Purpose: To provide the Board with an update on the status of the organizations’ risk profile, risk management framework, and risk management priorities for 2023, and the annual opinion of the Chief Risk Officer.
Executive Summary

Context

There have been two persistent themes throughout 2022: volatility and resilience. The volatility that has characterized the past three years continues. There is a looming global recession, a cost-of-living crisis in many countries, disasters linked to climate change, Russia's ongoing invasion of Ukraine, and conflict, political instability and security threats in a number of countries. However, there is a counterpoint to this worrying outlook, which is the resilience which HIV, Tuberculosis (TB) and malaria (HTM) programs have shown.

Despite the success of programs, the bar is once again being raised in 2023 with the start of the 2023-2028 Global Fund Strategy. Operational pressures on implementers and the Secretariat are also going to be significant in 2023 and the need to effectively prioritize and set realistic milestones and objectives will be more important than ever before. Effective risk management is going to be pivotal to ensure risks are being promptly identified and either contained or mitigated.

Questions this paper addresses

External risks impacting the Global Fund’s risk profile: There are a range of external risks which are impacting the Global Fund’s risk profile. The nature of these risks means that the Global Fund has limited ability to mitigate their root causes. However, the Secretariat is taking steps, where possible, to mitigate their impact on Global Fund supported programs and its operations.

Overarching risks to the implementation of the 2023-2028 Strategy: There are a number of overarching risks to the implementation of the new Strategy including managing the complex but critical investments needed in resilient and sustainable systems for health, implementer capacity and executing C19RM in a volatile environment.

Impact of global risk events on risk levels relative to risk appetite: In response to COVID-19 related disruption and the ongoing volatility of the Global Fund’s operating environment, a range of measures were implemented. Internally processes, systems and tools were updated to realign with the new context and to enable the organization to switch into crisis-management mode. In-country program adaptations have been introduced alongside new and expanded assurance activities. Despite all these measures, the level of volatility being seen globally has meant that the trajectories for certain risks have not reduced in line with expectations or are increasing.

The target timeframe agreed by the Board for reducing the TB Program Quality risk to High by the end of December 2023 has been met before time, and the M&E risk reached Moderate in line with the target timeframe of the end of December 2022. However, the malaria risk is on the cusp of Very High and the target risk timeframes for the Procurement, Grant-Related Fraud & Fiduciary, and Accounting & Financial Reporting by Countries risks have not been met.

Recommendations to amend risk appetite statements (refer to GF/B49/04: Recommendation on adjustments to Risk Appetite, for a more detailed discussion): Following a bottom-up analysis the Secretariat is recommending adjustments to risk appetite for two risks, and extensions to target risk timeframes for three risks:

i. TB Program Quality – risk appetite to be reduced from Very High to High, and the timeframe for reaching a Moderate risk level to be maintained as June 2025.
ii. **Malaria Program Quality** – risk appetite to be increased from High to Very High, and the timeframes for reducing risk levels back to High and then Moderate to be presented to the Committees in the coming months and submitted for approval at the November 2023 Board meeting.

iii. **Procurement** – timeframe for reaching a Moderate risk level to be extended by 18 months from December 2022 to June 2024;

iv. **Grant Related Fraud and Fiduciary** - timeframe for reaching a Moderate risk level to be extended by 18 months from December 2022 to June 2024; and

v. **Accounting and Financial Reporting by Countries** – timeframe for reaching a Moderate risk level to be extended by 12 months from December 2022 to December 2023.

The Report also provides an overview of key thematic risks and summarizes risk management priorities for 2023, which include focusing on emerging risks, continued maturation of the second line of defense, enhancements to risk management tools and strengthening monitoring and oversight.

**Chief Risk Officer’s Annual Opinion**

The events of recent years have created many challenges. Responding to these challenges has demanded rapid adjustments to the Global Fund’s risk management approach to ensure it remains aligned to the current operating context and fit for purpose. Enhancements made to different internal processes, systems and tools both in response to the COVID-19 emergency and delivering on C19RM, and as part of continuous improvement initiatives, mean that the Global Fund's risk management has further matured.

Despite this progress there is still further work needed to ensure the organization keeps pace with the rapidly changing operational context and that any areas that may be lagging behind from a maturity perspective are prioritized.

2023 will be an extremely challenging year with many competing priorities that need to be delivered against an operating environment that remains volatile and a continually evolving risk landscape. Risk trajectories and the organization’s risk profile are not expected to stabilize for at least the next twelve months, and whilst HTM programmatic results have rebounded and are moving in the right direction, the Malaria Program Quality risk is increasing and may exceed the current risk appetite which must be closely monitored. Adaptations will be needed to ensure program operations can be maintained in even in contexts where there are political and security threats, and to actively address biological threats due to drug and insecticide resistance.

In a volatile and resource-constrained environment difficult but informed risk trade-off decisions will need to be made. The organization needs to leverage the relevant data and tools, including risk appetite, at its disposal to enable this to happen.
Risk Management Report

Background

1. There have been two persistent themes throughout 2022: volatility and resilience. The volatility that has characterized the past three years continues. There is a looming global recession, a cost-of-living crisis in many countries, disasters linked to climate change, Russia’s ongoing invasion of Ukraine, and conflict, political instability and security threats in a number of countries. However, there is a counterpoint to this worrying outlook, which is the resilience which HIV, Tuberculosis (TB) and malaria (HTM) programs have shown.

2. Countries and implementers, along with the Global Fund partnership, have risen to the challenge time and again to ensure the continuity of programs, resulting in lives saved and deaths averted. The 2022 Results Report demonstrates this resilience: HIV testing services for groups in greatest need recovered in 2021; approaches to identify and treat more “missing” people with TB have been accelerated; and, malaria programs have recovered from previous declines, with testing and treatment now registering gains.

3. Despite the success of programs, the bar is once again being raised in 2023 with the start of the new 2023-2028 Strategy. The Strategy places an increased focus on resilient and sustainable systems for health, as well as pandemic preparedness and response, which will demand more complex interventions. Further, whilst the recent Seventh Replenishment can be considered a success, particularly given fiscal pressures on donor countries, resources compared to the level of ambition will be constrained during the strategy period. This will require the partnership to find innovative solutions, which will inevitably involve risk trade-offs.

4. Operational pressures on implementers and the Secretariat are also going to be significant in 2023. In addition to the broader contextual challenges facing many implementers, 2023 also brings the combined pressures of continuing to implement in the final year of the Sixth Replenishment Grant Cycle (GC6), grant-making for the Seventh Replenishment Grant Cycle (GC7), and implementing the extension to the COVID-19 Response Mechanism (C19RM).

5. The need to effectively prioritize and set realistic milestones and objectives will be more important than ever before. Effective risk management is going to be pivotal to ensure risks are being promptly identified and either contained or mitigated, and that informed risk trade-off decisions are being made. The fact that risk management is already embedded into the Global Fund’s business processes and operating model ensures there is a strong foundation. Nonetheless, continuing to strengthen the second line of defense and ensuring tailored and targeted monitoring and oversight supported by the right systems, tools and processes, must be a priority for 2023.

External risks impacting the Global Fund’s risk profile

6. There are a range of external risks which are impacting the Global Fund’s risk profile. The nature of these risks means that the Global Fund has limited ability to mitigate their root causes. However, the Secretariat is taking steps, where possible, to mitigate their impact on Global Fund supported programs and its operations.

Russia’s invasion of Ukraine

7. Russia’s ongoing invasion of Ukraine has far-reaching implications. Globally, the impact on energy costs, food security and the economy is pushing already vulnerable populations further into poverty, and negatively impacting the ability of implementing governments to maintain investments in health
programs and of donor governments to support previous levels of official development assistance (ODA).

8. At a national level, millions have been displaced and parts of the country have become difficult to reach. Nonetheless, the valiant efforts of the Ukrainian people, civil society and health service providers has meant that despite the immense challenges, services continue to be provided to the millions in need of treatment and preventative services. The Global Fund’s Emergency Fund and C19RM have helped facilitate adaptations to respond to the evolving context.

Health finance and macroeconomic risk

9. Domestic financing is critical to achieving Global Fund strategy targets. As per the Investment Case for GC7, domestic financing is projected to be the major source of funding for Global Fund supported programs, with 45% of funding needs across the portfolio anticipated to be met by country resources. However, macro-economic and fiscal constraints in implementing countries, exacerbated by the pandemic, present severe challenges.

10. The World Bank’s latest Global Economic Prospects report (Jan 2023) indicates global growth is slowing sharply. Given fragile economic conditions, any new adverse development could push the global economy into recession.

11. The high level of public debt in a context of rising global interest rates and slow growth will further complicate the health-financing picture for many countries. In GC6, a significant material risk that co-financing commitments would not be realized was identified for 28% of disease components, during the grant approval process.

12. Embedding the domestic health financing risk into Global Fund risk management processes will enable more proactive risk identification and management.

Political instability and security risk

13. Beyond Ukraine, communities in other Global Fund supported countries are also suffering the often devastating impacts of political instability and security risks. In 2022, the External Risk Index showed a slight upward shift and a worsening risk rating for ten countries, with five now falling into the Very High or High risk categories.

14. A key means of ensuring program continuity in these challenging operating environments is through differentiated approaches tailored to the country-specific context. Country Teams also closely monitor evolving political situations to ensure the Secretariat has early warning of, and can quickly respond to, further or emerging signs of de-stabilization in any given country.

Climate change

15. The risks associated with frequent and extreme weather events are increasing, negatively impacting food and water security, health infrastructure and leading to changes in disease transmission patterns.

16. The Global Fund’s Strategy recognizes the need to take a holistic approach to addressing the negative impacts of climate change with a renewed focus on adapting to climate change through investments in health systems strengthening. The Strategy commits to maximizing the engagement and leadership of communities to support sustainable approaches to delivering health outcomes, especially for the most marginalized and vulnerable communities in society.
Overarching risks to the implementation of the 2023-2028 Strategy

Resilient and Sustainable Systems for Health (RSSH)

17. COVID-19 has tested the resilience of countries to respond to and actively mitigate the impact of the pandemic on essential health services. Some of the key factors contributing to effective mitigation of the impact of COVID-19 include health workforce capacity, especially of community health service delivery, Health Management Information Systems (HMIS) and surveillance, laboratory systems, and supply chain functionality and last-mile delivery.

18. However, the pandemic has also exposed critical gaps including management of acute respiratory care, effective infection prevention control (IPC) and access to waste management systems to dispose of bio-medical wastes.

19. As countries aim for Universal Health Coverage, countries and partners must build on and consider institutionalizing public health standards to periodically assess the maturity of systems and collect data on essential health service availability and functionality. Governments and partners must also build on the active engagement of formal and informal community healthcare workers and community based and led organizations in service delivery.

Implementer capacity and bandwidth

20. 2023 is going to put considerable strain on the bandwidth of implementers. The majority of GC6 grants, approximately 180, are moving into their final year of implementation and are expected to submit funding requests and negotiate grants for GC7. Over US$3.7 billion is anticipated to be disbursed across the portfolio and US$9 billion of allocations awarded and signed. In addition, implementers will also need to integrate funds awarded through portfolio optimization for C19RM and re-profile reinvestments for the C19RM extension. The Secretariat is exploring options to integrate funds awarded through the World Bank’s Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response into selected Global Fund grants, subject to relevant policy approvals.

21. Significant effort is being directed within the Secretariat to help maximize the efficiency and effectiveness of the processes associated with grant-making and grant revisions, and towards providing implementers with the support and guidance that they need to navigate these different priorities. Nonetheless, the pace and volume of work is considerable and creates a risk that the ability of implementers to deliver on programmatic priorities for the final year of GC6 could be negatively impacted.

Executing C19RM in a volatile environment

22. C19RM has proven to be agile in responding to the changing nature of the pandemic and to shifting funding needs, issuing updated guidelines to streamline operations, driving reinvestment and launching portfolio optimization to shift investment profiles away from emergency response towards longer term systems strengthening. Despite the successes this evolution, and the need for implementers and the Secretariat to continue to pivot, creates challenges. Thoughtful reprioritization and reinvestment and implementation of funds requires time, particularly when the shift in investment is towards longer term and more complex interventions.

23. A revised C19RM Monitoring and Evaluation Framework has been developed to help support timely and transparent reporting. The framework focuses across the results chain from upstream inputs through to downstream outcomes. However, new and adjusted data collection tools will not be in place from the outset and reporting will need to be allowed to evolve over the course of 2023, which will have implications for visibility of implementation progress of investments in systems strengthening, and monitoring and oversight, in the short term.
Impact of global risk events on risk levels relative to risk appetite

24. In response to COVID-19 related disruption and the ongoing volatility of the Global Fund’s operating environment a range of different measures were implemented. Internally, processes, systems and tools were updated to realign with the new context and to enable the organization to switch into crisis-management mode, and in-country program adaptations have been introduced alongside new and expanded assurance activities. Despite all these measures, the level of volatility being seen globally has meant that the trajectories for certain risks have not reduced in line with expectations.

