being put in place. Quality assurance of Population based surveys-IBBS/PSE, MIS, TBPS in 39 countries, 8 completed.
- Systematic tracking of KP6d (% of countries with fully deployed and functional HMIS) and provision of support through Data SI and through MECA team staff to countries in need.
- Thematic reviews to provide information on progress of specific cross-cutting areas supported by GF strategy, e.g. ICCM, intervention packages for KPs, factors contributing to favorable MDR-TB treatment outcomes etc.; 12/13 reviews commissioned were all completed in 2021, and dissemination of the results are continuing through 2021. Through an extensive consultative process with internal and external stakeholders, 12 key thematic areas have been identified for review during 2021-2023.
- Strengthening coordination with partners for Covid monitoring (e.g. with ACT-A, WHO, UNAIDS, PEPFAR, Modelling Consortium, etc to minimize any duplication/reporting burden on countries) and inclusion of a module in the evaluation protocol on COVID-19 disruptions and mitigations for upcoming evaluations.

Related Action

- Country/ Portfolio Evaluations
- National Data Quality Reviews (DQR)
- Routine Programmatic analysis (use for Data Quality triangulation)
- Data quality spot checks
- Partner reviews
- Prospective Country Evaluations
- Thematic Reviews, Population-based surveys
- Monitoring country data systems
- Thematic Reviews, Population-based surveys
- Health Facility Assessments
Through Catalytic Funding /MECA operations, joint plan established and implemented on strengthening HMIS systems with HISP University of Oslo (DHIS) and WHO (through the Strategic Initiative funding for Country Data Systems). New contracts for new Strategic Initiatives cycle 2021 – 2023 recently signed and starting new cycle of implementation. The partnership also supports deployment of DHIS2 COVID-19 surveillance and contact tracing modules in countries’ national HMIS. These COVID-19 DHIS2 modules are now operational in 41 countries and in development in additional 13 countries.

Review of data systems (community/facility)

Through Catalytic Funding, development of a pool of universities and local institutions to strengthen analytical capacity using local network of universities: workplan for strengthening analytical capacity done in 11 countries.

National or Disease Specific ProgramReviews

Rolled out LFA COVID-19 monthly monitoring survey (started in May 2020 as bi-weekly, changed to monthly since April 2021) intended to provide regular up-to-date information on extent of disruptions on the HIV, TB and malaria services, underlying health systems (HMIS, LMIS, in-country supply chain, financial management systems etc.), and the extent of disruptions in key grant processes (development of funding request and grant making).

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome measurement of AGYW programs in 5 Southern Africa countries. Delays experienced due to the pandemic and Ethics Review Board approval.</td>
<td>Underway</td>
<td>31-08-2021</td>
<td>MECA</td>
</tr>
<tr>
<td>Undertake independent quality assurance of external QA of surveys in prioritized countries.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>MECA</td>
</tr>
<tr>
<td>Develop and operationalize the Monitoring and Oversight framework to track C19RM investments across core programmatic, financial, procurement and process related indicators across the C19RM grant life cycle.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>MECA</td>
</tr>
<tr>
<td>Roll-out of Pulse Checks and Supply Chain and Health Service spot checks to have frequent and recent data to inform program adaptations and impact of C19RM investments on the three disease programs and C19 response and strengthen grant assurance.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>MECA, TAP, SO</td>
</tr>
</tbody>
</table>

Risk mitigation is on track. There are no material delays.
### Risk Description

Global Fund exposure to health commodities procurement is material, as it captures between 40% and 60% of grant funding across the portfolio. The risk is concentrated in sub-Saharan Africa, with up to 75% of grant funds in the region budgeted for health commodities. Generally, about 59% of the Global Fund health commodities projected spend is procured centrally through the Pooled Procurement Mechanism (PPM), presenting an important market shaping opportunity, the balance is procured through a wide range of procurement channels, including national systems (20% of projected spend) and international organizations (e.g., UN agencies) (21% of projected spend). Health commodities procured through PPM have any associated risks managed directly by the Secretariat. Those commodities procured through the national systems can encounter challenges (& potential risks managed by the country) requiring Global Fund awareness, so as to enable mitigation and support; challenges include, but are not limited to, poorly managed and lengthy procurement processes, inadequate capacity to maximize value opportunities through strategic sourcing approaches and fraud that negatively affects value for money and the continuity of supply. Based on current information, while the current risk level is ‘High’, with ongoing efforts on articulating the health product segmentation framework to manage procurement related risks, and additional grant assurance activities, we expect the direction of travel to stabilize next quarter and start reversing in the coming quarters.

<table>
<thead>
<tr>
<th>Risk Control</th>
<th>Current direction of travel</th>
<th>Global Fund ability to mitigate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Moderate</td>
<td>Low</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

### Root Cause

- Lack of critical mass (volume) for, and limited market knowledge of, critical health product portfolios, decreasing leverage
- Inadequate procurement planning and lack of coordination with international partners
- Potentially lengthy processes, and other governance challenges to the national procurement approaches.
- Less than mature sourcing strategies and supplier relationship management, reducing value for money opportunity.
- Restricted availability and/or increased workloads of the workforces involved in commodities’ production, import/export documentation and controls, freight and logistics service providers, the Secretariat, and Procurement Services Agents (PSAs) and Partner Organizations as a result of COVID-19.
- Freight and logistics disruptions, increased costs, including but not limited to the COVID-19 pandemic, driven by (a) origin and/or destination countries adopting different restrictions (b) reduced air and ocean freight capacity (c) origin and destination customs capacity.
- Suppliers prioritizing the production and supply of COVID-19 and other commodities before core health commodities needed by Global Fund programs. This particularly affects diagnostics.
- PR disruptions, such as COVID-19 pandemic lockdown restrictions and workforce illness, leading to late order submission or delayed order approvals/engagement, further limiting options for timely product delivery.
- Export restrictions or limited supply availability of health commodities and/or associated raw materials could impact a country’s health commodity supply security, whether COVID-19 or HTM.
- Reductions in non-Glob 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.
- Implications of the continued COVID-19 pandemic have resulted in an increased requirement for commodities for oxygen supply for recipient countries. This is a complex product category with very different product characteristics unfamiliar to Global Fund and international partners, which makes it more difficult to ensure supply at the international/global level, whether for oxygen (cylinders, PSA plants etc.) or equipment (concentrators).

### Current controls & mitigations

<table>
<thead>
<tr>
<th>Current controls &amp; mitigations</th>
<th>Assurances</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>Market Shaping Strategy was reviewed by Technical Evaluation Reference Group, the progress was reported to the Committees and the Board and acknowledged to be on-track. Implementation continues.</td>
</tr>
<tr>
<td>Support access and compliance on a common platform (wambo.org), allowing PRs to transact orders using grant and non-GF grant funding, while extending PPM-negotiated prices and conditions to non-PPM procurements by other interested buyers through the Leveraging Impact Framework.</td>
<td>Only QA compliant products are purchased through Wambo.org</td>
</tr>
<tr>
<td>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.</td>
<td>Supplier monitoring of stock which can be made available through Rapid Supply Mechanism (RSM) to ensure availability of commodities as required, as per Framework Agreements.</td>
</tr>
<tr>
<td>Grant budgeting guidance requiring use of PPM reference prices as a budget price for all PRs (Guidelines for Grant Budgeting).</td>
<td>LFA reviews of health product purchases for compliance with QA Policy and grant budgeting guidance.</td>
</tr>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>Supply Operations Steering Committee quarterly review of exceptions report.</td>
</tr>
</tbody>
</table>

### Table of Key Countries

<table>
<thead>
<tr>
<th>Root Cause</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5840</td>
<td>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.</td>
</tr>
<tr>
<td>MA-5841</td>
<td>Support access and compliance on a common platform (wambo.org), allowing PRs to transact orders using grant and non-GF grant funding, while extending PPM-negotiated prices and conditions to non-PPM procurements by other interested buyers through the Leveraging Impact Framework.</td>
</tr>
<tr>
<td>MA-5843</td>
<td>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.</td>
</tr>
<tr>
<td>MA-5846</td>
<td>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.</td>
</tr>
</tbody>
</table>
demand planning by the PRs

MA-5852 Increase and expand alternative products and supply options, such as determining possible product and supplier shortlists in case alternate supply is required (MRDT, 2nd line ARVs, PBO LLINs, PPE, commodities for oxygen supply).

MA-5853 Leverage partnerships to optimize supply, logistics solutions and accelerate regulatory approval pathway; jointly manage demand with common recipient countries; regular coordination with other multilateral organizations (such as USG, South Africa, etc.).

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5844 Design and implement a fit-for-purpose demand management process to maximize value (delivery performance, savings, secure the supply, etc.)</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-5845 Continued expansion of procurement by country organizations using non-grant funding to reach an additional US$50 million spend, subject to further revision by the Strategy Committee.</td>
<td>Underway</td>
<td>31-12-2022</td>
<td>SO</td>
</tr>
<tr>
<td>MA-5848 Improve the due diligence process that assesses the supply risk and price increase requests.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-5849 Define and deploy a cross-function supply chain operational risk management forum in response to major risk areas.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-6053 Partner with organizations with commodities for oxygen supply knowledge, UNICEF and i+solutions (following a PSA category selection tender) to ensure oxygen supply product availability whilst the commodities for oxygen supply strategy is developed (as applicable).</td>
<td>Underway</td>
<td>01-10-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-6334 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.</td>
<td>Underway</td>
<td>31.12.2022</td>
<td>SO</td>
</tr>
<tr>
<td>MA-6335 Conduct systematic pre-award LFA procurement reviews for procurement of COVID-19 HP conducted outside of Wambo/PPM, as part of the standard assurances package for C19RM funding.</td>
<td>Not started</td>
<td>31-12-2022</td>
<td>GMD</td>
</tr>
<tr>
<td>MA-6336 Regular communication with PRs/countries on product lead-times and order placement deadlines</td>
<td>Underway</td>
<td>31.12.2023</td>
<td>SO</td>
</tr>
</tbody>
</table>

Overall Status: Risk mitigation is on track. There are no material delays.
### 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 waste and poor value for money. Ultimately, this can lead to reduced impact of Global Fund investments and increased mortality and morbidity.

### Change since last quarter

<table>
<thead>
<tr>
<th>Current direction of travel</th>
<th>Global Fund ability to mitigate</th>
<th>Residual Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing</td>
<td>No change</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

### Root Cause

Inadequate in-country supply chain leadership, lack of in-country coordination, limited capacity of in-country actors to perform supply chain functions in many instances exacerbated by national response measures to COVID-19 and in-country disruptions. 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. Inadequate facility/storage capacity and conditions, logistics information planning and distribution capacity; poor inventory management including insufficient inventory turns. Need for storage of COVID-19 products contributes to scarcity of warehousing. Lack of coordination among donors and key stakeholders that are involved in or support the supply management cycle of health products in country. 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. As a result of COVID-19, reduced Secretariat and implementer capacity/resources to drive implementation of agreed Transformation plans and reduced mobility of service providers to provide TA and collect data. Diversion of existing scarce resources across Global Fund and partners to support logistics relevant to COVID-19 response rather than the three diseases Insufficient number and quality of service providers to provide in-country supply chain related technical assistance.

### Key Partners

Agencies of the US Government, Bill and Melinda Gates Foundation, Gavi, World Bank, World Health Organization and Interagency Supply Chain Group

### Key Countries

Bangladesh, Cameroon, Chad, Congo (Democratic Republic), Côte d'Ivoire, Ethiopia, the Gambia, Ghana, India, Malawi, Mali, Nigeria, Pakistan, Sudan, Tanzania (United Republic), Uganda, Burkina Faso, Haiti, Liberia, Niger, South Africa

<table>
<thead>
<tr>
<th>Risk owner</th>
<th>2021-Q2</th>
<th>MEC Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5694</td>
<td></td>
<td></td>
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<tr>
<td>MA-5695</td>
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<td>MA-5696</td>
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<td>MA-5697</td>
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<td></td>
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<tr>
<td>MA-5698</td>
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</tbody>
</table>

### Current controls & mitigations

<table>
<thead>
<tr>
<th>Assurances</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Cross-Donor Secretariat has been developed to allow a range of donors to align on and coordinate efforts related to in-country supply chain strengthening, data availability and COVID-19 response.</td>
<td>MA-5694 MA-5695 MA-5699</td>
</tr>
<tr>
<td>Ongoing implementation of revamped, overarch Supply Chain Roadmap over the next 4 years to better leverage grant and SI funds, both for the 3 diseases and COVID. This includes implementation of supply chain strengthening transformation plans.</td>
<td>MA-5693 MA-5694 MA-5696 MA-5697 MA-5698 MA-5731 MA-6047</td>
</tr>
<tr>
<td>Selectively engage private sector to be used as providers to deliver supply chain functions such as storage or transportation in underperforming environments. Service providers have been identified to be able to quickly support countries to outsource storage and distribution if needed.</td>
<td>MA-5693 MA-5697 MA-5698 MA-5699 MA-6047</td>
</tr>
<tr>
<td>Reporting on product availability (KPI 6b) on a quarterly basis for prioritized countries and support impact-focused improvement plans.</td>
<td>MA-5693 MA-5694 MA-5699</td>
</tr>
<tr>
<td>Monthly LFA surveys include feedback on the level of in-country supply chain disruption and months of stock available nationally for critical program commodities in order to inform actions in response as needed.</td>
<td>MA-5731</td>
</tr>
</tbody>
</table>

### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underway</td>
<td>31-12-2023</td>
<td>SO</td>
</tr>
<tr>
<td>Underway</td>
<td>31-10-2021</td>
<td>SO</td>
</tr>
</tbody>
</table>

### Overall Status

Risk mitigation is on track. There are no material delays.
<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Risk Impact</th>
<th>Change since last update</th>
<th>Residual Risk</th>
<th>Global Fund ability to mitigate</th>
<th>Key Countries</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misuse of funds due to wrongdoing and inadequate financial/fiduciary control, including for procurement practices and incomplete, incorrect, delayed or inadequately supported financial records by PRs or SRs due to inadequate financial management systems.</td>
<td>Fraud and weaknesses in internal control environments can result in financial losses that affect value for money and lead to inadequate program coverage, execution and suboptimal impact against the diseases, as well as causing reputation damage. Misallocation of resources; reduced grant coverage, performance and impact.</td>
<td>No change</td>
<td>Current direction of travel</td>
<td>Increasing</td>
<td>Moderate</td>
<td>Under Review</td>
</tr>
<tr>
<td><strong>Financial and Fiduciary risk consists of two sub-risks: Grant-Related Fraud &amp; Fiduciary (Current residual risk level: “HIGH”) and Accounting &amp; Financial Reporting by Countries (Current residual risk level: “HIGH”).</strong></td>
<td>COVID-19 related disruptions and volatility (at macro-economic and portfolio level) have increased the inherent financial and fiduciary risk. Based on the current information, this risk is rated as ’High’ and with ongoing efforts of various adaptations and additional assurances under the C19RM mechanism, we anticipate being able to mitigate the risk for our grants to a large extent and expect the direction of travel to stabilize and reverse in the coming quarters.</td>
<td>Note:</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

### Key Partners
- 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

### Key Countries
- Pakistan, Rwanda, South Africa, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia, Zimbabwe

### Root Cause
- Grant-Related Fraud & Fiduciary: At a macro-economic level in-country, foreign exchange risk, bank default risk, inflation and economic disruptions have all increased due to the COVID-19 disruptions, which may cause changes to banking and treasury operations at the micro-level. Increased risk of cyber fraud and fraudulent financial transactions due to missing/unauthorized documentary evidence submitted to the Secretariat and to grant implementers resulting from evolving risk landscape in system & cybersecurity virtual work operating environment and other disruptions caused by the COVID-19 pandemic. At country and grant level, main disruption are linked to travel and movement restrictions, and remote working requirements, which resulted in: difficulties and in some instances delay in SR monitoring, and PR reporting; LFA assurance activities have largely continued but there has been some disruption and delay; and reduced ability of the Fiduciary and Fiscal Agents to obtain suitable supporting documentation, oversight on procurement activities, and execution of in-field verifications and spot checks of SRs. Timely access to people and supporting documentation by assurance providers. Disruption of PR’s ability to adequately monitor SRs. Difficulties for PR staff and TA consultants in executing capacity strengthening initiatives. Delays in routine monitoring (FMIR) and in-country deep dive/diagnostic review missions. Up to 6-12 months delays of Grant-related work on PCF. **MA-5751 MA-5752**

### Current controls & mitigations
- **Grant-Related Fraud & Fiduciary: Budget with presence of significant activities prone to misuse**
  - **MA-5753 MA-5754 MA-5764**
- **Grant-Related Fraud & Fiduciary: Weak PR management**
  - **MA-5755 MA-5761**
- **Grant-Related Fraud & Fiduciary: Weaknesses in PR and SR internal control frameworks**
  - **MA-5755 MA-5763**
- **Grant-Related Fraud & Fiduciary: Weak bank and cash management procedures**
  - **MA-5757 MA-5760**
- **Grant-Related Fraud & Fiduciary: Weak SR oversight**
  - **MA-5758 MA-5759**
- **Grant-Related Fraud & Fiduciary: Weak ethical environment**
  - **MA-5756 MA-5762**
- **Grant-Related Fraud & Fiduciary: Risk of fraud due to cybersecurity issues, including phishing**
  - **MA-6069**
- **Accounting & Financial Reporting by Countries: Inadequate human resource capacity**
  - **MA-5908 MA-5909**
- **Accounting & Financial Reporting by Countries: Financial management strengthening initiatives result in action plans put in place and achieving an 80% completion rate for actions due, in 54 cumulative targeted countries (i.e. 44 cumulative by 31st December 2020 and 10 new countries by 31st December 2021)**
  - **MA-5910 MA-5913**
- **Accounting & Financial Reporting by Countries: Weak or nonexistent financial management systems**
  - **MA-5911 MA-5912**

### Current direction of travel
- **Grant-Related Fraud & Fiduciary: Provision of oversight and monitoring of grant-level financial assurance plans across the portfolio by the Grant Finance Managers**
  - **LFA Reports**
- **Grant-Related Fraud & Fiduciary: Use of Fiduciary/Fiscal Agents in selected high risk countries at PR and/or SR levels including fraud specialist and monitoring the performance of the Fiscal Agent by the Grant Finance Managers**
  - **OIG Reports**
- **Grant-Related Fraud & Fiduciary: Financial Control Environment Review report pilot recommendations and cross cutting Agreed Management Actions jointly monitored by Risk Department and FISA.**
- **Grant-Related Fraud & Fiduciary: Effective implementation of Financial Guidelines (e.g. Financial risk management, Budgeting and Financial reporting guidelines) for Country Teams and implementers.**
- **Grant-Related Fraud & Fiduciary: Revised financial audit Terms of Reference emphasizing risk-based assessment of PR internal controls, and updated guidelines for grant audits ongoing to reflect additional due diligence. For 2020 audits, communication sent out to External Auditors via Principal Recipients requiring the External Auditors to apply additional procedures and document the results via Key Audit Matters, including adequate disclosures in the Management Letter, considering the global COVID-19 pandemic given that financial controls may have been impacted due to the evolving risk landscape and operating environment.**
- **Grant-Related Fraud & Fiduciary: Support to implementers in the optimization and use of innovative cost-efficient technological approaches, such as mobile money and mobile device solutions, for financial management risk mitigation.**
- **Grant-Related Fraud & Fiduciary: Pre-qualification of professional service providers for technical assistance toward effective capacity building and fraud risk management at the implementer level.**
- **Accounting & Financial Reporting by Countries: Integrated approach to capacity strengthening and in-country risk reviews instituted through joint assessments/deep dives of implementers to assess root causes and effectiveness of mitigating measures at country level.**
- **Accounting & Financial Reporting by Countries: Continuous monitoring of outcomes of assessment of implementers in financial management and to 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.**
- **Accounting & Financial Reporting by Countries: Proactive monitoring by Finance senior management via Monthly Monitoring Meetings (MMM) to continue performing quality assurance, monitor timely validation, and improve the overall reconciliation and closure process.**
### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Code</th>
<th>Grant-Related Fraud &amp; Fiduciary: Most of the HI and Core countries have or are planning to put into place additional mitigating actions to address the additional risks and challenges to core financial processes due to COVID-19. Example of these include:</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
</table>
| MA-5751| - LFA review of the procurement processes for all major procurements, including mandatory minimum assurance in the prioritized 45 high investment portfolios  
- Increased use of mobile payments and indirect cash transfers Pooling of PPE procurements  
- Increased LFA oversight of SRs  
- Revision of the FM manual to document new controls aimed at addressing challenges associated with the new COVID-19 environment  
- Inclusion of fraud experts in the LFA teams  
- Increased information sharing on payments and markets operations affected by COVID-19 in countries  
- Introduction of strong Quality assurance review of the C19RM 21 submissions | Underway     | 31-12-2021        | PFC          |
| MA-5752| Grant-Related Fraud & Fiduciary: Perform desk reviews (as opposed to in-country diagnostic travel missions) to maximize coverage on countries for in-country capacity strengthening. This will be applicable to the new cohort of countries for 2021 as per SO-2g KPI 6c targets. | Underway     | 31-12-2021        | PFC          |
| MA-5756| Grant-Related Fraud & Fiduciary: Develop, update and implement anti-Fraud Risk Guidelines to provide guidance to Country Teams on how to manage fraud within the context of wider discussions on implementation of the Policy to Combat Fraud and Corruption (PFC). | Underway     | 31-12-2021        | Ethics       |
| MA-5761| Grant-Related Fraud & Fiduciary: Enhance the governance and oversight in the process to change implementers (PRs) and the financial risk and assurance model for IOs/INGOs in order to enhance the financial assurance and effectiveness of mitigating measures. | Underway     | 31-12-2021        | PFC          |
| MA-5763| Grant-Related Fraud & Fiduciary: Assess effectiveness of the fiscal agent model and develop a robust transition approach (including impact analysis) for removal of fiscal agents based on the recently approved risk appetite framework. | Underway     | 31-12-2021        | PFC          |
| MA-5764| Grant-Related Fraud & Fiduciary: Develop systems-generated reports linking recoveries and PUDR-reported ineligibles. | Underway     | 31-12-2021        | PFC          |
| MA-6069| Multiple mitigating measures at the corporate level and at the PR/ grant level including mandatory GF direct payment to certain suppliers, new interim measures for Bank Account Management, 2-factor authentication, fraud risk assessment to be inclusive of cybersecurity risks, etc. | Underway     | 31-12-2021        | Treasury     |
| MA-5909| Accounting & Financial Reporting by Countries: Expansion of the Ecobank project on knowledge management and experience-sharing among grant implementers in selected Anglophone and Francophone countries. Due to the pandemic, the initiative is currently delayed. | Planned      | 31-03-2022        | PFC          |
| MA-5910| Accounting & Financial Reporting by Countries: Financial management strengthening initiatives result in action plans put in place and achieving an 80% completion rate for actions due, in 54 cumulative targeted countries (i.e. 44 cumulative by 31st December 2020 and 10 new countries by 31st December 2021) | Underway     | 31-12-2021        | PFC          |
| MA-5912| Accounting & Financial Reporting by Countries: Optimization of the cash management processes and foreign exchange risk exposure through the roll-out of a Foreign Exchange in Grants framework (as approved by MEC in November 2018) for grant implementation including PPM charge back to manage FX on cross-currency grant disbursements. | Underway     | 31-12-2021        | PFC          |
## In-Country Governance

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Risk Impact</th>
<th>Change since last quarter</th>
<th>Residual Risk</th>
<th>Key Partners</th>
<th>Key Countries</th>
<th>Root Cause</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate national program governance, Principal Recipient (PR) oversight of grants, and non-compliance with Global Fund requirements for the effective management of grants.</td>
<td>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.</td>
<td>No change</td>
<td>Increasing</td>
<td>Moderate</td>
<td>Bilateral donors such as the US and France provide focused technical assistance to PRs on grant management.</td>
<td>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</td>
</tr>
</tbody>
</table>

### Controls & Mitigations in development or planned

<table>
<thead>
<tr>
<th>Current controls &amp; mitigations</th>
<th>Assurances</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation arrangement mapping conducted for all new grants.</td>
<td>LFA spot checks reports</td>
<td>MA-6013</td>
</tr>
<tr>
<td>PR selection, prior to Technical Review Panel and Grant Approvals Committee approval, that meet Global Fund minimum standards for internal controls and capacity.</td>
<td>External audit reports</td>
<td>MA-6014</td>
</tr>
<tr>
<td>Grant making actions specifically to address implementation and capacity challenges prior to grant signing.</td>
<td>Review design and/or effectiveness of the internal control environment</td>
<td>MA-6015</td>
</tr>
<tr>
<td>Grant implementation monitoring focusing on oversight and supervision done by government entities and national disease programs respectively.</td>
<td>Joint programmatic, supply chain and financial spot checks</td>
<td>MA-6016</td>
</tr>
<tr>
<td>Comprehensive assurance plans developed for all High Impact and Core portfolios highlighting agreed upon mitigating actions to address national program governance and grant oversight.</td>
<td></td>
<td>MA-6017</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td>MA-6018</td>
</tr>
<tr>
<td>Integrated Risk Management Module rolled out to ensure better analysis of PR oversight and management of risks and the identification and roll out of mitigating actions to improve implementer capacity as well as national program governance.</td>
<td></td>
<td>MA-6019</td>
</tr>
</tbody>
</table>

### Overall Status

**Risk mitigation is on track. There are no material delays.**

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive measures planned and initiated to mitigate this risk and ensure that the new risk drivers will not have long term consequences to Global fund grants. Specific initiatives include:</td>
<td>Underway</td>
<td>31-12-2022</td>
<td>GMD-CT</td>
</tr>
<tr>
<td>- Mitigate COVID-19 disruptions through the COVID-19 country monitoring tool (systemized survey tool administered by LFA's), to recognize when grant flexibilities and GF intervention is needed to try and mitigate downstream risk impact.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Business Contingency flexibilities for the Grant Life Cycle processes in response to the COVID-19 disruptions, and to lower the burden on in-country partners including e.g. on capacity assessments for new implementers, Funding Request development, grant-making etc. Processes are also in place for close follow-up to ensure compliance.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Roll-out the enhanced framework for assessment of in-country governance risks. The new framework integrated into the IRM delineates 5 levels of in-country governance and allows for better analysis of the coordination, management and oversight issues in the broader health sector, the national disease programs, the CCM and PR/SR level implementation effectiveness relationships and risks.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Support to CCMs, PRs and implementers to continue remote meetings and shifting planned trainings and cross-learning events to online format where appropriate. Grant flexibilities approved to enhance IT infrastructure for PRs and SRs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Support to PRs to develop contingency plans to ensure continuity of services and safeguard GF assets and alternative approaches for providing assurance including higher reliance on use of partners or communities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll out of CCM Evolution to strengthen CCM capacity in all High impact, core and focused portfolios.</td>
<td>Underway</td>
<td>01-12-2023</td>
<td>GMD (GPS)</td>
</tr>
<tr>
<td>Develop, test and implement initiatives aimed at improving implementer capacity, internal controls, risk management and overall PR management processes for improved grant oversight.</td>
<td>Planned</td>
<td>31-12-2023</td>
<td>GMD (GPS)</td>
</tr>
<tr>
<td>Development and roll out of front line risk management approach (aligned to the roll out of CCM evolution).</td>
<td>Planned</td>
<td>01-12-2023</td>
<td>Risk</td>
</tr>
<tr>
<td>See In-country Conduct &amp; Ethics risk for Integrity Due Diligence mitigation action.</td>
<td>Underway</td>
<td>01-12-2021</td>
<td>Ethics</td>
</tr>
</tbody>
</table>
### 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.