25. In recognition of the impact of COVID-19 on the risk landscape and risk levels, in November 2021 the Board approved:
   i. Temporary increases to risk appetite for four out of eleven grant-facing risks (Program Quality - TB, Procurement, Grant Related Fraud & Fiduciary, and Accounting & Financial Reporting by Countries); and,
   ii. Extended timeframes for reaching target risk levels for five out of eleven grant-facing risks (Program Quality – HIV, Program Quality – TB, Program Quality – Malaria, Monitoring and Evaluation, and In-country Supply Chain).

26. The HIV Program Quality and In-Country Supply Chain risk levels are High and the In-Country Governance and Quality of Health Product risks remain at Moderate. This is in-line with Board approved risk appetite (see table below).

27. The TB Program Quality risk has reduced to the upper end of High in early 2023, ahead of the December 2023 timeline, and is on track to reach Moderate by June 2025. This reflects ongoing program adaptations supported under C19RM and catch-up plans in place. In view of the progress made to date, the Secretariat is recommending to reduce risk appetite from Very High to High, and maintain the target risk timeframe for reaching Moderate as June 2025.

28. The malaria Program Quality risk is on the cusp of moving to Very High which is driven by a number of factors over which the Global Fund has very limited influence. To ensure the Secretariat has the flexibility to make the difficult trade-off decisions necessary to maintain program continuity, and to help generate the desired level of attention and call to action from all key stakeholders needed to address the emerging threat, the Secretariat recommends increasing risk appetite to Very High. A recommendation on the target time frame for reducing the risk level back to High and then to Moderate will be presented to the Committees in the coming months and submitted for approval at the November 2023 Board meeting.

29. The M&E risk has now reached the target risk level of Moderate. As per the November 2021 Board-approved risk appetite statement, the target risk level is to become the revised risk appetite level at the due date. The risk appetite is therefore now revised to Moderate, and a target risk timeframe is no longer applicable since the residual risk is the same as risk appetite.

30. The target timeframes of December 2022 agreed by the Board for the Procurement and two financial risks, Grant Related Fraud and Fiduciary, and Accounting and Financial Reporting by Countries, have not been met. This reflects the fact that when the Board approved these timeframes, in November 2021, COVID-19 was the only external factor impacting risk levels and the estimated trajectories reflected the likelihood of mitigating the impact of COVID-19 including the availability and roll-out of effective vaccines and novel therapeutics. With the invasion of Ukraine, the situation has changed materially and the root causes driving increased risk levels have been magnified.

1See GF/B46/06 Recommended Updates to Risk Appetite for more details.
31. Following a bottom-up analysis of each risk, the Secretariat is recommending that target risk timeframes be adjusted as follows:

i. **Procurement** – timeframe for reaching a Moderate risk level to be extended by 18 months from December 2022 to June 2024;

ii. **Grant Related Fraud and Fiduciary** – timeframe for reaching a Moderate risk level to be extended by 18 months from December 2022 to June 2024; and

iii. **Accounting and Financial Reporting by Countries** – timeframe for reaching a Moderate risk level to be extended by 12 months from December 2022 to December 2023.

32. The Risk Appetite Recommendations paper sets out more fully the methodology underpinning the supporting analysis and assumptions that have informed the recommendations to the Board.

33. The table below provides a summary of the current and recommended risk appetite and target risk timeframes for all grant-facing risks for which risk appetite has been set.

<table>
<thead>
<tr>
<th>Risk name</th>
<th>Purview</th>
<th>Board Approved Risk Appetite (Nov 2021)</th>
<th>Recommended</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Residual Risk</td>
<td>Risk appetite</td>
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<tr>
<td>Program Quality - HIV</td>
<td>SC</td>
<td>High</td>
<td>High</td>
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<tr>
<td>Program Quality - TB</td>
<td>SC</td>
<td>High</td>
<td>Very High</td>
</tr>
<tr>
<td>Program Quality - Malaria</td>
<td>SC</td>
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<td>High</td>
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<tr>
<td>M&amp;E</td>
<td>SC</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Procurement</td>
<td>SC</td>
<td>High</td>
<td>High</td>
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<tr>
<td>In-country Supply Chain</td>
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<td>High</td>
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<tr>
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<td>High</td>
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<tr>
<td>Accounting &amp; Financial Reporting by Countries</td>
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<td>High</td>
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<td>In-country Governance</td>
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<td>Moderate</td>
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<tr>
<td>Quality of Health Products</td>
<td>SC</td>
<td>Moderate</td>
<td>Moderate</td>
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</table>

*The target risk level will become the revised risk appetite at the target due date, or when the risk level reduces to the target risk level, whichever is earlier.

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2 GF/B49/04 Adjustments to Risk Appetite
**Recommended revisions to risk appetite and target risk timeframes.**

***Although the risk trajectory for the In-Country Governance risk is increasing the expectation is that the risk level can be maintained within the Board approved target risk level of Moderate.***

**Overview of key organizational risks: drivers and mitigations**

34. This section provides an overview of key thematic risks. The Organizational Risk Register (ORR) for Q4-2022 contains details of each risk managed by the Global Fund and can be found in Annex 3.

**Program Quality**

35. HTM programs have demonstrated resilience and successfully bounced back from the disruptive impact of COVID-19 and related lockdowns. Starting from late 2021, and further confirmed through 2022 semi-annual results and quarterly Pulse Checks, results continue to rebound for people on ART, key populations reached through preventive programs, TB notifications, and suspected cases tested for malaria and receiving antimalarials. **TB and HIV Program Quality risks are on track to reach target risk levels within the agreed timeframes, while the trajectory for the malaria Program Quality risk is increasing and being closely monitored.**

36. While the number of people on ART has risen and there has been a successful roll out of multi-month scripting, there is a growing uncertainty around the number of people retained on treatment and loss to follow-up, which has both upstream and downstream implications. The antenatal care coverage and consequently PMTCT trends need to be closely monitored to assess any far-reaching consequences of COVID-19 disruptions on health seeking behaviors and or access. The pandemic has also exposed the fragility of the AGYW and key population service delivery models and need for greater integration of informal civil society organizations and community led services into the wider health service systems.

37. TB programs have rebounded particularly strongly in 2022 with the majority of countries expected to have reached pre-COVID levels of TB notifications by end 2022. As a result, the risk level for TB has reduced from Very High to High at the time of this report\(^3\). Treatment outcomes have been largely maintained during the course of the pandemic through the roll-out of multi-month dispensing and support for community monitoring and support interventions. Effective advocacy has helped ensure adequate prioritization of TB mitigation plans under C19RM, and investments in multi-disease molecular testing platforms like Xpert and Truenat and digital x-rays have expanded. However, there are risks associated with this rapid expansion, which need to be managed, including timeliness of procurements, availability of human resources for operationalization, availability of diagnostic cartridges and more importantly channeling efforts towards integrated laboratory systems harmonization to ensure return on investment and value for money.

38. Malaria programs have ensured campaigns (LLINs and / or Seasonal Malaria Chemoprophylaxis) largely remain on track. The risk of stock-outs in most countries has been actively mitigated in spite of increasing demand, and program adaptations have been supported, in particular ensuring the availability of infection prevention control material to service providers. However, the malaria Program Quality risk is on the cusp of moving to Very High. This is driven by a combination of factors: political and security threats in several countries impacting programs; changes to epidemiology and transmission trends due to climate change, which are often most severe in countries with larger populations thereby placing further pressure on malaria prevention budgets; the introduction of new vectors in Africa; and evolving drug and insecticide resistance patterns.

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\(^3\) By end Q4 2022 (Q4 ORR), the TB Program Quality risk was just over the threshold at Very High. Additional portfolios reviewed in Jan and Feb 2023 and provisional end 2022 results has reduced the aggregate portfolio risk for TB program Quality to High.
i. **Increasing drug resistance** is largely attributed to insufficient access to care, poor quality health services, and a reliance on a limited range of more affordable drug types, in place of other pre-qualified options. This is threatening a reduced efficacy over time and new strategies are needed to safeguard the effectiveness of this drug into the future. Besides the observed drug resistance in Greater Mekong region, partial resistance has been confirmed in a few African countries viz., Eritrea, Rwanda, Uganda and Tanzania. There is a need for immediate attention to operationalize the WHO recommended strategy to strengthen surveillance and to optimize and better regulate the use of diagnostics and therapeutics to limit drug pressure through pre-emptive measures.

ii. **Insecticide resistance is also evolving**, with twenty-seven countries having confirmed a ‘high intensity’ of resistance. The increasing resistance to insecticides is attributed to many factors, including the limited number of insecticide classes used in vector control, and an inability to complete vector control programs due to supply and cost constraints.

39. The higher costs of introducing and delivering new malaria tools (diagnostics, LLINs, insecticide, ACTs etc.) in the context of reducing fiscal space results in some difficult and challenging trade-offs between maintaining coverage and driving impact. There is a pressing need to reinvigorate both political and technical leadership at the highest level to actively address the increasing risks.

**Monitoring and Evaluation**

40. Although COVID-19 initially disrupted health services and data reporting, the need to leverage existing DHIS and surveillance systems to monitor COVID-19, and additional investments in M&E and surveillance systems during the pandemic have seen the risk level start to gradually reduce. **Despite variable data quality and data use, as of the end of Q4 2022 the M&E risk** has reached the Board approved target risk level of Moderate.

41. Through sustained investments in M&E systems, the majority of countries now have sufficient programmatic data available, to inform national strategies and policies, monitor program performance, and support more data-driven decision-making. Quality is also improving. One or more data quality reviews have now been completed in the last five years for 44 out of 56 High Impact and Core portfolios with data quality rated as ‘good’ in nearly two-third of reviews undertaken. However, significant variations noted across the 3 diseases, with malaria programs reporting higher levels of data quality issues. Therefore, whilst there are undoubtedly still significant challenges with data quality, particularly data accuracy at Health Facility level progress is being made. Nonetheless, this needs to be an ongoing area of focus, along with driving up the quality of data analytics and use for decision-making.

42. As programs mature M&E needs will increase in parallel, including the need for more granular and frequent data, expanded case-based reporting tools, digitization of community reporting systems and outreach and campaign operations, and greater inter-operability between health management information systems.

43. M&E systems will continue to be strengthened as part of the new Strategy, to ensure program decisions are informed by quality and timely data, disaggregated by age, gender, geography, population groups and strengthened use at national and sub-national levels. There is also a need to strengthen assurance through expansion of uptake of data quality reviews, and improved assessment of controls of various IT platforms in the context of cyber security and data fraud.

**In-country Supply Chain**

44. The In-Country Supply Chain risk remains High with a steady direction of travel. However, **if the risk level is going to reach Moderate by June 2024 there is a need to significantly step-up**

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4 M&E risk is assessed across 3 sub-risks – a) Data governance and management; b) Data generation, availability and quality; and c) Data analysis and use.
*investments* to drive greater accountability, transparency and efficiency, and ensure alignment across the Global Fund partnership on in-country supply chain priorities, and to leverage the private sector where appropriate.

45. Key drivers of the In-Country Supply Chain risk are significant budgetary constraints impacting storage and distribution capacity, quality and sustainability of operations, sub-optimal or ineffective processes, systems and controls and inadequate ownership and governance oversight of the national medical stores or equivalent by Ministries of Health or respective Boards. The development of comprehensive costed national supply chain strategies, renovation of storage spaces to ensure the quality of health products, enhancements needed to data systems, and ‘last mile’ distribution interventions are anticipated to be the most severely affected for as long as fiscal pressures persist.

46. The Global Fund is supporting countries to strengthen the resilience and efficiency of in-country supply chains to address the current challenges, whilst also investing in longer-term capability building both through grant funds and use of SI investments.

**Procurement**

47. The Procurement residual risk remains High, which means that it has not reached Moderate in line with the target risk timeframe of December 2022. *A range of evolving external and internal factors are driving the risk level, but it is expected to reach Moderate by June 2024.*

48. The pandemic increased lead times for health product procurement, linked to manufacturing, freight forwarding and clearance delays, and increased production and freight costs. Russia's invasion of Ukraine has further increased the cost of production and/or the cost of key ingredients. Any increase in unit costs (product and/or freight cost) can negatively impact the ability of countries and of Global Fund grants to meet the procurement needs of countries, with a potential risk of commodity shortages and stock outs. COVID-19 disruptions due to lockdowns and supply-side constraints have also resulted in inefficient, non-competitive procurement practices, which in turn have negatively impacted both the quality and price of products and increased instances of opportunistic fraud.

49. The Global Fund's ability to mitigate these risk drivers varies significantly. The mitigating measures being put in place include the ability for proactive reprioritization of PPM orders to reflect national stock levels, redirection of strategic and high value commodities through PPM/wambo.org, use of Rapid Supply Mechanisms (the emergency procurement mechanism of the Global Fund) for core health products for HIV and malaria, and investment in capacity building and provision of technical assistance to strengthen quantification and forecasting and enhanced mandatory minimum assurances such as pre-award procurement reviews to identify and mitigate procurement related fraud.

**Grant Related Fraud & Fiduciary**

50. The Grant Related Fraud & Fiduciary residual risk remains High, which means that it has not reached Moderate in line with the target risk timeframe of December 2022. *The direction of travel is steady and if the current trajectory is maintained the risk level is expected to reach Moderate by the end of June 2024.*

51. The economic outlook remains volatile, and challenges and disruptions at the macro and portfolio level continue to create an environment which provides more opportunities and incentives for fraud.

52. Efforts to adapt to the evolving environment continue. Additional assurances have been commissioned, including mandatory assurances of COVID-19 activities. Fraud risk assessments are being undertaken and ongoing initiatives to strengthen the cross-functional approach to fraud mitigation are being put in place in line with the Policy to Combat Fraud and Corruption. These different measures will be anchored through the implementation of the recommendations from the Fraud Risk
Maturity Assessment throughout 2023, and the strengthening of fraud mitigation in other functional areas beyond finance.

**Accounting & Financial Reporting by Countries**

53. The Accounting & Financial Reporting by Countries risk remains High, which means that it has not reached Moderate in line with the target risk timeframe of December 2022. The direction of travel is steady and if the current trajectory is maintained the risk is expected to reach Moderate within twelve months, by the end of December 2023.

54. COVID-19 related disruption to the ability of implementers, assurance providers, and other stakeholders to conduct routine accounting and financial reporting is continuing. However, as travel restrictions have eased and routine practices have resumed, the quality of reporting has improved. Recent Pulse Check data and Progress Updates were mostly received on time and to an acceptable level of quality, and the expectation is that this standard will continue into the future. Efforts to build capacity and improve financial reporting continue and it is anticipated that the risk will be mitigated to a large extent through provisions outlined in Global Fund grants.

55. Continuous monitoring of financial outcomes by implementers is also in place, with a focus on High Impact and Core portfolios. Routine reporting on improvements is required across key financial management areas to ensure processes are continuously strengthened and embedded.

**Human Rights and Gender Inequality**

56. The Human Rights and Gender Inequality risk remains High. However, the direction of travel is steady. The Secretariat is adopting a more ambitious and systematic approach to addressing human rights and gender related barriers in GC7, through new funding request requirements, technical assistance, program essentials, new technical briefs, thematic evaluations, and KPIs measuring engagement and grant performance. Various measures are also currently being implemented by the Secretariat to improve data-driven decision making and improve grant investments in human rights and gender equality. Ongoing efforts to strengthen the management of the Human Rights and Gender Inequality risk are paying off. There is a deeper understanding of the root causes of the risk, which is resulting in the design of more tailored mitigating actions and assurance activities, and core risk management tools are now being more effectively leveraged.

57. Improving human rights and gender-responsive programming through Strategic Initiatives (SIs), technical assistance (TA) and data driven decision making will take time to take effect. However, as progress is made in implementing mitigating actions, the expectation is that the risk level will start to reduce.

**Sexual Exploitation, Abuse & Harassment (SEAH) and Misconduct**

58. The SEAH risk remains High with a steady direction of travel. The macro and country specific pressures highlighted throughout this report are also continuing to disrupt services, impact the availability of personnel who support and safeguard vulnerable populations, and contribute to an increased risk of prohibited behavior.

59. A number of measures are being rolled out to mitigate the SEAH risk. These includes a grant level SEAH Risk Analysis and Mitigation Tool to raise awareness among in-country stakeholders and contribute to safer programming. The tool was piloted in South Africa in December 2022 with a further six pilots planned. Implementer compliance self-assessments, to verify that PSEAH provisions in the Codes of Conduct are being integrated with PR existing guidelines or codes, were initiated in November 2022 and content for implementer PSEAH capacity assessments is being developed ready for the tool to be rolled out from March 2023.
60. Although progress has been made in implementing mitigation actions, building implementer capacity to mitigate PSEAH risks will take time. As progress is made on implementation of mitigating actions the expectation is that the risk level will start to stabilize.

In-Country Governance

The In-Country Governance risk remains Moderate but with an increasing direction of travel. In-country governance covers health sector and disease program governance, PR governance and implementation effectiveness, and CCM governance. As with other risks, the risk trajectory is being negatively impacted by a highly volatile operating environment, as well as competing and outstretched implementer capacity, and an increased risk of ethical misconduct, including fraud and SEAH, all against the backdrop of an ambitious strategy. The tone from the top, especially the governance leadership, to set and institutionalize a proactive risk management culture, is going to be critical. The wider partnership will need to continue to support and strengthen CCMs, actively support community and constituency engagement and build awareness to manage current and evolving risks to Global Fund supported programs. As previously highlighted, although the risk trajectory for the In-Country Governance risk is increasing the expectation is that the risk level can be maintained within the Board approved target risk level of Moderate. Nonetheless, the risk trajectory will continue to be closely monitored.

61.

Risk management priorities for 2023

62. A number of areas are being prioritized for 2023 to ensure the continuous improvement of the Global Fund’s risk management framework, building on and further embedding work started in 2022.

Focus on emerging risks

63. The volatility of the past three years has demonstrated the need for the organization to remain alert to emerging threats and risks that could disrupt program continuity and internal operations. In the current context, the most significant of these include the risk of reduced domestic health financing and co-financing and the ability of countries to sustain their support to ongoing programs and achieve universal health coverage (UHC) goals.

64. Other risks events that also need to be proactively planned for include the next respiratory or zoonotic pathogen outbreaks, disasters and man-made humanitarian crisis (political and security), and cyber security breaches.

Continued maturation of the second line of defense

65. A key component of further strengthening risk management is maturation of second line technical team engagement in core risk management processes. Over the course of 2022 the roles and responsibilities of second line teams have been clearly articulated across all grant facing risks. Internal risk management processes have been enhanced to embed strengthened second line monitoring and oversight by functional teams across the grant life cycle process, and change management initiatives have been rolled out to support capacity building.

Enhancements to risk management tools

66. In 2021, a project was initiated to redesign the Integrated Risk Management (IRM) tool to better support risk management activities and align with the new strategic priorities. The new tool was successfully deployed in November 2022 and the focus is now on the final stages of change management.
In addition to the roll-out of the new IRM tool risk management documents are being overhauled to ensure they reflect the continuous improvements being made to risk management processes, systems and tools and that they provide clear guidance to first and second line teams. The Organizational Risk Register (ORR) has also been enhanced, with improved integration to Agreed Management Actions (AMAs) and assurances. This is to correspond with the new IRM tool but also to reflect the risks associated with the implementation of the new Strategy.

**Strengthening monitoring and oversight**

The extension of C19RM provides an opportunity to build on lessons learned from 2021 and 2022 and further strengthen monitoring and oversight for C19RM and ultimately HTM grants. This involves reflecting on how best to leverage different reporting tools to strike the right balance between ensuring transparency and a culture of proactive performance management, with the need to drive country ownership. It also involves looking at how internal processes can be strengthened to improve the accessibility of and use of data for decision-making.

The roll out of the Global Fund’s new M&E Strategy in combination with the set-up of the Programmatic Monitoring Department (PMD) will be used to systematically respond to these challenges with the ultimate focus of driving greater data-use for decision-making. Specific initiatives being prioritized for 2023 include more systematic segmentation of the data and analytical needs of different user groups, creating clear linkages with analytical products and decision-making platforms, improving data quality, and improving user interfaces and access.
Chief Risk Officer’s Annual Opinion

70. As with previous years, a number of different sources have been used to inform the Chief Risk Officer’s annual opinion, including a survey of the Secretariat’s leadership team, which sought their perspectives on the key challenges facing the organization and implementers moving into the new Strategy period and risk management maturity.

71. The events of recent years have created many challenges. Responding to these challenges has demanded rapid adjustments to the Global Fund’s risk management approach to ensure it remains aligned to the current operating context and fit for purpose.

72. Enhancements made to different internal processes, systems and tools both in response to the COVID-19 emergency and delivering on C19RM, and as part of continuous improvement initiatives, mean that the Global Fund’s risk management has further matured. The organization’s risk culture has evolved, there is improved monitoring and oversight of grants and operational performance, and there is strengthened management and mitigation of risks. Notable developments include:
   i. Clearer roles and responsibilities for 2nd line teams, which are driving greater accountability for, and engagement with core risk management processes;
   ii. Continued improvement in decision-making on risk acceptance and risk trade-offs, leveraging cross-organizational platforms including the Secretariat’s Portfolio Performance Committee;
   iii. An increase in execution of key mitigating actions, after a lull linked to the COVID-19;
   iv. The introduction of Pulse Checks, a new PUDR and the launch of new modules in the Grant Operating System (GOS), including Funding Requests (launched) and Grant-Making (in development); and,
   v. Structured and routine internal performance reporting on core Secretariat processes through the Performance and Accountability Framework.

73. The Global Fund continues to progress along the maturity spectrum in the context of risk management, internal controls and governance from the Embedded level of maturity achieved by the end of 2019 (see Annex 2 for methodology). Progress has been made on some of the priorities identified in the Annual Report of 2020 to advance the organizational maturity, including but not limited to strengthening governance processes, advancing the use of risk appetite, establishing second line oversight, and building out the internal monitoring and control environment over key grant management processes. As a result, in the context of an uncertain operating environment the risk management framework is achieving its purpose, as it provides a common language and structure for thinking about and making trade-off decisions, in a more evidence-based and timely manner.

74. Despite this progress there is still further work needed to ensure the organization keeps pace with the rapidly changing operational context and that any areas that may be lagging from a maturity perspective are prioritized accordingly. This includes further maturing the risk culture so that the organization is better positioned to respond quickly and proactively to emerging risks, and ensuring more consistency in risk management and second line oversight across first and second line teams. It also involves a cross-organizational effort to strengthen feedback loops and ensure that the collective wealth of insight and information coming into the organization translates into shared problem-solving and learning.

75. Irrespective of the progress being made in maturing risk management, 2023 will be an extremely challenging year with many competing priorities that need to be delivered against an operating environment that remains volatile and a continually evolving risk landscape. As a consequence, risk
trajectories and the organization’s risk profile are not expected to stabilize for at least the next twelve months, albeit that HTM programmatic results have rebounded and are moving in the right direction. The Malaria Program Quality risk is also on the cusp of moving to Very High and must be closely monitored. Adaptations will be needed to ensure program operations can be maintained even in contexts where there are political and security threats, the impact of climate change events are being felt, and to actively address biological threats due to drug and insecticide resistance.

76. Ensuring a greater focus on emerging risks as well as continuing to strengthen the second line of defense and build-out monitoring and oversight is going to be essential. Collective prioritization is also going to be key. As already highlighted in this report the new Strategy is ambitious. Ambition is obviously essential if the Global Fund partnership is going to succeed in its mission to end the three diseases, but the greater the ambition the greater the risk in achieving it. Implementers, the Secretariat and the wider partnership will need to manage a range of competing priorities in the coming twelve months and beyond. There will also need to be a careful and continuous assessment of when activities can be de-prioritized and the risk trade-offs that any de-prioritization will involve. The burden of operational processes and reporting on implementers, and the Secretariat, is a persistent area of concern, but so is the adequacy of monitoring and oversight and the need for greater transparency in our reporting to the Committees, the Board and donors. These tensions can be healthy but at a time when resources are stretched they need to be tackled head-on and through cross-organizational and collective problem-solving.

77. In a volatile and resource-constrained environment difficult but informed risk trade-off decisions will need to be made. The organization needs to leverage the relevant data and tools, including risk appetite, at its disposal to enable this to happen.
Annexes

The following items can be found in the Annex:

- Annex 1: Enterprise Risk Management Framework
- Annex 2: Global Fund Organizational Maturity Rating Scale
- Annex 3: Organizational Risk Register (ORR) for Q4-2022.
- Annex 4: Relevant past Board Decisions
- Annex 5: Links to relevant past documents and reference materials.
Annex 1: Enterprise Risk Management Framework  
MEC Endorsed - March 2023

1. INTRODUCTION

1.1. The Global Fund supports programs across the globe to fight HIV/AIDS, tuberculosis, and malaria. This often involves operating in high-risk environments, such as areas experiencing political or socio-economic challenges, or in countries with less resilient health structures. To deliver on its mission to end the epidemics, support countries and communities build resilient and sustainable systems for health, and contribute to pandemic preparedness and response, the Global Fund needs to take risks, often over sustained periods of time. This requires effective risk management.