### Change since last quarter
- **Current direction of travel**: Increasing
- **Global Fund ability to mitigate**: Moderate

### Residual Risk
<table>
<thead>
<tr>
<th>Modality</th>
<th>Probability</th>
<th>Impact</th>
<th>Assurances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Enhanced non-compliance database is regularly updated to track and consolidate instances of non-compliance with the Global Fund QA policy and outcomes. Verification of product eligibility within procurement transactions through PQR.</td>
</tr>
<tr>
<td>Procurement</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Review of in-country quality monitoring activities</td>
</tr>
<tr>
<td>Strategic Initiative funding</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Review of in-country quality monitoring activities</td>
</tr>
<tr>
<td>Ongoing support via Strategic Initiatives to the Expert Review Panel (ERP), coordinated by the WHO, to accelerate access to innovative diagnostics and medicines, permitting more innovative products to be eligible for procurement with GF-funding sooner, including COVID-19 related products.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

### Key Countries
- Burkina Faso, Cameroon, Côte d'Ivoire, DRC, Ethiopia, Ghana, Guinea, India, Kenya, Malawi, Mozambique, Myanmar, Nigeria, Pakistan, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia

### Root Cause
- Weaknesses in the downstream in-country QA mechanisms, including gaps in national pharmacovigilance and post-market surveillance.
- 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.
- Procurement of substandard health products i.e. procurements outside the list of commodities which are WHO prequalified / Exp
- Inadequate HPs in the market. Of current note, COVID-19 has reduced workforce capacity and mobility of sampling and Quality
- Lack of implementation of good dispensing practices.

### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Action owner</th>
<th>Status</th>
<th>Risk mitigation is progressing but there are also some material delays</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5954</td>
<td>Underway y 30-09-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-5955</td>
<td>Underway y 30-09-2021</td>
<td>SO</td>
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<tr>
<td>MA-5956</td>
<td>Underway y 30-09-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-5962</td>
<td>Underway y 30-12-2023</td>
<td>SO</td>
</tr>
<tr>
<td>MA-5963</td>
<td>Planned 30-12-2023</td>
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</tr>
<tr>
<td>MA-5965</td>
<td>Planned 30-12-2023</td>
<td>SO</td>
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<tr>
<td>MA-5966</td>
<td>Underway y 30-09-2021</td>
<td>SO</td>
</tr>
<tr>
<td>MA-6055</td>
<td>Underway y 31-08-2021</td>
<td>SO</td>
</tr>
</tbody>
</table>

### Key Partners
Agencies of the UN Government, World Bank, World Health Organization, UNICEF, STOP TB and GAVI have a minor to moderate ability to mitigate health product quality risk.
Gender and age often impact on risk to disease, ability to access services, and the quality of services provided. If services do not address gender and age-related risks and barriers, they will be less effective and result in poorer health outcomes for key and vulnerable populations. Need for further work to articulate what gender-responsive program adjustments should look like, and very few C19RM proposals and grants include specific provisions to address increased human-rights- and gender-related barriers.

COVID-19 has resulted in increased human rights violations, including a spike in gender-based violence and in police violence against criminalized and marginalized populations. Disruptions have also limited the engagement of Country Teams and Global Fund processes. COVID-19 related restrictions, use of administrative measures and other efforts to control the pandemic have penalized the most vulnerable and marginalized- women and young girls (increase in GBV), sex workers (loss of livelihood, food, shelter or access to care), LGBTI (law enforcement agencies used to harm, harass and arrest) and led to serious avoidance of health facilities and disrupting and/or delaying the delivery of programs to reduce human rights and gender-related barriers to services and programs for key and vulnerable populations. Need for further work to articulate what gender-responsive program adjustments should look like, and very few C19RM proposals and grants include specific provisions to address increased human-rights- and gender-related barriers.

Key Partners
UN, Bilateral, Foundation and Civil Society partners provide advocacy support

Key Countries

Root Cause
COVID-19 related restrictions, use of administrative measures and other efforts to control the pandemic have penalized the most vulnerable and marginalized- women and young girls (increase in GBV), sex workers (loss of livelihood, food, shelter or access to care), LGBTI (law enforcement agencies used to harm, harass and arrest) and led to serious avoidance of health facilities and disrupting and/or delaying the delivery of programs to reduce human rights and gender-related barriers to services and programs for key and vulnerable populations. Need for further work to articulate what gender-responsive program adjustments should look like, and very few C19RM proposals and grants include specific provisions to address increased human-rights- and gender-related barriers.

Controlled uptake of program adaptations, innovations and catch-up plans using existing grant resources and C19RM mechanisms, through ongoing dissemination of best practices and technical guidance and support to programs through Global Fund Partnership mechanisms to maintain and expand disease prevention and treatment programs, including strengthening of communities and community responses. Specific actions include:

- C19RM 2021 funding request template, detailed budget and modular framework have been amended to include specific interventions and actions related to human rights and gender barriers in times of COVID-19
- C19RM 2021 Technical Information Note amended to increase the visibility of human rights and gender-related

Risk Description
Human rights and gender related barriers, including stigma and discrimination, and insufficient investment in programs to reduce these barriers, limit access to health services.

Risk Impact
Failure to address human rights and gender related barriers can result in failure to achieve impact through Global Fund investments, in as much as they hinder access to and retention in services for key and vulnerable populations.

Current controls & mitigations

<table>
<thead>
<tr>
<th>Current direction of travel</th>
<th>Target Risk</th>
<th>Global Fund ability to mitigate</th>
<th>Minor</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Residual Risk
High

<table>
<thead>
<tr>
<th>Risk Appetite</th>
<th>Target risk timeframe</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
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</table>

Change since last quarter

Overall Status
Risk mitigation is progressing but there are also some material delays.

Current direction of travel

<table>
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<tr>
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<th>High</th>
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<tr>
<td></td>
<td>31-12-2021 CRG</td>
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High

<table>
<thead>
<tr>
<th>Risk Appetite</th>
<th>Target risk timeframe</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change since last quarter

Overall Status
Risk mitigation is progressing but there are also some material delays.

Current controls & mitigations

<table>
<thead>
<tr>
<th>Current direction of travel</th>
<th>Target Risk</th>
<th>Global Fund ability to mitigate</th>
<th>Minor</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Residual Risk
High

<table>
<thead>
<tr>
<th>Risk Appetite</th>
<th>Target risk timeframe</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- The new “CRG Guidance” provides communities with a non-exhaustive list of concrete examples of interventions to mitigate the impact of COVID-19 on human rights and gender barriers.
- Leverage existing CRG networks to disseminate CRG guidance and support CCMs and communities for their meaningful engagement in C19RM funding request development. This initiative is also being supported through additional CRG investments under the C19RM centrally managed funds.

<table>
<thead>
<tr>
<th>MA-5921</th>
<th>Revised KPI 9c includes benchmarks and targets for domestic spending on key population prevention programs, including PrEP, and programs to reduce human rights-related barriers to services. Work is starting in priority countries to ensure benchmarks and targets are met and to ensure human rights and key population prevention programs become important focus of the overall Global Fund domestic health financing agenda, as critical to the sustainability of the work in these areas.</th>
<th>Underway</th>
<th>15-12-2022</th>
<th>CRG</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5924</td>
<td>Strengthened partnership with Thomson Reuters Foundation to better equip implementers with skills to talk to the media about why human rights are central to the work on HIV, TB, malaria and COVID-19, and to equip journalists to report accurately on human rights programs and their results and impact.</td>
<td>Underway</td>
<td>15-12-2022</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-5925</td>
<td>Assessment of effectiveness of integration of human rights considerations into grant life cycle and policy making processes, and identification of opportunities for strengthening.</td>
<td>Underway</td>
<td>30-11-2021</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-5928</td>
<td>Strengthen risk definitions, introduction of outcome indicators and development of guidance/training for Country Teams on design and implementation of effective mitigations for addressing human rights and gender related barriers to services.</td>
<td>Underway</td>
<td>31-07-2021</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-5930</td>
<td>GI: Data driven decision making: The strategy committee has revised the methodology for KPI 6 E to shift the focus from Secretariat collection of disaggregated data to country collection and use of disaggregated data. An indicator to monitor KPI 6E is integrated into the IRM for gender equity, and the MECA team is responsible for the oversight of the PHME and LFA teams that will do data collection and reporting against the indicator. The technical teams and partners are supporting the use of qualitative data collection tools on gender through the grants as appropriate including UNAIDS gender assessment, Stop TB’s CRG Assessments, and RBM’s Malaria Matchbox.</td>
<td>Underway</td>
<td>30-08-2021</td>
<td>MECA</td>
</tr>
<tr>
<td>MA-6064</td>
<td>GI: The Secretariat has received approval from the Strategy Committee to revise KPI 6E on the capacity of countries to track availability, analysis and use of disaggregated data at country level (rather than at Secretariat level). A system of monitoring through the LFA has been developed, and the MECA team has started to train internal and external stakeholders on the revised methodology.</td>
<td>Underway</td>
<td>30-08-2021</td>
<td>MECA</td>
</tr>
</tbody>
</table>
Countries are unable to sustain and scale impact when they transition towards full domestic financing and program implementation of the national disease response/s.

Unsuccessful transition can result in, among other things, service disruption or lack of continuity of services (especially for key and vulnerable populations), inability to continue to scale service provision in line with global and national targets, a reduction in the quality of services provided (including access to quality assured and affordable health products and commodities), and limited ability of existing national civil society and community organizations to sustain programs and build capacity without external financing. As a result, the three diseases could remain public health threats in countries no longer eligible for Global Fund support or a continued epidemiological challenge could threaten the past gains of GF and national financing.

Change since last quarter
No change
Current direction of travel
Steady
Global Fund ability to mitigate
Minor
Residual Risk
High
Risk Appetite
Not Applicable
Target Risk
Not Applicable
Target risk timeframe
Not Applicable

Development banks, the World Health Organization, UNAIDS, civil society organizations, private foundations and others

Under the Sustainability, Transition and Co-Financing (STC) Policy, all Upper Middle-Income Countries (UMIC) and Lower Middle-Income Countries (LMIC) with "Not High" high disease burden are considered "Transition Preparedness" priorities. For 2020-2022, this is a cohort of approximately 66 disease components (including those receiving transition funding but not including COEs or components within multi-country grants).

Of these 66 components, 17 components are projected to fully transition from Global Fund financing prior to or during the 2026-2028 allocation cycle, 6 components are receiving transition funding in 2020-2022.

Dependence on Global Fund financing for key interventions of the national disease response.

Unclear financial resources for transition contexts, given uncertainty in long-term GF allocations, unclear trends in financing of other major development and health partners, and changing environment for overall global health financing.

Limited country ownership of the transition process, including lack of advanced planning.

Limited political will to address the underlying economic, political, legal and social issues that affect transition preparedness.

Continued epidemiological challenges and programmatic gaps in the national disease responses, particularly amongst key and vulnerable populations.

Root Cause
Related Action
Dependence on Global Fund financing for key interventions of the national disease response. MA-5914 MA-5915 MA-5916 MA-5917 MA-5918
Unclear financial resources for transition contexts, given uncertainty in long-term GF allocations, unclear trends in financing of other major development and health partners, and changing environment for overall global health financing. MA-5914 MA-5915 MA-5917 MA-5918
Limited country ownership of the transition process, including lack of advanced planning. MA-5917 MA-5918
Limited political will to address the underlying economic, political, legal and social issues that affect transition preparedness. MA-5916 MA-5917 MA-5918
Continued epidemiological challenges and programmatic gaps in the national disease responses, particularly amongst key and vulnerable populations. MA-5914 MA-5915 MA-5918

Current controls & mitigations
Assurances
Embedding STC Principles and Practices through the operationalization of the STC policy - including (but not limited to):
- publication of updated 2019 STC Guidance Note with specific disease and technical area annexes, and other related guidance (i.e., OPM on co-financing, 2020 transition projections document, Value for Money Technical Note, "social contracting" diagnostic);
- setting co-financing incentive amounts for 2020-2020 allocation, inclusion of tailored co-financing messages in allocation letters, and negotiation of specific co-financing commitments as part of 2020-2022 grant approvals;
- enhancement of 2020-2022 funding requests to strengthen sustainability, transition, and co-financing focus in line with lessons learned;
- Ongoing incorporation of STC considerations into CCM Evolution initiative;
- Development and AFC endorsement of structured approach to innovative finance and Framework for Investments in Blended Finance;
- continued provision of transition funding to components who have become ineligible; continued implementation of 2017-2019 transition funding grants and provision of allocations for previously ineligible grants with continued epidemiological challenges; as relevant, extensions of transition grants to support continued efforts to address transition challenges; overall increases in allocations to "transition preparedness" cohort countries in 2020-2022 cycle; and approval of expanded use of Wambo for non-grant funding (including domestic financing), including in transitioned countries;
- integration of SIFS experts into the Technical Review Panel, and continued focus on TRC on STC considerations;
- development and ongoing implementation of Secretariat efforts to enhance internal capacity on STC and Health Financing.

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; b) embedded sustainability / transition specialists within AELAC.

While the COVID impact on national disease programs and macro-economic conditions is increasingly becoming clearer, it is still not completely clear exactly how COVID-19 will affect the Global Fund’s overall efforts to support successful transitions, and implications are likely to vary significantly based on country context. In the short term, there are operational challenges as countries continue to grapple with lockdowns, programmatic performance of countries is impacted, and national stakeholders increasingly focus on COVID-19 priorities. In the long term, COVID-19 is likely to impact domestic financing for externally financed interventions and other aspects of the Global Fund’s transition preparedness efforts. At present, the STC Policy offers the appropriate flexibility, tools, and focus to support ongoing efforts to enhance transition preparedness despite the challenges presented by COVID-19. In the short term, two critical areas that may be potentially impacted include: i) continued provision of services for Key and Vulnerable Populations (KVPs) and ii) realization of co-financing commitments for specific interventions critical to the national disease responses. Maintaining focus on strengthening sustainability of these services and continuing to advocate for realization of co-financing commitments (with appropriate flexibility, as needed) will be essential as part of the broader efforts to support successful transitions from Global Fund financing. Supporting countries to strengthen transition preparedness will remain a long-term strategic priority and key pillars of our transition efforts (including strengthening health systems, enhancing national planning, raising additional domestic financing and strengthening domestic uptake of key interventions, etc.) will continue. Most existing controls / mitigations related to the transition risk are embedded into Global Fund operations and processes and will continue despite COVID-19, with some modifications to timelines and implementation arrangements, based on country context.

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Risk Impact</th>
<th>Change since last quarter</th>
<th>Global Fund ability to mitigate</th>
<th>Residual Risk</th>
<th>Risk Appetite</th>
<th>Target Risk</th>
<th>Target risk timeframe</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries are unable to sustain and scale impact when they transition towards full domestic financing and program implementation of the national disease response/s.</td>
<td>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.</td>
<td>No change</td>
<td>Minor</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>MA-5914 MA-5915 MA-5916 MA-5917 MA-5918</td>
</tr>
</tbody>
</table>

| Key Countries | Under the Sustainability, Transition and Co-Financing (STC) Policy, all Upper Middle-Income Countries (UMIC) and Lower Middle-Income Countries (LMIC) with "Not High" high disease burden are considered "Transition Preparedness" priorities. For 2020-2022, this is a cohort of approximately 66 disease components (including those receiving transition funding but not including COEs or components within multi-country grants). Of these 66 components, 17 components are projected to fully transition from Global Fund financing prior to or during the 2026-2028 allocation cycle, 6 components are receiving transition funding in 2020-2022. | MA-5914 |

| Key Partners | Development banks, the World Health Organization, UNAIDS, civil society organizations, private foundations and others. | MA-5917 MA-5918 |

<table>
<thead>
<tr>
<th>Current controls &amp; mitigations</th>
<th>Assurances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embedding STC Principles and Practices through the operationalization of the STC policy - including (but not limited to): a) publication of updated 2019 STC Guidance Note with specific disease and technical area annexes, and other related guidance (i.e., OPM on co-financing, 2020 transition projections document, Value for Money Technical Note, &quot;social contracting&quot; diagnostic); b) setting co-financing incentive amounts for 2020-2020 allocation, inclusion of tailored co-financing messages in allocation letters, and negotiation of specific co-financing commitments as part of 2020-2022 grant approvals; c) enhancement of 2020-2022 funding requests to strengthen sustainability, transition, and co-financing focus in line with lessons learned; d) Ongoing incorporation of STC considerations into CCM Evolution initiative; e) Development and AFC endorsement of structured approach to innovative finance and Framework for Investments in Blended Finance; f) continued provision of transition funding to components who have become ineligible; continued implementation of 2017-2019 transition funding grants and provision of allocations for previously ineligible grants with continued epidemiological challenges; as relevant, extensions of transition grants to support continued efforts to address transition challenges; overall increases in allocations to &quot;transition preparedness&quot; cohort countries in 2020-2022 cycle; g) approval of expanded use of Wambo for non-grant funding (including domestic financing), including in transitioned countries; h) integration of SIFS experts into the Technical Review Panel, and continued focus on TRC on STC considerations; i) development and ongoing implementation of Secretariat efforts to enhance internal capacity on STC and Health Financing.</td>
<td>Transition Readiness Assessments; Co-financing compliance monitoring; Ongoing review of transition preparedness activities in GAC review of grants.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5914</td>
<td>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; b) embedded sustainability / transition specialists within AELAC.</td>
<td>Underway</td>
<td>31-12-2021</td>
</tr>
<tr>
<td>MA-5915</td>
<td>Strategic Partnerships, in collaboration with Grant Management Division - 1) Maintain engagement and collaboration on sustainability and transition planning with development partners, including (but not limited to) UNAIDS, USAID, GIZ, OSF, WHO, STOP TB and GDF; 2) maintain health financing collaborations with partners, particularly with GAVI, GFF, WB, Regional Development Banks, and other relevant agencies. 3) Maintain efforts to ensure high quality</td>
<td>Underway</td>
<td>31-12-2021</td>
</tr>
</tbody>
</table>

| Risk mitigation is on track. There are no material delays. |
| MA-5917 | Embedding STC Principles and Practice through the operationalization of the STC policy, in collaboration with Health Finance Department: i) Systematic review of STC considerations and co-financing compliance for remaining portfolio grants to be approved in 2021, including grants in the transition preparedness portfolio; ii) continued support for cross-Secretariat coordination through a joint STC and Health Finance Steering Committee; and iii) continued coordination with sustainability/transition specialists within AELAC on key regional priorities. | Underway | 31-12-2021 | GMD |
| MA-5918 | Implementation of STE-SI -- Implementation of the GAC approved Sustainability, Transition & Efficiency Strategic Initiative for the 2020-2022 cycle, with a continued focus on (but not limited to): i) advancing robust national (and regional) transition planning, including in portfolios beyond the transition preparedness cohort to enhance focus on early, robust planning in line with joint recommendations; ii) provision of TA to address transition bottlenecks, including those related to RSSH challenges; iii) strengthening public financing of CSO service delivery (i.e., “social contracting”); iv) country level capacity building initiatives to enhance focus on sustainability and manage transitions; v) ongoing efforts to enhance expenditure tracking across Global Fund portfolio; vi) ongoing efforts to enhance efficiency across Global Fund portfolio. This includes specific efforts to leverage partner financing to finance activities in approved work-plan, with the objective to enhance resources available for STE-SI efforts. | Underway | 31-12-2021 | SI |
Drug resistance can lead to treatment failures and heightened disease burdens across portfolios, negatively impacting the Global Fund mission and investments. The development of resistance to insecticides used in LLINS and IRS diminishes the effectiveness of vector control tools which have been critical in interrupting transmission and can negatively impact investments in Malari control.

**Current controls & mitigations**

**Assurances**

- MA-5878: WHO Insecticide resistance 'threats maps'
- MA-5870: In-country deep-dives designed to validate country supply chain segmentation
- MA-5871: Supply chain diagnostics in twenty prioritized countries to gain insight into stability of drug supply
- MA-5872: Reports from LFA spot checks

**Root Cause**

- Root Causes of Drug Resistance include: (a) insufficient financing for effective response activities; (b) inadequate diagnostics and poor treatment adherence; (c) poor quality health products; (d) instability of drug supply; (e) undertaught global public health workers and inappropriate use of drugs

**Key Partners**

WHO, RIBM, US Government agencies, the World Bank, the Alliance for Malaria Prevention, and the Innovative Vector Control Consortium are key partners in mitigating the risk of Drug and Insecticide Resistance.

**Target Risk**

Not Applicable

**Target Risk timeframe**

Not Applicable

**Risk Appetite**

Moderate

**Root Causes of Insecticide Resistance include: (a) insufficient financing to procure new vector control tools; (b) inadequate and inconsistent insecticide resistance monitoring and surveillance; (c) insufficient data on IR and in-country capacity to collect and analyze data; (d) lack of a clear framework to define and guide how and what is sufficient capacity for entomology and vector control monitoring and implementation**

**Key Countries**

Top countries by allocation and catalytic investments* (new LLINS): Nigeria, Tanzania, DRC, Mozambique*, India, Zimbabwe, Uganda, Malawi, Ethiopia, Benin, Kenya, South Africa, Zambia, Myanmar, Indonesia, Côte d’Ivoire, Rwanda*, Pakistan, Ghana, Cameroon, Bangladesh, Burkina Faso*, Sudan, Viet Nam, Ukraine, Mali*

**Key Partners**

WHO, RIBM, US Government agencies, the World Bank, the Alliance for Malaria Prevention, and the Innovative Vector Control Consortium are key partners in mitigating the risk of Drug and Insecticide Resistance.
Funding requests include insecticide resistance monitoring.

### MA-5880
Improving surveillance and enhancing capacity for public health entomology in malaria endemic countries to inform vector control strategies and track their impact on malaria transmission across the portfolio, focusing on the 10 highest burden countries.

### MA-5882
Reward innovation of new vector control tools (LLINs and IRS) that have enhanced effectiveness in areas with pyrethroid resistance by:
(a) encouraging exploratory deployment and roll out to appropriate settings as indicated by the emerging global evidence base and supported by the iterative process of normative guidance development, and
(b) covering the cost differential relative to existing tools and the associated need for enhanced monitoring through a special initiative.

### MA-5883
a) Support implementation of the new Global Action Plan for drug resistance (2017-21) developed under the leadership of WHO, in collaboration with CDC, PEPFAR and the Global Fund.
b) Internal technical brief issued by GF (January 2019) to support fast and safe transition to new WHO regimens. ART transition guidance for GMD updated in line with July 2019 treatment guidelines (July 2019, February and March 2020).

Overall Status

Risk mitigation is on track. There are no material delays.

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>The efforts of the TB Strategic Initiative will continue in the next cycle 2020-2022 with expansion of coverage (from 13 to 20) and scope (finding missing people with TB including DS-TB, DR-TB, and TB prevention therapy): US $ 150 million: Matching Fund for priority countries; US $ 14 million: TB Strategic Initiative to support implementation of innovative approaches to find and treat missing people with TB through working with Stop TB Partnership and WHO; US $ 40 million multi-country investment for programs focused on migrants and cross-border issues, the mining sector, refugees, improved laboratory services. The signing of the grants with implementing partners for the TB SI is underway and is led by SI secretariat. There is a delay in signing of the grants to initiate work on the Global Component of TB SI to support countries. Country component for TA is underway and implementation process ongoing.</td>
<td>Underway</td>
<td>30-12-2022</td>
<td>TAP</td>
</tr>
</tbody>
</table>
### Risk Description

**SEAH:** Failure to prevent, detect, and respond to sexual exploitation and abuse and sexual harassment (SEAH) and related abuse of power across the Global Fund partnership including: failure to raise awareness of SEAH and to identify and mitigate risk of SEAH; failure to support victims/survivors in a victim/survivor-centered, trauma-informed manner; failure to create fit-for-purpose safe spaces and reporting channels where disclosure and reporting are encouraged and supported; failure to protect the Global Fund’s reputation and to uphold the Global Funds values and behaviors needed to achieve our core mission which depends on the delivery of people-centered services that are freely available to all, without fear or favor; failure to share, learn, and incorporate international best practices and to engage and empower local in-country PSEAH mechanisms and support systems.

**Other conduct and ethics related matters (Other C&ERM):** Implementers, suppliers and other in-country partners act in contravention of the Global Fund's corporate values, its Codes of Conduct or applicable policies on ethical behavior and conduct.

### Risk Impact

**SEAH:** Re-traumatization of victim/survivors. Inability to provide access to GF services, medicine, and programs to vulnerable populations due to SEAH or threat of SEAH. Diminished capacity within GF or implementer workforce due to incidents of SEAH and related abuse of power. Harm to the Global Fund’s reputation and resulting negative impact on relationship with donors.

**Other conduct and ethics related matters (Other C&ERM):** Poor decision-making, potential fraud, financial loss, and/or reputation damage limits the organization's ability to deliver on its Strategic Objectives and maximize impact against the three diseases.