1.2. Risk management is an integral part of the Global Fund’s operating model. The organization’s approach to risk management continues to evolve as the organization’s maturity advances, and in line with changes to the broader operating context.

2. PURPOSE OF THIS DOCUMENT

2.1. The Enterprise Risk Management Framework outlines the Global Fund’s approach to enterprise risk management. This includes the principles which guide how the Global Fund approaches risk management, the split of roles and responsibilities across the Secretariat, and the risk management processes, systems, and tools in place to address different types of risks.

2.2. This framework is informed by the Risk Management Policy, which outlines the division of roles and responsibilities for the Board, the Committees of the Board, and the Secretariat. The Executive Director issues this framework, as per the policy, to document how responsibilities are delegated throughout the Secretariat, and to ensure effective leadership, accountability, and decision-making. In addition, three subsidiary documents regarding the management of different types of risks are informed by this framework.

2.3. The Risk Management Policy, Board-approved Risk Appetite Statements, Enterprise Risk Management Framework, and subsidiary documents to this framework form the overall risk management architecture of the Global Fund, as illustrated in figure 1.

![The Global Fund Risk Management Architecture](image)

*Figure 1: The important documents which form the Global Fund risk management architecture.*
3. PRINCIPLES OF EFFECTIVE RISK MANAGEMENT

3.1. The Global Fund Risk Management Policy outlines the risk management principles, which inform the Enterprise Risk Management Framework and the overall approach to risk management:

- **Integrated:** Risk management needs to be integrated into business processes and decision-making structures, and supported by a positive risk culture, to ensure it is an ongoing activity across all levels of the organization and at all stages of the organization’s life cycle.

- **Differentiated:** Resources should be prioritized and targeted at areas where the risks to achieving the organization’s strategic objectives are greatest. Mitigating actions and controls should also be proportionate to the level of risk and tailored to the operating context.

- **Proactive:** The risk landscape is not static and needs to be monitored on an ongoing basis to enable early warning of changing or emerging risks, and to facilitate a timely risk response. This needs to be underpinned by continuous improvement and adaptation of risk management processes, systems, and tools.

- **Data driven:** Decision making should be data driven and informed by an evidence base that draws on both historical and forward-looking data.

- **Transparent:** Risk management processes need to be transparent to facilitate inclusive dialogue, debate, and decision-making with clear accountability for the execution of risk management policies and processes.

- **Balanced:** There is a complex interplay between different risks, where reducing risk in one area can increase risk in another area. The impact of mitigating actions and controls therefore needs to be continually balanced against the ultimate goal of delivering on strategic objectives, within the context of an agreed appetite for risk.

4. FRAMEWORK FOR ENTERPRISE RISK MANAGEMENT

Three Lines of Defense Model

4.1. The Global Fund employs a ‘Three Lines of Defense’ model to manage risks to the organization’s strategic objectives. This model provides a clear delineation of risk management responsibilities across different functions within the organization. Each line is responsible for a specific set of ‘core’ risk management activities, as outlined in figure 2. The activities of all three lines of defense are underpinned by a common set of enablers, and the way in which these activities are executed varies by risk type. The core activities of all three lines of defense are ongoing and underpinned by continuous communication and coordination across, and between, all lines of defense.

4.2. In addition to the organization’s three lines of defense, there is also the ‘front line of defense’. This is comprised of in-country actors including implementers, in-country partners, and CCMs. The front line of defense manages the risks to achieving grant objectives on a day-to-day basis and is central to effective risk management. The risk management activities of the front line of defense are outside the scope of this document.

4.3. The Board and its standing committees are responsible for overseeing the implementation of effective risk management across all three lines of defense, as outlined in greater detail in the Risk Management Policy.
The core risk management activities of each line of defense, including enablers and types of risks managed, are illustrated using the ‘Three Lines of Defense’ model.

First line of defense

4.4. The first line of defense is typically made up of Secretariat business functions responsible for delivering core activities. The first line of defense owns and manages risks on a day-to-day basis. Its core activities are:

- **Identify**: Identify the risks that may prevent the organization from achieving its objectives. Prioritize those risks by considering the likelihood of the risk event materializing, and its expected impact. Impact is assessed in the context of each risk type: country risks in the context of grant objectives; operational risks in the context of strategic objectives; and process risks in the context of process objectives.

- **Mitigate and control**: Design and implement mitigating actions and controls that will reduce the likelihood of a risk event materializing, or its impact should it occur. Whilst there are different ways to ‘treat’ a risk, not all risks can be mitigated to the full extent. Therefore, it becomes necessary to accept that some risks may occur. The organization’s agreed appetite for risk sets the parameters within which risk may be accepted.

  Importantly, mitigations and controls can require course correction in the event that they are proven to be ineffective. This can be as a result of a design flaw, implementation challenges, or a change in the operating context.

- **Assure**: Establish arrangements that can confirm if planned mitigating actions and controls are being implemented and having the intended impact on the organization’s ability to achieve its objectives. Assurance activities should also help identify gaps in controls and mitigating actions in a timely manner, to ensure corrective action can be taken.
Monitor & Report: Monitor and report on progress in implementing, and the impact of, mitigating actions and controls. Monitoring also includes supporting the identification of emerging risks and issues through the use of data, such as historical performance data and other sources which highlight changes in the operating context. Monitoring and the use of data should inform any adaptations to existing, or the introduction of new, mitigating actions needed in response to emerging risks. They should also provide ongoing assessment of risk levels and trajectories. Emerging risks and issues, and any anticipated changes to risk levels and trajectories, are to be reported on and monitored, where applicable, against agreed risk appetite thresholds.

Second line of defense

4.5. The second line of defense is made up of the Secretariat's business functions responsible for providing oversight. Its core activities are:

- **Policy:** Develop and maintain risk management frameworks, policies, and processes to embed risk management into business processes. This enables both the first and second lines of defense to systematically execute their responsibilities in relation to risk management.

- **Advise:** Provide technical advice to the first line of defense through guidance materials, training and capacity building, and other tools as required. Advice also involves working with individual first line teams, in line with the principle of differentiation, to provide direction and support in the identification and prioritization of risks, and with the design of mitigating actions and controls.

- **Oversee:** Ensure the first line is executing its risk management responsibilities in line with the relevant frameworks, policies, and processes. Periodically review, assess and, where required, provide guidance on the adequacy of risk mitigation plans and internal controls.

- **Monitor & Report:** Monitor progress in implementing, and assess the adequacy of, mitigating actions. Use a range of data sources to triangulate the assessment of risk levels and trajectories by the first line and identify emerging thematic risks and issues. Periodically report to the Management Executive Committee (MEC), the Board, and the Committees of the Board on key risk themes in relation to the operating environment, on organizational risk levels and trajectories, and on the overall status of risk management by the organization.

Third line of defense

4.6. The third line of defense is the Global Fund’s independent assurance function, which is represented by the Office of the Inspector General as well as other providers such as external auditors. Its core activities are to independently audit the first and second lines, to conduct investigations, provide advisory support, and to provide assurance regarding the management of risks and controls.

Enablers

4.7. The Global Fund promotes a risk culture through encouraging a shared understanding of key risk concepts, the integration of core risk management activities into business processes, and the integration of risk/reward considerations into decision-making.

4.8. Board-approved Risk Appetite Statements articulate, at a broad level, the amount of risk that the organization is willing to accept in pursuit of its strategic objectives. Risk Appetite Statements define a risk acceptance threshold for certain risks managed by the organization and are updated regularly. It enables management to make trade-off decisions on key organization-wide risks, informs resource allocation, and ensures the level of ambition towards achieving the mission is maintained with careful consideration to risk management.

4.9. The Performance and Accountability Framework assigns responsibility across the organization for delivering results of major business processes. Core risk management activities are integrated into
these processes in line with the three lines of defense model. Risk owners are clearly defined and there is active oversight by executive management, the Board, and the Board’s standing committees. This ensures structured and transparent accountability.

4.10. A comprehensive and integrated architecture for risk management processes, systems, and tools is in place to support risk management across all levels of the organization, and at all stages of the organization’s life cycle. This architecture enables a differentiated approach to be taken based on the type of risk, as outlined in the next section.

Types of risk

4.11. The Global Fund categorizes risk sources into three broad thematic areas, to ensure risk management processes, systems, and tools are appropriately tailored to the context. These categories are:

- **Country Risk**: Relates to uncertainty in achieving grant outcomes and ultimately the uncertainty in achieving the overall mission of the Global Fund. This includes risks to both individual grants and to country portfolios across the following areas:
  - Programmatic (such as program quality, RSSH, human rights, and gender equality) and monitoring and evaluation.
  - Financial and fiduciary.
  - Sourcing operations (such as procurement, supply chain, and quality of health products).
  - Governance and health financing.

- **Operational Risk**: Relates to uncertainty in conducting Secretariat operations which support the achievement of Global Fund objectives. Operational risks can be classified into two subcategories:
  - External risks, which have the potential to impact donor funding and the organization’s reputation.
  - Internal risks, which have the potential to impact the internal operations of the Global Fund. This includes, for example, impacts on the financial, sourcing, IT, and administrative functions of the organization. This can also extend to impacts on internal governance, legal liability and regulatory compliance, staff wellbeing, and ethical behavior. Given the internal nature of these risks, the Secretariat has a significant ability to manage and mitigate them.

- **Process Risk**: Relates to uncertainty in achieving the objectives of Global Fund business processes. These risks stem from inadequacies in the system of internal controls, such as in the design or execution of processes. Inadequacies also extend to weaknesses in process handoffs between different roles, teams, and systems, as well as those at the interface of different business processes.

Differentiated approach to risk management

4.12. The Enterprise Risk Management Framework intentionally allows for flexibility in the approach to risk management for each of the three risk types. This is to ensure risk management remains dynamic, adaptable to changes in the operating environment or strategic initiatives, and responsive to continuous improvements. All three lines of defense have responsibility for executing their core activities across each type of risk.

4.13. Tailored processes, systems, and tools are in place to manage each risk type, which are outlined in each subsidiary document: the *Country Risk Management Operational Policy Note*; the *Operational Risk Management Procedure*; and, the *Business Process Oversight Procedure*.
4.14. Processes, systems, and tools can also be relevant to more than one risk type, as further outlined in the next section and illustrated in figure 3.

![Risk management processes, systems, and tools by risk type](image)

**Figure 3: Tailored and cross-cutting risk management processes, systems, and tools for Country, Operational, and Process Risks, as outlined in this Enterprise Risk Management Framework.**

**Cross-cutting processes, systems, and tools**

4.15. Thematic risk reviews provide enhanced visibility of specific risks, to facilitate risk oversight by governance bodies such as MEC, the Portfolio Performance Committee, the standing Committees of the Board, and the Board. Business Risk Owners are responsible for driving the content of these reviews, with support from the Risk Department, through reviewing different risk elements such as risk drivers, root causes, trajectories, mitigating actions, and assurance activities. Thematic risk reviews are initiated by the Risk Department as required, or at the request of oversight bodies, and ultimately serve to embed Enterprise Risk Committee deep dives into existing governance mechanisms.

4.16. The Organizational Risk Register (ORR) catalogues the Global Fund's key organizational risks and the various controls and mitigations that are in place, or planned, to reduce or contain risk levels. It provides visibility to senior management and governance bodies on how risks are being managed. Each organizational risk monitored through the ORR is owned by the first line and overseen by the second line. The ORR is updated on a quarterly basis and submitted to MEC for review and approval and made available to the Board and Committees at each meeting as either a stand-alone document or included in the Risk Management Report.

4.17. The Risk Management Report and the Chief Risk Officer’s Annual Opinion provides the Board and the Committees with an update on the status of the Global Fund’s overall risk profile, including risk levels relative to risk appetite, key thematic risks, changes in the operating environment, as well as any key priority areas in relation to risk management. The Risk Management Report is provided on a semi-annual basis, and the Chief Risk Officer’s Opinion is provided on an annual basis.

5. RELATED DOCUMENTS

5.1. The Enterprise Risk Management Framework is informed by the:
• Global Fund Risk Management Policy.

5.2. For the latest Risk Appetite Statements, see previous Board Decision Points.

5.3. The Enterprise Risk Management Framework informs three subsidiary documents, which provide further details and guidance on specific risk management activities:

• Country Risk Management Operational Policy Note.
• Operational Risk Management Procedure.
• Business Process Oversight Procedure.