### Change since last quarter

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Current direction of travel</th>
<th>Global Fund ability to mitigate</th>
<th>Residual Risk</th>
<th>Key Partners</th>
<th>Root Cause</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Increasing</td>
<td>Moderate</td>
<td></td>
<td>N/A</td>
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<td></td>
</tr>
</tbody>
</table>

### Key Controls & Mitigations

<table>
<thead>
<tr>
<th>Control ID</th>
<th>Description</th>
<th>Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MA-5943</strong></td>
<td>Other C&amp;ERM: Ethics and Integrity Framework and Ethics Policy, including Conflicts of Interest, in place, underpinned by processes for Ethics case management and conflict of interest reviews.</td>
<td>3rd Line OIG audit/investigation and annual reports.</td>
</tr>
<tr>
<td><strong>MA-5935</strong></td>
<td>Other C&amp;ERM: Codes of Conduct in place for grant recipients, suppliers and LFAs.</td>
<td>LFA spot checks and reviews.</td>
</tr>
<tr>
<td><strong>MA-5936</strong></td>
<td>Other C&amp;ERM: Policy to Combat Fraud &amp; Corruption (PCFC) was approved by the Board in November 2017.</td>
<td>Board approved the update Conflict of Interest Policy in June 2020. Board training completed in October 2020. Col management process for Governance and Secretariat now embedded.</td>
</tr>
<tr>
<td><strong>MA-5937</strong></td>
<td>Other C&amp;ERM: Capacity assessment of new implementers include assessment of control environment.</td>
<td></td>
</tr>
<tr>
<td><strong>MA-5938</strong></td>
<td>Other C&amp;ERM: Ongoing grant implementation monitoring by Country Teams.</td>
<td></td>
</tr>
<tr>
<td><strong>MA-5939</strong></td>
<td>Other C&amp;ERM: LFA and partner engagement in procurement and recruitment processes.</td>
<td></td>
</tr>
<tr>
<td><strong>MA-5940</strong></td>
<td>Other C&amp;ERM: Ongoing monitoring through OIG Whistleblower reporting and OIG investigations.</td>
<td></td>
</tr>
<tr>
<td><strong>MA-5943</strong></td>
<td>Other C&amp;ERM: Enhancement of Conflict-of-Interest (CoI) management process, including approval and launch of an updated Col Framework.</td>
<td></td>
</tr>
<tr>
<td><strong>MA-5944</strong></td>
<td>Other C&amp;ERM: PCFC implementation - development of risk-based implementation plan for PCFC operationalization (including lessons learned from 3 fraud risk assessment pilots). Corresponds to AMA 3 of the 2019 OIG Audit of Ethics &amp; Integrity.</td>
<td>OIG approved to close the AMA, based on the Secretariat approved implementation plan. Implementation is now in progress.</td>
</tr>
<tr>
<td><strong>MA-5945</strong></td>
<td>Other C&amp;ERM: Ethics Office review of Codes of Conduct and Policies within the Ethics and Integrity Framework. Corresponds to AMA 4 of the 2019 OIG Audit of Ethics &amp; Integrity</td>
<td>Further updates to the Codes and other areas of the EIF will be planned and executed as continuous improvements.</td>
</tr>
<tr>
<td><strong>MA-6058</strong></td>
<td>SEAH: PSEAH framework defines Global Fund approach to prevent and protect from harassment including sexual harassment, bullying and abuse of power in the context of Global Fund programs. This was put in place in application of an agreed action coming out of the Ghana investigation (OIG).</td>
<td>Evidence of communications issued. OIG clearance of associated AMA.</td>
</tr>
<tr>
<td><strong>MA-6059</strong></td>
<td>SEAH: All Codes of Conduct updated to incorporate prohibitions of SEAH and Child Abuse.</td>
<td></td>
</tr>
<tr>
<td><strong>MA-6061</strong></td>
<td>SEAH: Global Fund has communicated to all principal recipients and CCMs the updated prohibitions against sexual exploitation, sexual abuse and sexual harassment in funding agreements and codes of conduct, as well as the actions to be taken as part of their Prevention of Sexual Exploitation and Abuse and Sexual Harassment (PSEAH) obligations. This was done in application of an agreed action coming out of the Ghana investigation (OIG).</td>
<td></td>
</tr>
</tbody>
</table>

### Overall Status

Risk mitigation is not on track and there are significant delays.

### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Control ID</th>
<th>Description</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MA-5946</strong></td>
<td>Other C&amp;ERM: Roll out of the Integrity Due Diligence framework. i) (Exc. GMD) The framework is already up and running in Governance, PSE and Direct Procurement. Indirect procurement and HR are the remaining areas to finalize. Corresponds to AMA 6 of the 2019 OIG Audit of Ethics &amp; Integrity.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-5947</strong></td>
<td>Other C&amp;ERM: Roll out Code of Conduct for CCM Members in collaboration with CCM Evolution. i) 12 country engagements over 3 years for enhanced due diligence of key implementer staff and key assurance providers. Part of the ongoing CCM Code of Conduct Strategic Initiative.</td>
<td>Underway</td>
<td>17-12-2021</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-5948</strong></td>
<td>Other C&amp;ERM: Roll out Code of Conduct for CCM Members in collaboration with CCM Evolution. ii) Roll out Code of Conduct for CCM Members (including enhancement of COI process for CCMs), with performance-based enforcement mechanism. Part of the CCM Code of Conduct Strategic Initiative.</td>
<td>Underway</td>
<td>17-12-2021</td>
<td>Ethics</td>
</tr>
<tr>
<td>MA-6060</td>
<td>SEAH: Assess SEAH risk (covering implementer capacity and inherent program risk) and commence prioritized interventions required for a robust PSEAH operational plan across the portfolio. Corresponds to AMA 4 of the Ghana investigation.</td>
<td>Underway</td>
<td>29-10-2021</td>
<td>Ethics</td>
</tr>
<tr>
<td>MA-6062</td>
<td>SEAH: Develop an operational framework to clarify accountability and expectations around the prevention, detection and response to sexual exploitation and abuse and sexual harassment within the activities supported by the Global Fund. Corresponds to AMA 3 of the 03/2021 Ghana investigation.</td>
<td>Underway</td>
<td>30-07-2021</td>
<td>Ethics</td>
</tr>
<tr>
<td>MA-6063</td>
<td>SEAH: Develop and training plan and complete the first annual cycle of trainings for relevant Global Fund staff, tailored to their specific roles. Corresponds to AMA 2 of the Ghana investigation.</td>
<td>Underway</td>
<td>29-10-2021</td>
<td>Ethics</td>
</tr>
</tbody>
</table>
## Constraints in tracking financial, legal, or structural.

DHF: Failure to adequately finance and purchase critical commodities with domestic funds, for a variety of reasons particularly in decentralized settings.

DHF: Inefficient use of available resources including ineffective Public Financial Management, fragmentation of financing on donor trust and commitments.

Donor Funding: Perceived lack of data on effectiveness and impact of C19RM interventions on the ground and potential effect on donor expectations, criteria or conditions for continued funding or technical/in-kind support, influencers, a lack of adequate visibility in key donor markets, or weak advocacy through civil society or the security and immunization, thereby reducing the profile of the Global Fund diseases and impacting funding.

Donor Funding: The current COVID-19 pandemic, political or social instability face of economic downturn/COVID.

Donor Funding: Competition for resources with other institutions or new priorities, and failure to coordinate with partners and organizations working in the global health space to demonstrate complementarity and respective roles/contributions towards the achievement of SDG3 and in the broader health and development context.

Donor Funding: Travel to donor countries, missions focused on resource mobilization and other advocacy events/political fora have been cancelled, postponed or in some cases turned virtual.

Donor Funding: COVID-19 has affected the economies of donor countries, which could potentially impinge on pledge conversion schedules and impact domestic resource mobilization as governments will be unable to effectively invest in their own health systems.

Donor Funding: The current COVID-19 context may gradually shift the attention towards emerging issues such as global health security and immunization, thereby reducing the profile of the Global Fund diseases and impacting funding.

Donor Funding: Underinvestment in external relations activities leading to inadequate engagement of key decision-makers and influencers, a lack of adequate visibility in key donor markets, or weak advocacy through civil society or the media.

Donor Funding: Failure to meet donor expectations, criteria or conditions for continued funding or technical/in-kind support, including under-delivery in innovation and catalytic investment-related partnerships.

Donor Funding: Perceived de-prioritization or lack of responsiveness by the Global Fund to issues of concern/priority to donors for example, RSH, gender equality, geographic focus areas, pandemic response, etc.

Donor Funding: Perceived under-performance of the Global Fund, particularly with relation to the investment case for the Sixth Replenishment, the new grant cycle, and/or misunderstanding and misperceptions related to the Global Fund model.

Donor Funding: Perceived lack of data on effectiveness and impact of C19RM interventions on the ground and potential effect on donor trust and commitments.

DHF: De-prioritization of the health sector in face of economic downturn (COVID-19 pandemic), political or social instability and/or competing priorities, inability to borrow, spend.

DHF: Inefficient use of available resources including ineffective Public Financial Management, fragmentation of financing particularly in decentralized settings.

DHF: De-prioritization of the 3 diseases in face of economic downturn/COVID.

DHF: Failure to adequately finance and purchase critical commodities with domestic funds, for a variety of reasons - technical, financial, legal, or structural.

DHF: Organizational deficiencies in the coordination of and financing of the health system.

DHF: Lack of data and systems to reliably measure co-financing commitments in a standardized manner on a routine basis; Constraints in tracking expenditure through existing country systems and processes.

### Current controls & mitigations

| MA-5981 | Donor Funding: Sustaining and strategically expanding advocacy support base | Interdependency and close work with Global Fund Advocacy Network chapters and other critical stakeholders, regular monitoring process on visibility of Global Fund messaging through traditional and social media, and provision of updates and organization of informative townhalls |
| MA-5982 | Donor Funding: Continue leading advocacy efforts around domestic resource mobilization through the influencing of political/parliamentary debates and the support to civil society advocacy | Quarterly P&A reporting and metric refinement |
| MA-5985 | Donor Funding: Engaging with Board stakeholders around political and governance issues, ensuring that additional public donors continue to be part of key conversations. | Internal discussions with LGD to ensure the accommodation of new donors who may leave the Board if not provided with relevant governance roles. Pressure from new donors themselves. |
| MA-5986 | Donor Funding: Ongoing monitoring to ensure the Global Fund meets agreed terms and conditions in donor contribution agreements to ensure payments as scheduled. | Regular resource mobilization updates to MEC and Global Fund governance bodies and regular monitoring process on visibility of Global Fund messaging through traditional and social media |
| MA-5987 | Donor Funding: Monitoring of developments in relation to other replenishment exercises and fundraising efforts in global health plans over 2020-2022, and relevant coordination. | Board-monitored partnerships with key actors who function under replenishment models |
| MA-5988 | Donor Funding: Continuing and strengthening internal processes for screening, due diligence and risk management in relation to private sector partnerships, including the operationalization of policies around private sector engagement. | Ongoing engagement of the Private Sector Engagement Risk Committee, an inter-divisional/departmental body overseeing risk management tasks associated with private sector partnerships |
| MA-5990 | Donor Funding: Strengthened oversight of performance to ensure delivery of results through enhanced monitoring | Pressure from civil society platforms for |
### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Action</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MA-5983</strong> Donor Funding: Facilitating the engagement of donors and other key stakeholders in the design of the upcoming Global Fund strategy and the new grant cycle, thereby increasing their ownership and involvement in the definition of the organization’s programmatic aspirations.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-5984</strong> Donor Funding: Maturing performance and accountability processes based on lessons learned from the Sixth Replenishment, setting the foundations and paving the way for a successful Seventh Replenishment.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-5989</strong> Donor Funding: Co-leading the redefinition of the Global Fund brand, to continue increasing the visibility of the organization's mandate and results.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-5997</strong> Donor Funding: Devising new ways of working with civil society groups and communities, including increasing financial support to the Global Fund advocacy networks, providing connectivity tools to maintain the right levels of communications across partners, and creating the right messaging to maintain key stakeholders informed on international action to fight COVID-19.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-6049</strong> Donor Funding: Timely reporting of C19RM results to donors and key stakeholders through specific consultations, impact stories, and public data releases in line with the M&amp;E and assurance framework.</td>
<td>Underway</td>
<td>31-12-2022</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-6026</strong> DHF: Strategic use of the Innovative Finance Strategic Initiative to approve additional joint investments and strengthen alternative sources of DRM.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>HFD</td>
</tr>
<tr>
<td><strong>MA-6028</strong> DHF: Leveraging partners via the Sustainable Financing for Health Accelerator (SFHA) to enhance DRM, VfM, and more effective development assistance.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>HFD</td>
</tr>
<tr>
<td><strong>MA-6029</strong> DHF: Enhancement of systems and tools to pro-actively manage risk, including tracking domestic procurement.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>HFD</td>
</tr>
<tr>
<td><strong>MA-5996</strong> Donor Funding: Increasing interactions with donors, partners and advocates to ensure the Global Fund effective positioning in the new context, and to monitor and protect financial commitments.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-5992</strong> Donor Funding: Supporting the engagement of the Global Fund in the Access to COVID-19 Tools Accelerator (ACT-A), particularly on the diagnostics and therapeutics pillars and the health system connector, and to position the partnership as a key actor in the pandemic response and in the global health landscape and to mobilize additional resources.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-5993</strong> Donor Funding: Establishing new partnerships in the context of the pandemic, including with private sector actors, creating new opportunities for collaboration, resource mobilization and advocacy.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>ERCD</td>
</tr>
<tr>
<td><strong>MA-5995</strong> Donor Funding: Continuing resource mobilization efforts across different markets to secure timely pledge conversion for the Sixth Replenishment, including, to the largest extent possible, the mobilization of additional USD 100 million, as committed in the Lyon pledging conference.</td>
<td>Underway</td>
<td>31-12-2022</td>
<td>ERCD</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Change since last quarter</th>
<th>Current direction of travel</th>
<th>Global Fund ability to mitigate</th>
<th>Residual Risk</th>
<th>Key Partners</th>
<th>Key Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Current</td>
<td>Steady</td>
<td>Moderate</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Related Action**