End of document.
### Annex 2: Global Fund Organizational Maturity Rating Scale

<table>
<thead>
<tr>
<th>Maturity Level</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-existent</td>
<td>Internal controls, governance and risk management processes are absent.</td>
</tr>
<tr>
<td>Ad hoc</td>
<td>Internal controls, governance and risk management processes are inchoate or ad hoc. They have not been fully defined and/or not approved by executive management or the Board. Processes are insufficient to ensure that the organization’s operational or strategic objectives will be met.</td>
</tr>
<tr>
<td>Initiated</td>
<td>Internal controls, governance and risk management processes have been defined through institutional policies approved by executive management and/or the Board. However, they are not applied consistently and are not fully embedded in everyday management practice. They are unlikely to ensure that the organization’s operational and strategic objectives will be fully met.</td>
</tr>
<tr>
<td>Embedded</td>
<td>Internal controls, governance and risk management processes have been defined and are embedded in everyday management practice. However, there is insufficient close supervision or active management of these processes and/or they are not consistently measurable. It is likely but uncertain that they will allow the organization’s operational and strategic objectives will be fully met.</td>
</tr>
<tr>
<td>Actively managed &amp; formalized</td>
<td>Internal controls, governance and risk management processes are actively managed and overseen with clear lines of accountability. Decision making is based on reliable data sets with sufficient due diligence, leading to assurance mechanisms that are robust and fit for purpose to enable the organization’s operational and strategic objectives to be met.</td>
</tr>
<tr>
<td>Optimized</td>
<td>Internal controls, governance and risk management processes are optimized to ensure that the organization’s operational and strategic objectives are met.</td>
</tr>
</tbody>
</table>
## Annex 3: Organizational Risk Register (ORR) for Q4-2022

<table>
<thead>
<tr>
<th>Risk Name</th>
<th>Purview</th>
<th>Residual Risk</th>
<th>Risk Appetite</th>
<th>Target Risk</th>
<th>Target risk timeframe</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>SC</td>
<td>High</td>
<td>Moderate</td>
<td>Jun 2024</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>02 - Program Quality - TB</td>
<td>SC</td>
<td>Very High²</td>
<td>Moderate</td>
<td>Dec 2023</td>
<td>No change</td>
<td>Decreasing ↓</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>03 - Program Quality - Malaria</td>
<td>SC</td>
<td>High</td>
<td>Moderate</td>
<td>Jun 2024</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>04 - M&amp;E</td>
<td>SC</td>
<td>Moderate</td>
<td>Moderate³</td>
<td>Not Applicable</td>
<td>Decreased</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>05 - Procurement</td>
<td>SC</td>
<td>High</td>
<td>Moderate</td>
<td>Dec 2022</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>06 - In-Country Supply Chain</td>
<td>SC</td>
<td>High</td>
<td>Moderate</td>
<td>Jun 2024</td>
<td>No change</td>
<td>Steady →</td>
<td>Minor</td>
<td></td>
</tr>
<tr>
<td>07a - Grant-Related Fraud &amp; Fiduciary</td>
<td>AFC</td>
<td>High</td>
<td>Moderate</td>
<td>Dec 2022</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>07b - Accounting &amp; Financial Reporting by Countries</td>
<td>AFC</td>
<td>High</td>
<td>Moderate</td>
<td>Dec 2022</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>08 - In-Country Governance</td>
<td>AFC</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>09 - Quality of Health Products</td>
<td>SC</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>10 - Human Rights &amp; Gender Equality</td>
<td>SC</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>11 - Transition</td>
<td>SC</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Minor</td>
<td></td>
</tr>
<tr>
<td>12 - Drug &amp; Insecticide Resistance</td>
<td>SC</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>13 - Ethical Misconduct and SEAH</td>
<td>EGC</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>14 - Future Funding (Donor Funding &amp; Domestic Health Financing)</td>
<td>AFC</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>15 - Internal Operations</td>
<td>AFC</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>16 - Integrated Grant Policies, Processes, Systems &amp; Data</td>
<td>AFC</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>17 - Risk Management &amp; Internal Controls</td>
<td>AFC</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>18 - Legal</td>
<td>EGC</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>19 - Governance &amp; Oversight</td>
<td>EGC</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>20 - Organizational Culture</td>
<td>AFC</td>
<td>Moderate</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>21 - Workforce Capacity, Efficiency &amp; Wellbeing</td>
<td>AFC</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Steady →</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>22 - Reputation</td>
<td>Board</td>
<td>High</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>No change</td>
<td>Increasing ↑</td>
<td>Moderate</td>
<td></td>
</tr>
</tbody>
</table>

1 Amendments to risk appetite and/or target risk timeframes, as per the recommendations outlined in this document, will be reflected in the Q1-2023 ORR.

2 The residual risk for TB Program Quality risk has reduced to High at the time of this report.

3 As per the November 2021 Board-approved risk appetite statement, the M&E target risk level is to become the revised risk appetite level of Moderate at the target timeframe of December 2022.
# Guidance on how to read the Organizational Risk Register (ORR)

<table>
<thead>
<tr>
<th>Ste</th>
<th>Description</th>
<th>Risk Impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Description</td>
<td>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 waste of grant-funded commodities through expiry or diversion. Gaps may be in supply system arrangements, systems and processes, data and analytics, physical logistics and financing and can prevent achievement of grant objectives.</td>
<td>Description of the impact if the risk was to materialize.</td>
</tr>
</tbody>
</table>
Global Fund Assurances
Current controls & mitigations
Policy and practice obstacles to Inadequate staff capacity, including working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and health care worker burn out from COVID-19 related activities.

Risk Impact
Failure to find undiagnosed HIV cases; failure to reach those at high risk of HIV acquisition with effective prevention options; failure to rapidly initiate and maintain continuity of effective treatment and viral load suppression. These failures result in ongoing HIV transmission and acquisition. Based on current information, while the current risk level is ‘High’, with ongoing efforts of various program adaptations, we expect the direction of travel to stabilize and reverse in the coming quarters.

Key Countries
Angola; Botswana; Cameroon; Côte d’Ivoire; Democratic Republic of the Congo; Eswatini; Ethiopia; Ghana; Kenya; Lesotho; Malawi; Mozambique; Myanmar; Namibia; Nigeria; Rwanda; South Africa; Thailand; Uganda; Ukraine; United Republic of Tanzania; Viet Nam; Zambia; Zimbabwe

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
June 2024

Root Cause
The scale of interventions financed under the grant, domestically and through partners is not sufficient to achieve desired programmatic coverage, outcome, and impact, due to general de-prioritization of health/HIV or temporarily e.g., the COVID-19 pandemic.

Interventions are inadequately tailored to the program context and/or insufficiently focused on populations most in need of services, and/or do not include highest impact interventions to reduce new HIV infections, and/or are not linked to achieving program outcomes.

Disruption to program implementation due to political unrest, sudden disease outbreaks (includes other epidemics and/or pandemics) and/or natural disasters.

The guidelines, tools, and planning to review/address quality of services at country level through supervision and capacity building are not developed or are inadequate; relevant resources are not available; or service quality assessments are deprioritized for other reasons.

Inadequate staff capacity, including working in environments that are often not sufficiently supportive (gaps in training, support and supervision, misaligned incentives, etc.) and health care worker burn out from COVID-19 related activities.

Policy and practice obstacles to de-medicating HIV services and ensuring services can be reached in non-medical facilities, e.g., community access points, pharmacies, drug stores, through virtual or mobile means and through self-care. Limited low-threshold access for testing and prevention.

Current controls & mitigations

Ensure ARV commodity security to countries that are at maximum risk of treatment disruption: Manage risk of supply interruption leading to stock out of 1st and 2nd line ARV regimens in collaboration with GF Supply Operations, WHO and PEPFAR including Front loading of commodity orders where feasible as well as monitoring of delivery lead times and in-country stock management

COVID-19 funding mechanism and grant reprogramming: In addition to potential reprogramming and optimizing existing grants, the Global Fund has made available additional funding to help countries fight COVID-19, mitigate the impacts on lifesaving HIV, TB and malaria programs, and support health systems. A portion of this funding made available to mitigate impact on HIV programs.

Ongoing programmatic assurance: Strengthen review of program quality, performance, and calibration at Secretariat level through establishment of country-specific and cross-country reviews by the Portfolio Performance Committee, to identify gaps and opportunities for improvement.

Expand differentiated HIV testing to improve first 90. Work with technical partners to operationalize out-of-facility HIV testing and linkages to treatment and prevention. Upscale differentiated models in all countries (supported by DSD Si in 8 countries) and increase use of HIV self-testing in all countries (especially in those with matching funds).

Product innovation and transition: GF grants support countries to implement changes to drug policies when needed and accelerate uptake of innovation and effective programs to improve prevention and treatment adherence, including through strengthening of communities.

Technical guidance and program standards: Disseminate best practices and practical guidance by TAP, including quality standards, normative guidelines, and tailored communication to GMD to accelerate transition to updated technical partner guidance.

Innovation and service delivery: Support policy shifts and implementation related to the five must-haves (1. Multi-month dispensing of HIV products; 2. Out-of-facility dispensing of HIV products; 3. Virtual service delivery through telephone or online platforms; 4. Differentiated HIV testing –including self-testing (HIVST) and out-of-facility models; and 5. KP and AGYW Prevention Programming adaptations)

Assurances
Routine grant monitoring
Country Portfolio Reviews and Thematic PPP deep dives focused on HIV
Global Fund-commissioned Country evaluations and Thematic reviews focused on HIV (e.g., Evaluation and Learning Office evaluations)
National and Partner HIV Program Reviews

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

Controls & mitigations in development or planned

Support implementation of new guidance and action planning related to PrEP surge, including introduction of HIV ST in PrEP programming, use of new DVP ring for prevention in females, TLD transition, including transition to pediatric DTG 10mg.

Monitor the implementation of C19RM funds, particularly for mitigation of HIV programs. Promote accelerated adoption and scale-up of five COVID-19 HIV program adaptation must haves.

Undertake country HIV risk deep dives, update key mitigating actions and define triggers for high/very-high Program Quality-HIV risk to reduce the risk level in line with the target risk (moderate by June 2024). Risk/TAP Collaboration.

Implement comprehensive review of HIV program assurances and HIV programmatic indicators used for risk triangulation to improve implementation and service delivery of existing and future programs. Risk/TAP Collaboration.
Partner/LFA led programmatic assurances
Global Fund
Country Portfolio Reviews and Thematic PPC Assurances
Currently controls & mitigations
The residual risk for TB Program Quality risk has reduced to High at the time of this report.
**Risk Description**

Inadequate quality of programs/services and/or delays and disruptions in implementation of programs funded by the Global Fund, which results in missed opportunities to maximize improvement of measurable outcomes in the fight against Malaria and the effort to strengthen resilient and sustainable systems for health.

**Risk Impact**

Sub-optimal coverage and quality of case management and vector control interventions would result in higher incidence and increased morbidity and mortality due to malaria, especially exacerbated in high-risk environments that account for significant portion of Global Fund malaria investments. Vector control threatened by inability to achieve or maintain population coverage over time, sub-optimal use increasing insecticide resistance to pyrethroids which will reverse transmission reduction due to vector control if mitigating actions not taken. Case management challenged by insufficient access to care and poor-quality services. This includes challenges such as delayed treatment seeking, poor adherence to clinical algorithms, inaccurate reporting and recording and high service disruptions from the pandemic (delays in LLIN/IRS campaigns, procurement delays and disruptions in stocks of key products).

Based on current information, while the current risk level is "High" the trajectory has shifted from steady to increasing. These are driven by several external factors - increasing number of countries are witnessing political instability and security threats (eg. SAHEL regions / Myanmar etc) impacting program implementation; impact of climate change or post natural disaster events leading to resurgence (several countries in WCA or Pakistan); and growing biological threats (drug and insecticide resistance, new vectors etc.). Stronger surveillance and monitoring of trends in drug and insecticide resistance, spread of vectors and impact of climate change would be critical in coming years as they can rapidly reverse the gains.

**Key Partners**
The Global Fund's bilateral and multilateral partners have the capacity and opportunity to influence but not control program quality risk

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

<table>
<thead>
<tr>
<th>Change since last quarter</th>
<th>No change</th>
<th>Current direction of travel</th>
<th>Increasing</th>
<th>Global Fund ability to mitigate</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Risk</td>
<td>High</td>
<td>Risk Appetite</td>
<td>High</td>
<td>Target Risk</td>
<td>Moderate</td>
</tr>
<tr>
<td>Root Cause</td>
<td></td>
<td></td>
<td></td>
<td>Target risk timeframe</td>
<td>June 2024</td>
</tr>
</tbody>
</table>

**Current controls & mitigations**

- MA-7424 Ongoing dissemination of best practices and practical guidance by Technical Advice and Partnerships, including quality standards and normative guidelines.
- MA-7427 Supporting sub-national stratification to target vector control tools and other interventions to maximize impact through modeling under STC SI in support of High Burden High Impact (HBHI) initiatives.
- MA-7430 Expanding malaria services to actively support engagement of private sector in addition to the public and community level services.
- MA-7431 Scale up of synergist LLINs to address pyrethroid resistance. And ensuring campaigns remain on track or are accelerated (where possible).
- MA-7432 Aligning program and data quality assurance with overall Risk and Assurance Planning.
- MA-7433 Refocusing on grant programs’ quality and efficiency, within current budget limitations, through strengthening in country review and dialogue with partners to identify opportunities to improve quality and leverage partner technical, financial, and political resources accordingly.
- MA-7434 Strengthening monitoring of drug and insecticide resistance to ensure optimal choices of interventions for maximum impact and improving surveillance and enhancing entomological capacity at country level (to inform vector control strategies and track their impact on malaria transmission, focusing on the 10 highest burden countries).

**Assurances**

- Routine grant monitoring and Program Performance Reports
- Country Portfolio Reviews and Thematic PPC deep dives focused on HIV
- Global Fund-commissioned Country evaluations and Thematic reviews focused on HIV (e.g. Evaluation and Learning Office evaluations)
- National and Partner TB Program Reviews
- Partner/LFA led programmatic assurances including post campaign reviews
- Population surveys (malaria indicator survey)
- Therapeutic efficacy studies and insecticide resistance surveys

**Status**

- MA-7437 Catalyzing market entry of new LLINs through pilots and subsidies in several high burden countries in Western and Southern Africa which have intense pyrethroid insecticide resistance.
  - Status: Underway
  - Target completion: 31-12-2023
  - Action owner: TAP

- MA-7623 Advocacy and coordination within GF and externally with partners to mobilize resources to fill 2023 LLIN and IRS campaign gaps including consideration of portfolio optimizations, grant savings, external support from AMF, PMI, etc.
  - Status: Underway
  - Target completion: 31-12-2023
  - Action owner: TAP
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Status</th>
<th>End Date</th>
<th>TAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-8049</td>
<td>Timely access and advocacy for Emergency Funding to support the response to climatic disasters and other acute emergencies relevant to increasing malaria morbidity and mortality.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td>MA-8060</td>
<td>Implement comprehensive review of Malaria program assurances and Malaria programmatic indicators (used for risk triangulation) to improve implementation and service delivery of existing and future programs. Risk/TAP Collaboration.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>TAP</td>
</tr>
<tr>
<td>MA 1111</td>
<td>Systematically support development of contingency plans to respond to political and security threats and or pandemic related disruptions</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td>MA 2222</td>
<td>Support countries in analyzing and addressing the increase in burden of malaria</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td>Risk Description</td>
<td>Action</td>
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<tr>
<td>Poor quality and/or inadequate generation of program data due to weak in-country M&amp;E systems that do not lead to strategic planning, evidence-based decision making and efficient investments and therefore hamper programs' ability to reach their targets and health impact.</td>
<td>Strengthen digital systems, including community, with focus on data security, establishment &amp; maintenance of infrastructure and health facility master facility list and community health workers master lists (monitored annually through KPI S6a: Secure, maintained, and interoperable HMIS).</td>
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<tr>
<td>Poor quality data [delayed and/or incomplete data] can impede implementers’ management of quality programs and the Global Fund’s ability to assess their impact. This can result in programs with improper focus on relevant interventions, geographic focus and beneficiary populations, ultimately resulting in failure to achieve public health impact.</td>
<td>Institutionalize key aspects of digital health data system governance - Strategy and implementation plans, functioning governance mechanisms and inventory of digital data systems (monitored annually through the M&amp;E Systems profile for high impact and core countries).</td>
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<tr>
<td>Related Action</td>
<td>MA-7619, MA-7620</td>
<td></td>
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</tr>
<tr>
<td>Data governance and management: Ineffective leadership provided by the MoH for the M&amp;E agenda, such as relevant M&amp;E policies/guidance, lack of dedicated national bodies/mechanisms for data and digital health governance.</td>
<td>Enable joint use of patient level laboratory and programmatic data.</td>
<td></td>
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<tr>
<td>Data governance and management: Inadequate oversight to identify and mitigate risk of manipulation of program and performance data, and/or the system has vulnerabilities in this regard.</td>
<td>Strengthen data quality at country level, including for community data, by ensuring appropriate investments are made in HMIS foundations and that data quality assurance mechanism are in place to support data quality enhancement and monitoring.</td>
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<tr>
<td>Data Analysis, Availability &amp; Quality: The HMIS is not digitalized or only partially digitalized, is not well-maintained and/or there is inadequate digital identity management of facilities including location data for GIS mapping.</td>
<td>Strengthen strength quality at country level, including for community data, by ensuring appropriate investments are made in HMIS foundations and that data quality assurance mechanism are in place to support data quality enhancement and monitoring.</td>
<td></td>
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<tr>
<td>Data Analysis, Availability &amp; Quality: The National reporting platforms (HMIS, LMIS, the Lab Information System, etc.) are not interoperable or do not easily facilitate data triangulation.</td>
<td>Improve availability and use of disaggregated data to assess inequities at country level (monitored annually through KPI S7: Use of disaggregated data for planning or decision making).</td>
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<tr>
<td>Data Analysis, Availability &amp; Quality: Most at risk population size estimates are not available (HIV: Sex Workers, MSM, PWID, TG, AGYW at risk of HIV in AGYW focus countries; TB: prisoners, migrants/mobile populations, mining &amp; peri mining communities; Malaria: geographic area).</td>
<td>MA-7621, MA-7624</td>
<td></td>
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<tr>
<td>Data Analysis, Availability &amp; Quality: The measures/strategies to ensure quality of patient data are inadequate, either because there is no plan, the design is inadequate, or because they do not get implemented (e.g., routine data quality reviews, checks/controls, PR check of SR data).</td>
<td>MA-7625, MA-7628, MA-7624</td>
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<tr>
<td>Data Analysis, Availability &amp; Quality: Country does not collect disaggregated programmatic data (e.g., by age, gender/sex, geographic area, availability of HTM services and/or whereby who is experiencing new infections and HTM risk).</td>
<td>MA-7502</td>
<td></td>
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</tr>
<tr>
<td>Data Analysis, Availability &amp; Quality: The country has received a poor/very poor rating for reporting completeness and/or timeliness and is not implementing a data quality improvement plan.</td>
<td>Data Analysis and Use: National analysis of sub-national disaggregated data has not been conducted in the last 12 months and/or a low percentage of provinces/districts produce at least semi-annual analytical reports.</td>
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<tr>
<td>Data Analysis and Use: Required disaggregated data is not used to inform planning or programmatic decision making for priority areas.</td>
<td>MA-7502</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Analysis and Use: Relevant programmatic data is not available at the Secretariat level on a timely basis to inform decision-making and resource allocation.</td>
<td>Data Analysis and Use: National analysis of sub-national disaggregated data has not been conducted in the last 12 months and/or a low percentage of provinces/districts produce at least semi-annual analytical reports.</td>
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<tr>
<td>Data Analysis and Use: National analysis of sub-national disaggregated data has not been conducted in the last 12 months and/or a low percentage of provinces/districts produce at least semi-annual analytical reports.</td>
<td>MA-7502</td>
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<td>Data Analysis and Use: National analysis of sub-national disaggregated data has not been conducted in the last 12 months and/or a low percentage of provinces/districts produce at least semi-annual analytical reports.</td>
<td>MA-7502</td>
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</tr>
<tr>
<td>Current controls &amp; mitigations</td>
<td>Assurances</td>
<td></td>
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</tr>
<tr>
<td>MA 7619 Strengthen digital systems, including community, with focus on data security, establishment &amp; maintenance of infrastructure and health facility master facility list and community health workers master lists (monitored annually through KPI S6a: Secure, maintained, and interoperable HMIS).</td>
<td>Monitoring of country data systems and program reviews</td>
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<tr>
<td>MA 7620 Institutionalize key aspects of digital health data system governance - Strategy and implementation plans, functioning governance mechanisms and inventory of digital data systems (monitored annually through the M&amp;E Systems profile for high impact and core countries).</td>
<td>Contracts with partners for data quality improvement</td>
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</tr>
<tr>
<td>MA 7621 Enable key triangulation and other joint analyses between programmatic and logistics data on a routine basis at national and/or sub-national levels.</td>
<td>National Data Quality Reviews (DQR)</td>
<td></td>
<td></td>
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<tr>
<td>MA 7622 Enable data interoperability /integration from community health services and private sector health services with countries’ HMIS (monitored annually through KPI S6a: Secure, maintained, and interoperable HMIS).</td>
<td>Routine programmatic analysis for data quality triangulation</td>
<td></td>
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<tr>
<td>MA 7623 Strengthen data quality at country level, including for community data, by ensuring appropriate investments are made in HMIS foundations and that data quality assurance mechanism are in place to support data quality enhancement and monitoring.</td>
<td>Spot checks for data quality</td>
<td></td>
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<tr>
<td>MA 7624 Strengthen strength quality at country level, including for community data, by ensuring appropriate investments are made in HMIS foundations and that data quality assurance mechanism are in place to support data quality enhancement and monitoring.</td>
<td>Strengthening of HMIS/DHIS systems through partner contracts (UNIO and HISP)</td>
<td></td>
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<tr>
<td>MA 7625 Enable joint use of patient level laboratory and programmatic data.</td>
<td>Technical assistance pool for quality assurance</td>
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<tr>
<td>MA 7626 Improve availability and use of disaggregated data to assess inequities at country level (monitored annually through KPI S7: Use of disaggregated data for planning or decision making).</td>
<td>Thematic Reviews and Population-based surveys</td>
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<tr>
<td>MA 7502 Improve availability and use of disaggregated data to assess inequities at country level (monitored annually through KPI S7: Use of disaggregated data for planning or decision making).</td>
<td>Overall Status</td>
<td></td>
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</tr>
<tr>
<td>Status</td>
<td>Target completion</td>
<td>Action owner</td>
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</tr>
<tr>
<td>Underway</td>
<td>31-12-2023</td>
<td>PMRD</td>
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<tr>
<td>Underway</td>
<td>31-12-2023</td>
<td>PMRD</td>
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<tr>
<td>Annex Code</td>
<td>Description</td>
<td>Status</td>
<td>Target Date</td>
<td>Lead Entity</td>
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<tr>
<td>MA 7628</td>
<td>Define an updated GF data quality metric which includes data accuracy measurement for paper-based and digital systems for progress monitoring used at the Secretariat level to inform risk analysis and data quality monitoring. Metric may inform data quality monitoring at country level.</td>
<td>Underway</td>
<td>31.12.2023</td>
<td>PMRD</td>
</tr>
<tr>
<td>MA 7629</td>
<td>Build regional and in-country capacity for design and implementation of IBBS and PSE, building on the partnership work between local/regional universities and MOHs to enhance data analysis and use.</td>
<td>Underway</td>
<td>31.12.2023</td>
<td>PMRD</td>
</tr>
<tr>
<td>MA 7630</td>
<td>Develop a sustainable and regional/local approach to implement and quality assure of non-routine data collection, i.e., national surveys (IBBS, HHFA, DQR, MIS, etc.).</td>
<td>Planned</td>
<td>31.12.2025</td>
<td>PMRD</td>
</tr>
<tr>
<td>MA 7631</td>
<td>Support the development of a sustainable regionally based approach for the partnership between local/regional academic institutions and MOH to enhance routine data analysis and use in WCA and ESA.</td>
<td>Underway</td>
<td>31.12.2023</td>
<td>PMRD</td>
</tr>
<tr>
<td>MA 7633</td>
<td>Develop roadmap for M&amp;E data risk management program including assurance arrangements to ensure key fraud risks related to data reporting are prevented or identified early and mitigated.</td>
<td>Planned</td>
<td>31.06.2023</td>
<td>PMRD</td>
</tr>
<tr>
<td>Risk Description</td>
<td>Risk Impact</td>
<td>Key Partners</td>
<td>Key Countries</td>
<td></td>
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<tr>
<td>Procurement challenges and failures that lead to poor value for money or financial losses, incorrect or sub-standard products or delayed delivery, potentially leading to stock out, treatment disruption; poor quality of services or wastage of funds or products.</td>
<td>Upstream challenges linked to global sourcing could impact lead times and costs (including freight costs) and could significantly impact grant budgets and availability of health products. The downstream in-country procurement risks related to quantification and supply planning and or procurement process could result in inefficiencies, lost value for money or fraud and impact availability of health products. Based on current information, while the current risk level is 'High', with ongoing efforts on articulating the health product segmentation framework to manage procurement related risks, and additional grant assurance activities, we expect the direction of travel to start reversing in the coming quarters.</td>
<td>Donors including the World Bank, US and France provide focused technical assistance related to health commodity procurement.</td>
<td>Burkina Faso, Cameroon, Côte d’Ivoire, DRC, Ethiopia, Ghana, Guinea, India, Kenya, Malawi, Mozambique, Myanmar, Nigeria, Pakistan, Sudan, Tanzania, Uganda, Ukraine, Viet Nam, Zambia</td>
<td></td>
</tr>
</tbody>
</table>