- MA-5682 MA-5683 MA-5688 MA-5690
- MA-5691 MA-5692
- MA-6056 MA-6057
- MA-5685
- MA-5681 MA-5684 MA-5689
- MA-5686 MA-5687 MA-5692
- MA-5712
- MA-5717
- MA-5711
- MA-5715 MA-5716
- MA-5710
- MA-5726 MA-5727
- MA-5719 MA-5720 MA-5721 MA-5722 MA-5723 MA-5724 MA-5725
- MA-5832
- MA-5834 MA-5835 MA-5836 MA-5837
- MA-5834
- MA-5834 MA-5836
- MA-5834 MA-5835
- MA-5834 MA-5835
- MA-5902 MA-5903
- MA-5899
- MA-5897 MA-5907
- MA-5681 IT Solution (Project) Risk: Remediation action plan to address late projects and IT Operational issues in place.
- MA-5682 IT Operational Risk: All key Secretariat applications migrated to the "cloud" or external high availability service providers reducing GHC Data Center requirements to a bare minimum.
- MA-5683 IT Operational Risk: Monthly IT operations and project performance review by CIO and IT Leadership Team.
- MA-5684 IT Solution (Project) Risk: Project management training delivered to IT Staff and key project teams; regular review by CIO.
- MA-5685 IT Vendor Risk: Establishment of an IT transformation & Vendor Management office to ensure alignment of projects with the Global Fund's Strategy as well as enhanced governance framework, risk management and control implementation around vendors.
- MA-5686 IT Information Security Risk: Information security controls embedded in the organization, Global Fund's ISMS for Treasury cash payments data & processes, OIG and Ethics and all related IT operational management processes and facilities are ISO27001 certified.
- MA-5687 IT Information Security Risk: Mandatory on-line information security awareness trainings rolled out to Secretariat staff. As well as focused and targeted trainings for high risk individuals as it relates to cyber-attacks / fraud / phishing / social engineering.
- MA-5689 IT Solution (Project) Risk: Reinforced IT governance, including new "control gates" for demand review, project approval and operations acceptance, defined and finalized.
- MA-5690 IT Operational Risk: Service Level Agreement monitoring are in place for all tickets and reviewed daily to avoid delay in the processing of user tickets.
- MA-5691 IT Operational Risk: BCPs in place, regular updates are done on BCP status and flexibilities that are being used.
- MA-5710 FC: BCPs were developed for all finance processes, flexibilities are triggered as required. Additionally, close monitoring of BCP is performed on a regular basis to make sure smooth operations.
- MA-5711 FC: Quarterly grant re-forecast including when available update on absorption shared with MEC and AFC to ascertain impact of Covid-19 on GF program. Identification of funds available for Portfolio Optimization or reallocation to Covid-19 fund.
- MA-5712 FC: 2021 Budget has integrated a reduction of travel & meeting, plus anticipation of recruitment at the end of 2020 for 2021. Additional decisions as part of pre-F1 forecast and F1 forecast were taken to ensure reallocation of potential savings.
- MA-5713 FC: Monthly Monitoring Meeting within Program Finance and reporting to MEC and AFC on closure.
Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Controls</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Operational Risk: Development and implementation of a Business Continuity Management System (BCMS) in conformity with the ISO-22310 standard.</td>
<td>Underway</td>
<td>30-11-2021</td>
<td>IT</td>
</tr>
<tr>
<td>IT Information Security Risk: Rolling out 3rd party Information Security Platform to review 3rd party information security risk exposure from breaches / phishing / ransomware attacks.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>IT</td>
</tr>
<tr>
<td>IT Operational Risk: Re-prioritization of efforts to respond to C19RM and continuous monitoring, review and impact analysis of new emerging cyber threats e.g. ransomware etc.</td>
<td>Underway</td>
<td>30-11-2021</td>
<td>IT</td>
</tr>
<tr>
<td>IT Operational Risk: Roll out Phishing training to PC/SR’s and recommend Multi-factor authentication for PC/SR’s email accounts to reduce risk of phishing attacks (joint initiative by GMD, Finance and IT).</td>
<td>Underway</td>
<td>31-08-2021</td>
<td>IT</td>
</tr>
<tr>
<td>FC: Development of costing methodology for the new GF strategy</td>
<td>Planned</td>
<td>31-12-2021</td>
<td>PFC</td>
</tr>
<tr>
<td>FC: Initiation of 1st Formal closure process for SI</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>PFC</td>
</tr>
<tr>
<td>FC: Integrated org planning working group with HR, SPH and IT, roll out of Position Management by HR with outcome integrated into 2022 OPEX Budget</td>
<td>Underway</td>
<td>31-08-2021</td>
<td>PFC</td>
</tr>
<tr>
<td>Sourcing: Review of the design and operating effectiveness of the Procurement Review Committee.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>SSC</td>
</tr>
<tr>
<td>Sourcing: Sourcing will issue guidance to control and maintain the approved Preferred Supplier List and the list of Direct Suppliers.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>SSC</td>
</tr>
<tr>
<td>FX: Fially automated dashboard in Tableau to monitor net FX exposure, including Bloomberg VAR calculation. The project is in production, being verified and running in parallel to existing model.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>Treasury</td>
</tr>
<tr>
<td>Admin: Amendment of sublease contract to align with the recently approved Operational Governance Framework and lease addendum to reflect final numbers in sublease agreement.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>Admin</td>
</tr>
<tr>
<td>Admin: Physical check and financial reconciliation of assets (except audiovisual equipment) was completed to ensure compliance with TGF rules and regulations.</td>
<td>Underway</td>
<td>31-10-2021</td>
<td>Admin</td>
</tr>
<tr>
<td>Admin: Training workshops planned with Crisis Management team members. Operationalization of the Crisis Management Plan in progress and implementation of IT tool to inform of crisis events.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>Admin</td>
</tr>
<tr>
<td>Admin: Selection of Security on field services providers completed making sure missions have adequate level of security. 2 companies were selected, the contract with one was signed, the other is under process with procurement and legal.</td>
<td>Underway</td>
<td>30-09-2021</td>
<td>Admin</td>
</tr>
<tr>
<td>Admin: Future of Work project in progress, which will perform a lesson-learned on COVID-19 situation and then result in redesign and adaptation of the working environment at the GHC.</td>
<td>Underway</td>
<td>30-06-2022</td>
<td>Admin</td>
</tr>
</tbody>
</table>

Overall Status: Green – on track, there are no material delays. Yellow – risk mitigation is on track. Red – risk mitigation is not on track. There are material delays.
<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Lack of integrated policies, processes, systems and data to manage programs throughout the grant life cycle.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Impact</td>
<td>Weaknesses in grant and risk management, inefficiency and high transaction costs in managing grants, and weakened internal controls.</td>
</tr>
<tr>
<td>Change since last quarter</td>
<td>No change  Current direction of travel Steady  Global Fund ability to mitigate Significant</td>
</tr>
<tr>
<td>Residual Risk</td>
<td>Moderate  Risk Appetite Not Applicable  Target Risk Not Applicable  Target risk timeframe Not Applicable</td>
</tr>
<tr>
<td>Key Partners</td>
<td>N/A</td>
</tr>
<tr>
<td>Key Countries</td>
<td>N/A</td>
</tr>
<tr>
<td>Root Cause</td>
<td>Limited assessment of the operational feasibility and implications of Board-approved policies.  MA-5704</td>
</tr>
<tr>
<td></td>
<td>Limited internal capacity to assess and implement changes to grant management systems resulting from new business requirements.  MA-5700 MA-5704</td>
</tr>
<tr>
<td></td>
<td>Frequent changes to processes that limit the Secretariat's ability to maintain up to date policies, procedures systems and data.  MA-5703 MA-5704</td>
</tr>
<tr>
<td></td>
<td>Naïve change control structures to identify and manage interdependencies between systems, processes and data.  MA-5703</td>
</tr>
<tr>
<td></td>
<td>Limited monitoring of business process controls.  MA-5701 MA-5705</td>
</tr>
<tr>
<td></td>
<td>Lack of standards and guidance on data management, and limited data availability.  MA-5702 MA-5706</td>
</tr>
<tr>
<td></td>
<td>COVID-19 disruption causing diversion of resources from business-as-usual activities, impacting timeline of operational launches, development of new procedures and crisis response mechanisms.  MA-5707 MA-5708 MA-5709 MA-6048</td>
</tr>
<tr>
<td></td>
<td>Complexity of integrating operationalization of COVID-19 response, including C19RM, in grant lifecycle processes, and meet donor demands.  MA-6048</td>
</tr>
<tr>
<td>Current controls &amp; mitigations</td>
<td>MA-5700 Majority of grant lifecycle (from Funding Request to Grant Closure) and cross-functional processes (GRD, Differentiation, IFH) are integrated from a process, policy and data point of view and automated in the Grant Operating System (GOS).  Monitoring of business process controls</td>
</tr>
<tr>
<td></td>
<td>MA-5701 Regular exception reporting to monitor performance of key grant management business processes.  OIG audits</td>
</tr>
<tr>
<td></td>
<td>MA-5702 Data Governance Committee established, and program of work agreed, to review and implement improvements to the Secretariat's approach to data management.</td>
</tr>
<tr>
<td></td>
<td>MA-5703 Operational Efficiency team strengthened to help identify and manage interdependencies between systems, processes, policies, and data.</td>
</tr>
<tr>
<td></td>
<td>MA-5704 Implementation of the Operational Launch Planning (inclusive of proposed changes reviewed by the Operational Change Group) enhancing the Secretariat's ability to maintain up to date processes, systems and data.</td>
</tr>
<tr>
<td></td>
<td>MA-5705 Comprehensive suite of dashboards for monitoring performance: programmatic, financial, operational and effectiveness of processes has been developed.</td>
</tr>
<tr>
<td></td>
<td>MA-5707 C19RM 2021 guidelines and process operationalization.</td>
</tr>
<tr>
<td></td>
<td>MA-5708 Business Contingency Plans in place and operational flexibilities covering grant lifecycle processes are executed as required. (extended until 30 September 2021 as needed, regularly re-assessed)  Overall Status  Risk mitigation is on track. There are no material delays.</td>
</tr>
<tr>
<td>Controls &amp; mitigations in development or planned</td>
<td>Status  Target completion  Action owner</td>
</tr>
<tr>
<td>MA-5706 Implementation of the Data Governance Program, currently focused on developing data lifecycle regulations.</td>
<td>Underway 31-12-2021  IT</td>
</tr>
<tr>
<td>MA-6048 Periodic updates of C19RM guidelines and process based on lessons learned and opportunities for process improvement.</td>
<td>Underway 30-06-2022  A2F</td>
</tr>
</tbody>
</table>
## Risk Management & Internal Controls

### Risk Description
Weaknesses in identification of key risks, corresponding controls, assessment of impact, and prioritization and monitoring of controls and mitigating actions for both grant-facing and internal risks.

### Risk Impact
Divergent understanding of risks leading to ambiguity in accepting or managing risks, and inconsistency of responses across the first and second lines of defense. Inadequate risk management and internal control gaps resulting in the Global Fund not meeting its objectives.

### Change since last quarter

<table>
<thead>
<tr>
<th>Residual Risk</th>
<th>Key Partners</th>
<th>Key Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Weakness in the control environment including inadequate standards, processes and structures that provide the basis for internal controls.

#### Risk management not adequately embedded into Global Fund operations, and decision-making processes

- Variable understanding of risk management responsibilities across the first two lines of defense
- Reduced coordination between the second line oversight and first line of defense. In-country disruptions, especially travel restrictions, are also contributing to delays or inability to undertake planned assurance activities.

#### Lack/non-use of standardized risk approaches and tools for decision making and risk acceptance

- Inadequate implementation and follow up of prioritized risk mitigations, and quality and timely assurances
- Limited operationalization of key policies, processes and tools

#### Root Cause
- Rapid change of the external and internal operating environment resulting in the need to continually evolve risk management tools and processes and simultaneously adapt second line oversight over changing operations and new Secretariat activities introduced in response to COVID-19
- Reduced coordination between the second line oversight and first line of defense. In-country disruptions, especially travel restrictions, are also contributing to delays or inability to undertake planned assurance activities.

#### Related Action
- MA-6009 MA-6011 MA-6038
- MA-6043

### Root Cause
- Increasing Global Fund ability to mitigate

### Related Action
- MA-6009 MA-5998 MA-6002
- MA-6005 MA-6046

### Current controls & mitigations

#### MA-5998
Ongoing application of CoE flexibilities to improve program delivery in contexts with high external risks.

#### MA-6001
Ongoing risk oversight of funding requests, grant-making and approvals, and annual funding decisions and disbursements to ensure effective embedding of risk management across the grant lifecycle.