### Current controls & mitigations

<table>
<thead>
<tr>
<th>Current controls &amp; mitigations</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-7404 Rapid Supply Mechanism (RSM) managed by the Supply Operations Department available to all PRs that respond to emergency needs of countries and addresses stock out situations for key health products.</td>
<td></td>
</tr>
<tr>
<td>MA-7406 Developing, updating, and implementing health product sourcing strategies in line with Market Shaping Strategy, with the supply of core health products through performance-based framework agreements with suppliers.</td>
<td></td>
</tr>
<tr>
<td>MA-7407 Support access and compliance through the GF wambbo.org, allowing PRs to transact orders using grant and non-GF grant funding, while extending PPM-negotiated prices and conditions to non-PPM procurements by other interested buyers through the Leveraging Impact Framework and November 2022 Board Decision on Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambbo.org</td>
<td></td>
</tr>
<tr>
<td>MA-7408 Regular coordination with suppliers, PSAs, and partner organizations to monitor, assess, identify, and mitigate risks and health commodity supply impact (and potential shortages); such as rerouting and/or changing transportation mode to leverage available logistics capacity, production reallocation and product volume allocation. Mobilizing internal and external PSA resources as required.</td>
<td></td>
</tr>
<tr>
<td>MA-7411 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></td>
</tr>
<tr>
<td>MA-7414 Define and deploy a cross-function supply chain operational risk management forum in response to major risk areas.</td>
<td></td>
</tr>
<tr>
<td>MA-7415 New version of HPMT for GC7 and demand consolidation tool rolled out this year to support demand planning by the PRs.</td>
<td></td>
</tr>
<tr>
<td>MA-7416 Increase and expand alternative products and supply options, such as determining possible product and supplier shortlists in case alternate supply is required (MRDT, 2nd line ARVs, PBO LLINs, PPE, commodities for oxygen supply).</td>
<td></td>
</tr>
<tr>
<td>MA-7417 Leverage partnerships to optimize supply, logistics solutions and accelerate regulatory approval pathway; jointly manage demand with common recipient countries; regular coordination with other multilateral organizations and other larger buyers (such as USG, South Africa, etc.).</td>
<td></td>
</tr>
<tr>
<td>MA-7421 Order placement is being strengthened leveraging Wambio/PPM mechanisms as the preferred procurement channel for C19RM grants, with an established standardized review system of any request for deviation.</td>
<td></td>
</tr>
</tbody>
</table>
### MA-7422
Facilitate OIG Advisory team’s review of Outsourced Services Sourcing (OSS / PSA) Strategy and subsequent recommendations, leading into OSS / PSA Strategy update activities.

### MA-7419
Regular communication with PRs/countries on product lead-times and order placement deadlines.

### MA-7420
Partner with organizations with commodities for oxygen supply knowledge, PPM PSA (i+solutions) (following a PSA category selection tender) and Technical Assistance service provider (BHI) to ensure oxygen supply product availability whilst the commodities for oxygen supply strategy is developed (as applicable).

### MA-7409
Review of risks and updated mitigations, roles & responsibilities as the non-grant financed procurement channel through wambo as it is mainstreamed after the November 2022 Board Decision on Non-Global Fund-Financed Procurement Utilizing the Pooled Procurement Mechanism and wambo.org.

### Assurances

**LFA reviews of health product purchases for compliance with QA Policy and grant budgeting guidance.**

Only GF QA compliant products are purchased through Wambo.org.

Regular performance reviews of Framework Agreement suppliers and Procurement Services Agents (PSAs) and Partner Organizations, include key performance indicator metrics (such as On-Time-In-Full (OTIF)) setting and monitoring. Quarterly Supply Operations reporting through the Performance Accountability Framework.

Routine monitoring of stocks.

Supply Operations quarterly review of exceptions report.

### Overall Status

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

<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-7410 Improve the due diligence process that assesses the supply risk and price increase requests.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>SO</td>
</tr>
<tr>
<td>MA-7412 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>31-12-2023</td>
<td>SO</td>
</tr>
<tr>
<td>MA-7423 Review, consult, develop update and implementation to OSS / PSA Strategy</td>
<td>Underway</td>
<td>30-09-2023</td>
<td>SO</td>
</tr>
<tr>
<td>MA-7634 Ensure C19RM mandatory minimum assurances are properly planned, executed on-time, and their results used to update IRM MAB/XMAs and risk ratings.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>SO</td>
</tr>
<tr>
<td>MA-7643 Review key mitigating actions and define triggers for high/very-high Procurement risk to adequately reduce the risk level in line with the target risk (moderate by tbc). Risk/SO Collaboration.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>SO</td>
</tr>
</tbody>
</table>
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 processes and analytics, physical logistics and/or financing and can prevent achievement of grant objectives.

Risk Impact
Inadequate availability of commodities or wastage of grant-funded commodities through expiries or diversion. Significant proportion of grant funding allocated to health commodities, high volumes of lifesaving products flow through in-country supply chains that are often fragile, insecure, and poorly managed and coordinated, which can lead to multiple risk events, including treatment disruption, poor quality of services, increased drug resistance, health products wastage and poor value for money. Ultimately, this can lead to reduced impact of Global Fund investments and increased mortality and morbidity.

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

Key Countries
Afghanistan, Angola, Bangladesh, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Congo (Democratic Republic), Côte d’Ivoire, Eritrea, Ethiopia, Gambia, Guatemala, Ghana, Guine-Bissau, India, Indonesia, Kenya, Malawi, Mali, Madagascar, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Rwanda, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania (United Republic), Uganda, Ukraine, Haiti, Liberia, Viet Nam, Zambia, Zimbabwe.

Change since last quarter
No change

Residual Risk
High

Current direction of travel
Steady

Global Fund ability to mitigate
Low

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 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 PPE products contributes to scarcity of warehousing.
Lack of coordination among donors and key stakeholders that are involved 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 chain planning challenges and heighten pressure on in-country systems.
Scarce resources across Global Fund and partners to support logistics for service providers to provide TA and collect data.
Insufficient number of service providers with adequate capacity to provide in-country supply chain related technical assistance.

Related Action
MA-7283
Ongoing implementation of revamped, overarching Supply Chain Roadmap over the next 4 years to better leverage grant and SI funds. This includes implementation of supply chain strengthening transformation plans.

MSC Approved
2022-04

Current controls & mitigations

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>Revise key mitigating actions and define triggers for high/very-high in-country supply chain risk to adequately reduce the risk level in line with the target risk (moderate by June 2024). Risk/SO Collaboration.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>SO</td>
</tr>
<tr>
<td>Ensure C19RM mandatory minimum standards are properly planned, executed on-time, and their results used to update IRM MA&amp;KMs and risk ratings.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>SO</td>
</tr>
<tr>
<td>Strengthening PRs capacity in 3PL contracting and performance management, ensuring: (i) ToRs and KPIs are properly set at contract stage to achieve the expected results, (ii) KPI monitoring is led by the PRs and conducted transparently and regularly to tackle bottleneck early, (iii) countries’ ownership of the supply chain is maintained through inclusive selection and monitoring processes, and (iv) transition plans are elaborated early in collaboration with all relevant stakeholders. Target: 7 countries</td>
<td>Underway</td>
<td>30-06-2024</td>
<td>SO</td>
</tr>
<tr>
<td>Improve LMIS data quality through: (i) robust SOPs, and clear distribution of in-country roles &amp; responsibilities for data collection, validation, and reporting, (ii) assessment of functionality of existing eLMIS before planning and roll out of new/enhanced fit for purpose eLMIS, and (iii) securing operational support to existing and new eLMIS. Target: 7 countries</td>
<td>Underway</td>
<td>30-06-2024</td>
<td>SO</td>
</tr>
<tr>
<td>Support the use of LMIS data for SC management decision and triangulation through: (i) creation of transversal committees to oversee data triangulation, (ii) elaboration of adequate databases for SC management decisions and (iii) systematic consideration for interoperability when investing in new systems. Target: 7 countries</td>
<td>Underway</td>
<td>30-06-2024</td>
<td>SO</td>
</tr>
<tr>
<td>Strengthening PRs and programs supply planning and monitoring capacities, through: (i) set up of transversal committees with appropriate governance to develop and review supply plans, (ii) systematic inclusion of decentralized levels in supply planning discussions, (iii) ensure committee’s access to adequate set of programmatic and SC data. Target: 5 countries</td>
<td>Underway</td>
<td>30-06-2024</td>
<td>SO</td>
</tr>
<tr>
<td>Improve storage quality through: (i) implementation of improvement action over physical storage conditions, (ii) update of storage processes, systems and tools (ERP), and (iii) optimization of the distribution network. Target: 6 countries</td>
<td>Underway</td>
<td>30-06-2024</td>
<td>SO</td>
</tr>
<tr>
<td>Develop and finalize the Supply Chain Maturity Model to determine maturity levels and identify priority areas for improvement. Implement the Supply Chain Maturity Model assessment to all GC74 45 priority countries for supply chain, starting with funding requests submission windows 1 countries.</td>
<td>Planned</td>
<td>31-03-2023</td>
<td>SO</td>
</tr>
</tbody>
</table>
The risk of Financial Fraud, Corruption and Theft is defined as the possibility that:

i. Global Fund assets (financial and non-financial) are misappropriated.

ii. Financial statements reported to the Global Fund are intentionally misstated and Global Fund incurs financial loss due to corruption (including conflict of interest and bribery/extortion).

Financial losses that lead to inadequate program coverage, lower execution, and suboptimal impact against the diseases, as well as reputation damage. Economic outlook remains volatile due to combined effect of cost-of-living crisis, Russia’s invasion of Ukraine and knock-on effects of COVID-19. Increased inherent financial and fiduciary risk in implementing countries as challenges and disruption (macro and portfolio level) continue, thus creating an environment which both provides more opportunities for, and incentives, fraud.

Entering the last year of grant cycle six also brings additional complexities (grant making and improving absorption) which can takeaway resources and focus from rigorous financial management.

Efforts to adapt to the evolving environment continue. Additional assurances commissioned from various assurance providers for example mandatory assurance on COVID 19 activities have not raised any major issues. The fraud risk assessment in 5 countries and extending to 10 countries is creating fraud risk awareness and informing our assurance measures.

It is anticipated that the risk will be mitigated in the Global Fund grants to a large extent and expect the direction of travel to stabilize and reverse in the coming quarters.

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

Key Partners
International Professional Accounting Bodies and Supreme Audit Institutions (SAI)

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 | Dec 2022 |

**Risk Description**

**Internal control weakness - weak internal control systems at PR and/or SR level; Weak oversight over SR activities**

Risk Impact

**Financial Fraud, Corruption and Theft: Critical deficiencies in fraud risk governance and control design at PR and SR level including fundamental components like SOO, COI, clearance, whistle-blowing platform, formalized incident reporting and escalation mechanisms**

**Financial Fraud, Corruption and Theft: Emerging fraud risk resulting from cybersecurity issues including phishing; lack of data governance controls including data privacy and confidentiality, anti-money laundering and double dipping.**

**Flow of Funds Arrangements - operations predominantly in LIs, LMIs and UMIs which are characterized by low banking coverage, Continuous challenges and disruption in banking and treasury operations. Macro-economic instability has led to inflation and foreign exchange fluctuations.**

**Flow of Funds Arrangements - Operational disruptions including potential risk of ineligible expenditure or loss of assets resulting from untimely, weak cash advance reconciliation and cash payment for community mobilization activities.**

**Value for Money - Financial Management: weak procurement process for increased in-country procurement, especially for C19RM health products and capital investments.**

**Current controls & mitigations**

**MA-7344**

- Strengthening of fiduciary controls over procurement such as the use of Pooled Procurement Mechanism or outsourcing of procurement to third-party procurement agents for Non-Health and Health Products procurement during grant design and implementation.
- Investment Committee oversight on C19RM activities via monitoring of spot checks.
- Oversight on C19RM investments particularly capital and large procurements through pulse checks and LFA check on tender.

**MA-7350**

- Enhance the governance and oversight of implementers (PRs) and the financial risk and assurance model for IOs/INGOs to enhance the financial assurance and effectiveness of mitigating measures.

**MA-7353**

- Systems-generated reports linking recoveries and PUDR-reported ineligible have been developed. In line with new OPN on recoveries regular monitoring and reporting of non-IOG recoverable through aging, tracking of issuance of demand letter and refunds.

**MA-7348**

- Revised external audit Terms of Reference emphasizing risk-based assessment of PR internal controls, and updated guidelines for grant audits to reflect additional due diligence and consistent audit report and management letter templates. Delivered and effective for 2021-year end audits.

**MA-7346**

- Independent mitigation and assurance providers pre-selected by Global Fund:
  - Use of Fiduciary/Fiscal Payment Agents in thirteen high-risk countries at PR and/or SR levels including fraud specialist and monitoring the performance of the Fiscal Agent by the Grant Finance Managers.
  - Robust external audit process through use of comprehensive guidelines and use of RAI external auditors for consistent audit opinion and assurance.