#### MA-6004
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-6005
Risk measurement framework in place to ensure standardized and objective risk assessment across the portfolio and to facilitate ongoing Risk Appetite-based decision making for 9 key organizational risks.

#### MA-6010
Secretariat developed and rolled out the COVID-19 Country Monitoring Survey to allow timely assessment of in-country disruption levels as a result of the pandemic.

#### MA-6043
Secretariat developed Business Contingency Plans for 52 Global Fund processes. BCPs allow an informed and graded risk-based response to the various scenarios of disruptions, with defined flexibilities across processes including delivery of grants and standards of assurance across various defined scenarios of disruptions. These are being monitored every quarter.

#### MA-6044
Proactive risk management across the grant life cycle, with clear roles and responsibilities of the first and second lines of defense with respect to differentiated risk assessments for High Impact, Core and Focused portfolios, risk identification, prioritization and mitigation, capacity assessments, comprehensive assurance planning and monitoring, in-country validation and reporting, and related activities.

#### MA-6045
Use of Integrated Risk Management module to facilitate improved and streamlined risk identification/planning of mitigations, assurances and follow up

#### MA-6046
Portfolio Performance Committee driving greater focus on key risks and mitigations linked to objectives in prioritized countries. Use of Country Risk Management Memorandum to facilitate structured approach to risk trade-offs and risk acceptance with a focus on key mitigating and assurance actions for Core and High Impact portfolios.

#### MA-6032
Ongoing implementation of improvement actions by the Business Process Owners to strengthen internal controls for key business processes in line with the COSO framework.

#### MA-6034
Performance & Accountability framework, in place to drive process performance and accountability across the Secretariat, with routine monitoring of process efficiency and effectiveness metrics through reporting to Management Executive Committee.

#### MA-6035
Oversight over control monitoring, including exception reporting and handling for selected key controls, to strengthen the control environment through an active feedback loop focused on improvement.

#### MA-6036
Active risk management undertaken by Secretariat business units through selected use of departmental risk registers to control risk assessment and mitigation.

#### MA-6037
Implementation action plans to advance maturity of Secretariat business processes to drive process improvement and quality and effectiveness of controls.

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

### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-6000 Routine monitoring of key mitigating actions and assurance activities to drive greater progress and completion.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>GMD</td>
</tr>
<tr>
<td>MA-6006 Conduct review of key risks and effectiveness of key mitigation measures, internal controls and assurance arrangements with international non-governmental organizations by a cross functional team to identify changes needed to strengthen assurance arrangements and/or framework agreements.</td>
<td>Underway</td>
<td>30-10-2021</td>
<td>Risk</td>
</tr>
<tr>
<td>MA-6007 Improve coordination, embed risk management and improve internal controls in the Supply Operations Department.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>SSC</td>
</tr>
<tr>
<td>MA-6008 Develop framework and associated policies and procedures for coordination of second line oversight and risk</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>Risk</td>
</tr>
</tbody>
</table>
management, to improve consistency and efficiency across all second line functions, based on an assessment of the current state and opportunities for improvement.

<table>
<thead>
<tr>
<th>Annex</th>
<th>Description</th>
<th>Status</th>
<th>Date</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-6009</td>
<td>The Secretariat is making adjustments to risk management tools and processes to shift from acute crisis response to the new business normal, which includes revision to risk ratings, risk appetite, root causes, mitigations and assessment of PR capacity.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>Risk</td>
</tr>
<tr>
<td>MA-6038</td>
<td>Leverage existing Global Fund processes, controls, and frameworks to strengthen the end to end risk assurance approach for C19RM investments. Acknowledging the increase level of risks across key portfolio risk, and the unique risks posed through significantly higher C19RM funding, the following additional measures initiated and planned: - Develop and implement the Risk and Control Matrices (RCMs) for C19RM funding mechanism. - Develop and operationalize the monitoring and oversight (M&amp;O) framework to track C19RM - Plan, implement and monitor additional risk-based grant assurances to cover C19RM investments. This includes enhanced mandatory minimum assurance activities (pulse checks, supply chain and health service spot checks, procurement, warehousing and inventory management reviews and targeted programmatic and financial spot checks) across the top 45 portfolios with C19RM awards of over $20M (accounting for 90% of C19RM investments) under the oversight of Investment Committee.</td>
<td>Underway</td>
<td>30-12-2021</td>
<td>Risk</td>
</tr>
<tr>
<td>MA-6070</td>
<td>Conduct disease specific thematic deep-dives to inform prioritized adaptations and mitigation plans and drive grant performance under the oversight of Portfolio Performance Committee.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>TAP</td>
</tr>
<tr>
<td>MA-6033</td>
<td>Key Business Process Reviews performed to assess the system of internal controls for prioritized processes.</td>
<td>Underway</td>
<td>30-12-2021</td>
<td>Risk</td>
</tr>
</tbody>
</table>
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.

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 role in mobilization; protect governance officials and staff; deliver life-saving commodities; protect data and information assets; pursue recoveries.

4. Internal legal risk: weak foundation for governance and internal controls; decisions, exceptions and waivers approved by function without authority to do so; transaction inefficiencies; framework not in place for new initiatives/business evolution.

Change since last quarter
No change
Current direction of travel
Steady
Global Fund ability to mitigate
Moderate
Residual Risk
Moderate
Risk Appetite
Not Applicable
Target Risk
Not Applicable
Target risk timeframe
Not Applicable

Key Partners
N/A

Key Countries
Contract risk: countries where counterparts are organized and/or active. External legal risk: countries where the Global Fund is active or has assets. P&I risk: There are 21 signatories to the P&I Agreement (of which 13 have ratified or otherwise approved, indicated by *: Afghanistan*, Burkina Faso*, Burundi, Côte d’Ivoire, Eswatini*, Ethiopia*, Gabon, Georgia*, Ghana, Kenya*, Liberia*, Malawi*, Moldova*, Montenegro, Mozambique*, Niger, Rwanda*, Senegal*, Togo*, Uganda*, and Zimbabwe*. In addition, Kenya has recently become the fifth State to grant the Global Fund certain privileges and immunities under domestic laws or through the conclusion of bilateral agreements, the other States being Switzerland, Uganda, the United States and Zimbabwe. In total, the Global Fund has P&I s in 19 countries.

Root Cause
External legal risk: claims against or involving the Global Fund; compliance costs; potential violation of local laws by Global Fund or implementers; potential inquiry, investigation and/or enforcement by external authority. Increasing focus on sanctions compliance in connection with Global Fund grants and procurement. In addition, risks may arise from the simultaneous development of the operational framework for C19RM 2.0 and its implementation.

Internal legal risk: lack of centralized knowledge management system for Global Fund policies, rules and procedures; decentralized rulemaking, implementation and training/communication; no formal compliance structure. BCP flexibilities and exceptions introduced as urgent responses to ensure continuity of essential activities, may heighten internal controls and compliance. Compliance risk in relation to Q&A policies heightened, given the increasing procurement of Covid-19 products.

Assurances
Contract risk: Grant agreements, COVID-related procurement, contribution agreements are prioritized (whether new or amended). Non-urgent contracts de-prioritized in line with BCPs GF standard terms and templates, procurement services agents’ contracts for the procurement of certain COVID-related health products are leveraged where GF terms are not accepted. Revised Delegations of Signature Authority expand requirements for contract clearance; Legal review of BCP and related updates to procurement rules.

External legal risk: Defense of procurement-related claims under the advice of external counsel in the relevant jurisdictions; engagement with Swiss mission on legal status; assertion of P&I s (where available); contractual limitations of liability (where standard terms and templates are used); updated guidance on arbitration and governing law provisions; monitoring of sanctions and obtaining licenses (where appropriate); personal data privacy clause in standard contract terms.

P&I risk: limited ability to dismiss claims, protect and maximize impact of Global Fund resources, conduct resource mobilization, protect governance officials and staff, deliver life-saving commodities, protect data and information assets and pursue recoveries. Negotiation of P&I s affected, in order to ensure delivery of core grant-related objectives and focus on continuity during pandemic. Among donor countries, the current absence of P&I s in France.

Legal clearance of contracts where required under Delegations of Signature Authority; tracking of selected contract deviations presented by business teams; escalation mechanism for acceptance of counterparty contract terms.

Protection of P&I s (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; grant of P&I s under domestic laws in certain countries.

Legal acts as independent advisor to Board, Committees, Secretariat and OIG on internal policies, rules and procedures.

Internal legal risk: Board approval of C19RM 2.0 policy; embedded Legal Counsels advise CTS on C19RM 2.0 and other grant requirements; continuing Legal review of C19RM guidelines and procedures, contribution conditions and reporting requirements, and Secretariat BCPs. Legal clearance of Board and Committees decisions.

Legal acts as independent advisor to Board, Committees, Secretariat and OIG on internal policies, rules and procedures.

Controls & mitigations in development or planned
Internal legal risk: Two new Legal surge positions to in connection with C19RM, existing controls and assurance mechanisms for grant to mitigate risks associated with simultaneous development of C19RM 2.0 and its implementation.

Status
Underway

Target completion
31-12-2021

Action owner
Legal

External legal risk: claims against or involving the Global Fund; compliance costs; potential violation of local laws by Global Fund or implementers; potential inquiry, investigation and/or enforcement by external authority. Increasing focus on sanctions compliance in connection with Global Fund grants and procurement. In addition, risks may arise from the simultaneous development of the operational framework for C19RM 2.0 and its implementation.

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Controls & mitigations in development or planned
Internal legal risk: Two new Legal surge positions to in connection with C19RM, existing controls and assurance mechanisms for grant to mitigate risks associated with simultaneous development of C19RM 2.0 and its implementation.

Status
Underway

Target completion
31-12-2021

Action owner
Legal

THE GLOBAL FUND
### Risk Description
- Structures and processes to take decisions and conduct oversight, in pursuit of the organization’s mission and strategic objectives, are not effective.

### Risk Impact
- Weaknesses in governance limit Board’s ability to provide clear direction, to undertake an effective oversight role, and to take informed, timely and strategic decisions in the best interests of the Global Fund.

### Change since last quarter
<table>
<thead>
<tr>
<th>No change</th>
<th>Current direction of travel</th>
<th>Increasing</th>
<th>Global Fund ability to mitigate</th>
<th>Significant</th>
</tr>
</thead>
</table>

### Residual Risk
<table>
<thead>
<tr>
<th>Moderate</th>
<th>Risk Appetite</th>
<th>Not Applicable</th>
<th>Target Risk</th>
<th>Not Applicable</th>
<th>Target risk timeframe</th>
<th>Not Applicable</th>
</tr>
</thead>
</table>

### Key Partners
- N/A

### Key Countries
- N/A

### Root Cause
- Trust, collaboration and accountability: Instances of lack of trust between Board, Committees and Secretariat may lead to a culture of over-consultation, insufficient delegation, large volume of information and a resulting lack of focus on strategic issues and hampering of oversight and decision-making processes. Lack of clarity around roles, responsibilities and accountabilities.

### Related Action
- MA-5772 MA-5781 MA-5784 MA-6067
- Board size, structure and composition in a changing landscape: Global Fund governance structure, composition and operations remain largely unchanged since its inception despite significant changes in global health architecture.

### Existing conflicts of interest and inadequate due diligence on nominated individuals.
- MA-5769 MA-5790 MA-5791 MA-6066
- Leadership, Continuity & Institutional Memory: Short-Term lengths for Board Leadership and Committee members do not support continuity, may pose limitations to leadership effectiveness, and require frequent, resource-intensive selection processes, resulting in governance burden, and committee selection processes have historically faced perceived or actual challenges around balanced representation, transparency, candidate pools, diversity, technical skills and procedural clarity. Description updated:

### Level of Board Discussions & Leveraging the role of committees: Challenges in aligning Board and committee agendas, linked to strategic objectives. Large volume of information may pose challenges to oversight and decision-making.
- Governance continuity in crisis setting: COVID-19 disruption causing reduced engagement or increased membership turnover due to capacity constraints, complex governance processes place limitation on agility in urgent decision-making, and virtual environment impacts on efficiency and trust.

### Constituency engagement and voice: Inconsistent levels of engagement by Board constituencies, including differing levels of capacity to engage.
- MA-5771 MA-5778 MA-5780 MA-5792
- MA-5766 MA-5786 MA-5787 MA-5788 MA-5789 MA-5793 MA-6068

### Current controls & mitigations

#### MA-5766
- Governance Performance Assessment Framework (external review of Board, Board leadership and Committee performance)

#### MA-5767
- BCP define procedures for delegation of authority and provide for how key leadership roles would be filled in the event of a vacancy.

#### MA-5768
- Strengthened Board Leadership and Committee Selection Processes, with enhanced attention to skills and competencies in the selection of committee members. Onboarding program for Board Leadership and Committee leadership.

#### MA-5769
- Additives 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.

#### MA-5770
- 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-5771
- Ethics and Integrity Framework and Code of Conduct for Governance Officials guides behaviors in decision-making.
- Ethics training is part of standard onboarding of Governance Officials. Updates to Codes of Conduct to reflect (1) key findings from the Governance Culture initiative (2020) and (2) international standards on SEAH (Feb 2021)

#### MA-5772
- Routine annual Declarations of Interest and Code of Conduct Certification for all Governance Officials
- Ongoing implementation through training and awareness of Ethics and Integrity Framework: policies and codes of conduct, including PSEA/safeguarding

#### MA-5773
- Strategic agenda setting is a focus of the CG and Board Leadership. Continuous attention to timely progress of initiatives, and to leveraging the role of committees to enable strategic discussions at Board level.

#### MA-5774
- Onboarding Framework (2018) in routine implementation for Board and committees. Dedicated on-boarding and ongoing advisory support to constituencies. Behavioral nudges by leadership to enable balance in constituency voice in discussions.

#### MA-5775
- Board documents adapted to focus on strategic input needed for decision making.

#### MA-5776
- Guidance Note for Constituency Dispute Resolution (2018) (provides guidance and an escalation mechanism in case of dispute within a constituency).
- Support to constituencies on routine review and continuous improvement of internal practices.

#### MA-5777
- Strengthened role of Coordinating Group, facilitating coordination between the Board and the committees on cross-cutting issues.

#### MA-5778
- Funding provided to Implementer Constituencies to support their effective engagement at the governance level

#### MA-5779
- Onboarding and training of Governance officials and leadership. Existing Governance Performance Assessment Framework.

#### MA-5780
- Flexibilities and contingency approaches developed for the continuity of governance operations, engagement of constituencies, and leadership continuity.

#### MA-5781
- Adapted processes to enable governance priorities to continue in virtual environment (Partnership Forums, IGC selection process, etc.)

#### MA-5782
- Expedited decision-making processes for the adoption of urgent decisions required to enable the COVID-19 response and safeguard the GF mission, with ongoing transparent and regular reporting.

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

### Controls & mitigations in development or planned

#### MA-5765
- GAP 2.0: Review of term lengths (Board Leadership and Committees), in line with strategic cycles and priorities, and principles of balance, continuity and renewal

#### MA-5777
- Placeholder to continue monitoring the existing governance structure is fit for purpose as and when deemed necessary by the EGC or Board.

#### MA-5783
- GAP 2.0: Effective Reporting: renewed attention to continuous improvement, streamlining, and simplification of reporting, as well as alternative methods of information-sharing (e.g. Financial Dashboard 2021)

### Risk owner
- 2021-Q2
- MEC Approved

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**The Global Fund**

**Board Information – GF/B46/19**
| MA-5784 | GAP 2.0: review of committee mandates | Planned | 31-12-2021 | Legal |
| MA-5788 | GAP 2.0: additional operational enhancements to enhance interaction and support meeting modalities and constituency engagement in virtual settings and beyond | Underway | 31-12-2021 | Legal |
| MA-5792 | Flexibilities in Constituency Funding to support continuous engagement by implementer constituencies. | Underway | 31-12-2021 | Legal |
| MA-5793 | Sustained attention to enable effective and on time delivery of key Board-level priorities and governance activity in a continuing crisis environment, including on strategy development. | Underway | 31-12-2021 | Legal |
| MA-6066 | Roll out of the Integrity Due Diligence framework. | Underway | 30-09-2021 | Legal |
| MA-6067 | GAP 2.0: Revise the Governance Performance Assessment Framework, aligned to the Strategy Cycle, with appropriate frequency of assessments of Board, Committees and their leadership, in line with good practice. CG and leadership onboarding on culture of trust; regular engagement to discuss culture and trust, including with Management. | Planned | 31-05-2022 | Legal |
| MA-6068 | Review BCOP based on lessons learned from 2020-2022. | Underway | 31-12-2022 | Legal |
### Risk Description
Failure to drive a performance based and ethical culture and ensure all staff and governance officials uphold and demonstrate the Global Fund's corporate values, protect its reputation, and the behaviors needed to maximize operational efficiency and effectiveness.

### Risk Impact
Operational inefficiency, reduced workforce capacity and operational effectiveness, harm to the Fund’s reputation and a negative impact on staff well-being.

### Change since last quarter
<table>
<thead>
<tr>
<th>Category</th>
<th>No change</th>
<th>Current direction of travel</th>
<th>Goal</th>
<th>Global Fund ability to mitigate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Risk</td>
<td>Moderate</td>
<td>Risk Appetite</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

### Key Partners
N/A

### Key Countries
N/A

### Root Cause
Direction from senior management on aspirational culture is not consistently cascaded or demonstrated

| MA 5815 | Comprehensive wellness strategy being deployed, providing support throughout, by executing targeted team interventions, where required, regular pulse survey, annual leave policy updates and further through staff support service from ombudsman, staff counselor and occupational health advisor. | OIG Functional Audit |
| MA 5817 | Updated Code of Conduct for Staff, updated Bullying and Harassment Policy, and updated investigations and disciplinary procedures facilitating enhanced accountability and control. | Ombudsman |
| MA 5818 | Leadership capability being enhanced through focused development programs for managers. The initiative is further supported by offers on Manager and employee capability development programs aligned to organization strategy. | |
| MA 5820 | 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 5821 | Code of Conduct for Board and governance officials in place. | |
| MA 5822 | Continued awareness raising and related trainings on ethics and integrity. | |
| MA 5823 | Total rewards review was implemented in 2019 and launched in January of 2021 for all employees. The rewards philosophy has been articulated reflecting aspects of our aspirational cultural values. | |
| MA 5824 | Sustaining the revised investigation and disciplinary process launched in 2020, resulting in better case management for the organization. | |
| MA 5827 | Ethics Office review of Codes of Conduct and Policies within the Ethics and Integrity Framework. Corresponds to AMA 4 of the 2019 OIG Audit of Ethics & Integrity | |
| MA 5828 | Performance and talent management review in place to provide the organization and people managers with tools and capabilities to evaluate performance objectively, take accountability, nurture talent and recognize performance. | |
| MA 6050 | Integrated organizational planning and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, aligned workforce requirements and budget requirements. | |

### Current controls & mitigations

| MA 5815 | Comprehensive wellness strategy being deployed, providing support throughout, by executing targeted team interventions, where required, regular pulse survey, annual leave policy updates and further through staff support service from ombudsman, staff counselor and occupational health advisor. | OIG Functional Audit |
| MA 5817 | Updated Code of Conduct for Staff, updated Bullying and Harassment Policy, and updated investigations and disciplinary procedures facilitating enhanced accountability and control. | Ombudsman |
| MA 5818 | Leadership capability being enhanced through focused development programs for managers. The initiative is further supported by offers on Manager and employee capability development programs aligned to organization strategy. | |
| MA 5820 | 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 5821 | Code of Conduct for Board and governance officials in place. | |
| MA 5822 | Continued awareness raising and related trainings on ethics and integrity. | |
| MA 5823 | Total rewards review was implemented in 2019 and launched in January of 2021 for all employees. The rewards philosophy has been articulated reflecting aspects of our aspirational cultural values. | |
| MA 5824 | Sustaining the revised investigation and disciplinary process launched in 2020, resulting in better case management for the organization. | |
| MA 5827 | Ethics Office review of Codes of Conduct and Policies within the Ethics and Integrity Framework. Corresponds to AMA 4 of the 2019 OIG Audit of Ethics & Integrity | |
| MA 5828 | Performance and talent management review in place to provide the organization and people managers with tools and capabilities to evaluate performance objectively, take accountability, nurture talent and recognize performance. | |
| MA 6050 | Integrated organizational planning and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, aligned workforce requirements and budget requirements. | |

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

<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA 5819 Leadership and manager capability development to drive accountability, performance, psychological safety and staff well being. Continued implementation of the leadership program 'Elevate', launched in 2019.</td>
<td>Underway</td>
<td>31-12-2021</td>
<td>HR</td>
</tr>
<tr>
<td>MA 5825 Organizational and Divisional / Departmental / Team action plans based on the engagement results planned for implementation through 2021, continuing from 2020.</td>
<td>Planned</td>
<td>31-12-2021</td>
<td>MEC</td>
</tr>
<tr>
<td>MA 5831 Working on evolving organizational culture through various initiatives (Sustainable &amp; measurable diversity &amp; inclusion strategy &amp; embed it into existing processes, Future of Work, Aspirational Culture, Wellbeing Strategy)</td>
<td>Underway</td>
<td>31-12-2022</td>
<td>HR</td>
</tr>
<tr>
<td>Risk Description</td>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change since last quarter</td>
<td>No change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residual Risk</td>
<td>Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk Appetite</td>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Partners</td>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Countries</td>
<td>Not Applicable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Change Impact:**

- Increased risk of staff burnout due to increase workload and productivity loss due to COVID-19 impact on employees.
- Current direction of travel | Increasing |
- Global Fund ability to mitigate | Significant |
- Current controls & mitigations | Assurances |
- Related Action |
- Integrated organizational planning and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, aligned workforce requirements and budget requirements. OIG functional Audit |
- Comprehensive wellness strategy being deployed, providing support throughout, by executing targeted team interventions, where required, regular pulse survey, annual leave policy updates and further through staff support service from ombudsman, staff counselor and occupational health advisor. Staff pulse survey |
- 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. Reporting on medical leaves |
- Performance and Accountability reporting done on quarterly basis focusing on areas for efficiency / effectiveness. |
- New performance & development cycle implemented as well as the recognition framework – further embedment in 2021 and 2022. |
- Continued monitoring of workforce needs across the organization, with redeployment or, if required, recruitment of resources being done to meet the business needs. |
- Continue to adapt to the impact caused by COVID disruption through: Situation Response Team (SRT) that manages the response to COVID crisis, Business Contingency Plan (BCP) across Secretariat, engagement with Swiss authorities to address any legal, tax, pension fund, social security issues, and adapting to the Swiss government guidance and regulations. |

**Overall Status** | Status | Target completion | Action owner |
| | Underway | 31-12-2021 | HR |
| | Underway | 31-12-2021 | HR |
| | Underway | 31-12-2021 | HR |
| | Underway | 31-12-2022 | MEC |
| | Underway | 31-12-2021 | SPH |
### Risk Description
Reputational harm can be caused by problems that emerge unexpectedly from control weaknesses, performance issues, poor governance or oversight, or events beyond the control of the Global Fund. Misleading or disproportionately negative media coverage of misuse of funds or other inappropriate activities can amplify reputational harm.

### Risk Impact
Damage to reputation can lead to potential loss of future donor funding and ability to achieve impact against the three diseases.

### Change since last quarter
No change  
**Current direction of travel**: Increasing  
**Global Fund ability to mitigate**: Moderate

### Residual Risk
<table>
<thead>
<tr>
<th>Risk Appetite</th>
<th>Target Risk</th>
<th>Target risk timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

### Key Partners
N/A

### Key Countries
N/A

### Root Cause
- Potential misstep in Board selection process
- Political factors can influence news coverage
- Complexity of global health operations allow for misinterpretation
- OIG and other reports that identify misuse of funds or other serious issues
- Performance issues or internal control weaknesses

### Current controls & mitigations

<table>
<thead>
<tr>
<th>Assurance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-5743</td>
<td>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.</td>
</tr>
<tr>
<td>MA-5744</td>
<td>Proactive identification of potential issues by country teams and senior management with relevant teams. Country Teams reports</td>
</tr>
<tr>
<td>MA-5745</td>
<td>Continual focus on strengthening organizational maturity of risk management, internal controls, governance, and increasing transparency.</td>
</tr>
<tr>
<td>MA-5746</td>
<td>Proactive, agile communications strategy by Communications Department.</td>
</tr>
<tr>
<td>MA-5747</td>
<td>Constant coordination with external relations teams to adjust communications plans to priorities and emerging risks in key markets and audiences</td>
</tr>
<tr>
<td>MA-5748</td>
<td>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</td>
</tr>
<tr>
<td>MA-5749</td>
<td>Release of situation reports, and updated key messages and information on COVID-19 response on digital platforms</td>
</tr>
<tr>
<td>MA-5750</td>
<td>Proactive media outreach and regular monitoring of media coverage</td>
</tr>
</tbody>
</table>

### Assurances
- Quarterly reporting, SPH active monitoring, and MEC discussion on the status of P&A indicators
- Frequent exchanges of the ERCD Leadership Team and internal working groups (Situation Response Team and COVID-19 Steering Committee)
- Regular review of the situation by MEC and internal COVID-19 working groups (Situation Response Team and COVID-19 Steering Committee)
- Review of monthly media coverage as part of ERCD Leadership Team discussions

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

### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 2: Relevant Past Board Decisions

<table>
<thead>
<tr>
<th>Relevant past Decision Point</th>
<th>Summary and Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision Point: GF/B32/DP11: Approval of the Risk Management Policy</strong>&lt;sup&gt;1&lt;/sup&gt; (November 2014)</td>
<td>Based on the recommendation of the Finance and Operational Performance Committee, the Board approves the Risk Management Policy, as set forth in Annex 3 to GF/B32/13.</td>
</tr>
</tbody>
</table>

<sup>1</sup>https://www.theglobalfund.org/board-decisions/b32-dp11/
Annex 3: Relevant past documents and reference materials

Q1-2021 Organizational Risk Register Update GF/AFC16/05B (July 2022)

Risk Management Report and CRO's Annual Opinion GF/B45/17 (May 2021)

Risk Management Report GF/B44/16 (November 2020)

Risk Management Policy GF/B32/13 (November 2014)