**MA-7349**

- Driving minimum use of cash and support implementing partners in cash optimization and use of innovative cost-efficient technological payment platforms, such as mobile money and mobile device solutions.
- At country level: Assessment of bank solvability and mandatory verification of grant dedicated bank account.

**MA-7354**

- Multiple mitigating measures at the corporate level including mandatory GF direct payment to certain suppliers, new measures for Bank Account Management, 2-factor authentication.
- Training on phishing and cyber fraud awareness.

**MA-7344**

- Two-tier M&O within Finance working closely with CTs, Risk and OIG
  - Reinforcement of 1st line monitoring of financial and fiduciary risks through centralized thematic lead
  - Dedicated independent 2nd line monitoring of financial and fiduciary risks through periodic CRMM reviews involving evaluation of risk ratings, adequacy, and quality of MAs and RAs, self-audits of 1st line risk management activities
  - Dedicated team for capacity building, working with countries to align with PFM and seeking innovative solutions to financial management issues

**MA-7350**

- Mandated consultation on use of pre-qualification of professional service providers for technical assistance toward effective capacity building and fraud risk management at the implementer level.

**MA-7345**

- Effective implementation of Financial Guidelines (e.g., Financial risk management, Budgeting and Financial reporting guidelines) for Country Teams and Implementers.

**MA-7000**

- Raising awareness at Secretariat and country level, training and capacity building on fraud risk identification and management. Two modules on FRA that have been launched.
Assurances

AFRO annual self-audit on FA and external audit reviews + EAT compliance
Continuous monitoring of IO and INGO performance
External & Internal Audit Reports
Second line reviews and monitoring and oversight
LFA spot-checks on use of mobile money & review of expenditures.

Oversight of PR change by CPR and GAC.

Public Financial Management (PFM) and Country Financial Management Strengthening and Innovation (CFMSI) reviews
Review and approval by GFM, Semi-annual independent review and validation of completeness and accuracy by Recoveries Officer in BFCA and AFRO self-audit.

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>
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</tr>
</thead>
<tbody>
<tr>
<td>MA-7002 Undertake a deep dive on triangulating assurance received from service providers like external auditor, FA and LFA, including role of internal auditor</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>GFM</td>
</tr>
<tr>
<td>MA-7352 Assess effectiveness of the fiscal agent model and develop a robust transition approach (including impact analysis) for removal of fiscal agents based on the recently approved risk appetite framework. Output from this ongoing assessment will be revised Financial Risk Management guidelines and revised ToR for fiscal agents. Phase 1 completed in Oct-22 Phase 2 to Resume in Feb and E2E complete by Sep-2023 for implementation in NFM4.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>AFRO</td>
</tr>
<tr>
<td>MA-7003 Dedicated team working on strengthening in-country financial management flows and systems. So far, 34 out of the 46 countries have achieved 80% implementation of agreed action plans and 8 high priority countries have completed public financial management transition efforts towards use of country PFM system. Action to continue into 2023.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>F&amp;A</td>
</tr>
<tr>
<td>MA-7341 Fraud Risk Assessment in 10 HI and Core countries, selected based on risk profile is ongoing. 5 (Nigeria, Zambia, Malawi, Zimbabwe and Sierra Leone) have been completed and 5 are in the planning stage (Pakistan, DRC, Liberia, Ethiopia, Cameroon). For countries completed, integration of FRA outcome into CRMM for Q1 2023 cycle and long-term systemic changes will feed into GCF grant making to be implemented and monitored from 2024 - 2025.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>AFRO</td>
</tr>
<tr>
<td>MA-7356 Fraud Risk Maturity Assessment (FRMA) recommendations and cross cutting Agreed Management Action implemented by Risk, Finance, Ethics, Supply Operations, TAP, Health Financing and Grant Management Departments. Most important being set-up of programmatic assurance and Fraud M&amp;O mechanism. The detailed action plan will be implemented in line with the OIG Agreed Management Actions due in 2023.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>Risk</td>
</tr>
<tr>
<td>MA-7004 Joint in-country fraud conference planned for 2023, to be held with OIG and Risk department.</td>
<td>Underway</td>
<td>30-09-2023</td>
<td>AFRO</td>
</tr>
</tbody>
</table>
**Risk Description**
Possibility that the records maintained, and the financial reports provided by the Principal Recipient and Sub Recipients in relation to Global Fund funds are incorrect, delayed, and incomplete or have inadequate supporting documents.

**Risk Impact**
Poor decision making due to inadequate or poor-quality data. Suboptimal impact as resources will not be allocated to areas of greater impact. The Accounting & Financial Reporting by Countries risk rating is now assessed as Moderate, and the direction of travel is now steady. Disruptions faced by implementers, assurance providers and other stakeholders have begun to decrease, as countries remove restrictions. So far, Pulse check data has been received on time and to an acceptable level of quality. Additionally, PUs were largely received on time and to an acceptable level of quality. Expectation is same for upcoming PUDRs. Efforts to build capacity and improve on financial reporting continue. It is anticipated that the risk will be mitigated in the Global Fund grants to a large extent and expect the direction of travel to stabilize.

**Current controls & mitigations in development or planned**
- **MA-7472** Continuous monitoring of outcomes of assessment of implementers in financial management (via the FMIR tool targeting High Impact and core countries) and reporting on improvements across 10 key financial management areas including financial absorption as part of supporting optimal grant management by implementers.
- **MA-7467** Integrated approach to capacity strengthening and in-country risk reviews instituted through joint assessments/deep dives of implementers to assess root causes and effectiveness of mitigating measures at country level. Co-link initiative action plans in place and being implemented in at least 46 High Impact and Core countries for strengthening implementers’ financial management capacity in People, Processes, and Systems. To date: i) 34 out of 46 targeted countries met the 80% action plan completion threshold (cumulative results since 2017 to 31.12.2022) - 74% KPI attainment and ii) 8 out of 8 targeted countries met, for using at least 6 defined public financial management or donor-harmonized system components - 100% attainment. Action maintained and continues for 2023.
- **MA-7473** Proactive monitoring by Finance senior management via Monthly Monitoring Meetings (MMM) to continue performing quality assurance, monitor timely validation, and improve the overall reconciliation and closure process as well as achievement of the Key Mitigating Actions and Closing of OIG AMAs.

**Assurances**
- Corporate Forecasting uses of Fund review
- SO2G Corporate KPI review

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

**Controls & mitigations in development or planned**
- **MA-7468** Optimization of the cash management processes and foreign exchange risk exposure through the roll-out of a Foreign Exchange in Grants framework for grant implementation including PPM charge back to manage FX on cross-currency grant disbursements.

**Key Partners**
The World Bank and US Government agencies have a moderate ability to mitigate the risk of poor Accounting & Financial Reporting by Countries. Additional Partners: International Professional Accounting Bodies and Supreme Audit Institutions (SAI).

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

**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: Dec 2022

**Root Cause**
- Accounting and financial reporting: Significant investment in countries with inadequate human resource capacity and weak or nonexistent financial management systems – with operations right down to peripheral level.
- Accounting and financial reporting: Weak processes and internal controls at PRs / SR levels.
- Auditing Arrangements: suboptimal auditing arrangements hence limited assurance from external auditors.

**Related Action**
- MA-7472 MA-7473 MA-7467 MA-7468
- MA-7472 MA-7473 MA-7467 MA-7468
- MA-7468

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**Annexes – GF/B49/16**
Review design and/or effectiveness of the External audit reports

Inadequate national program governance, inadequate CCM and/or Principal Recipient (PR) oversight of grants, and non-compliance with Global Fund requirements for the effective management of grants. Limited capacity by the Ministry of Health to develop, implement and oversee the national strategic health plan priorities to drive Universal Health Care.

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.

Bilateral donors such as the US and France provide focused technical assistance to PRs on grant management.

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

No change

Increasing

Global Fund ability to mitigate

Moderate

Moderate

Moderate

Not Applicable

Related Action

MA-7580

- COVID-19 restrictions have limited the ability especially those in-charge of governance to undertake oversight visits or hold regular in-person meetings with implementers, beneficiaries, multilateral and bilateral partners, technical assistance providers and other stakeholders to monitor progress of grant activities and take corrective action as required. CCM members are providing “alternative” ways to prove dialogue and inclusiveness: electronic messages, emails, social network messages, etc. to demonstrate compliance to eligibility requirements.
- Poor IT infrastructure, internet connectivity and personal skills to manage technology has also created inequalities in access and attendance to online meetings and have led to various limitations to strong engaged stakeholder coordination and management
- Further, the full effects of implementation disruptions and impact to beneficiaries cannot be easily measured or quantified through routine data systems and this poses an additional challenge for PR management to monitor to grants.

- External contextual factors including political instability, security threats, macro-economic factors, disruptions to health services due to pandemic and/or natural disasters impacting in-country governance structures and their ability to monitor and oversee grant implementation
- Ineffective government oversight over the implementation of the disease strategies by national programs
- Ineffective or absent internal controls at the PR level.
- Suboptimal human resource capacity at the PR level.
- Inadequate processes for SR selection and limited SR oversight.

Inadequate PR management and reporting capacity, and inadequate oversight of PRs due to weaknesses in CCM engagement structures and coordination.

Unclear lines of authority and responsibility from national to subnational levels to implement disease strategies.

Ineffective planning, budgeting, implementation and supervision performed by national disease programs

Insufficient prioritization of financial and human resources allocation to disease programs by national and subnational governments.

Suboptimal collaboration between PRs, national disease programs, government and non-government stakeholders, including humanitarian partners in acute or protracted emergencies.

Absence of human resource capacity development plans and consequent gaps in health staff training for the delivery of health services.

Inadequate policies, processes, procedures, tools and protocols to identify and mitigate risks at PR and SR level.

Current controls & mitigations

MA-7581 Implementation arrangement mapping conducted for all new grants.

MA-7582 PR selection, prior to Technical Review Panel and Grant Approvals Committee approval, that meet Global Fund minimum standards for internal controls and capacity.

MA-7583 Granting actions specifically to address implementation and capacity challenges prior to grant signing.

MA-7584 Grant implementation monitoring focusing on oversight and supervision done by government entities and national disease programs respectively.

MA-7585 Comprehensive assurance plans developed for all High Impact and Core portfolios highlighting agreed upon mitigating actions to address national program governance and grant oversight.

MA-7587 Updated Operational Policy Notes released for differentiated risk management across the grant lifecycle; strengthened assurances with additional resources made available to country teams allowing improved Global Fund oversight and compliance monitoring.

MA-7588 Integrated Risk Management Module 2.0 rolled out to ensure better analysis of PR and global program oversight and management of risks and the identification and roll out of mitigating actions to improve implementer capacity as well as national program governance.

MA-7600 Use the Portfolio Performance Committee or its leadership to inform context specific, risk-based approach and trade-offs to mitigate the impact of external events on grant oversight and implementation.

Assurances

LFA spot checks reports

External audit reports

Review design and/or effectiveness of the internal control environment

Joint programmatic, supply chain and financial spot checks

Related Action

MA-7600

- COVID-19 restrictions have limited the ability especially those in-charge of governance to undertake oversight visits or hold regular in-person meetings with implementers, beneficiaries, multilateral and bilateral partners, technical assistance providers and other stakeholders to monitor progress of grant activities and take corrective action as required. CCM members are providing “alternative” ways to prove dialogue and inclusiveness: electronic messages, emails, social network messages, etc. to demonstrate compliance to eligibility requirements.
- Poor IT infrastructure, internet connectivity and personal skills to manage technology has also created inequalities in access and attendance to online meetings and have led to various limitations to strong engaged stakeholder coordination and management
- Further, the full effects of implementation disruptions and impact to beneficiaries cannot be easily measured or quantified through routine data systems and this poses an additional challenge for PR management to monitor to grants.

- External contextual factors including political instability, security threats, macro-economic factors, disruptions to health services due to pandemic and/or natural disasters impacting in-country governance structures and their ability to monitor and oversee grant implementation
- Ineffective government oversight over the implementation of the disease strategies by national programs
- Ineffective or absent internal controls at the PR level.
- Suboptimal human resource capacity at the PR level.
- Inadequate processes for SR selection and limited SR oversight.

Inadequate PR management and reporting capacity, and inadequate oversight of PRs due to weaknesses in CCM engagement structures and coordination.

Unclear lines of authority and responsibility from national to subnational levels to implement disease strategies.

Ineffective planning, budgeting, implementation and supervision performed by national disease programs

Insufficient prioritization of financial and human resources allocation to disease programs by national and subnational governments.

Suboptimal collaboration between PRs, national disease programs, government and non-government stakeholders, including humanitarian partners in acute or protracted emergencies.

Absence of human resource capacity development plans and consequent gaps in health staff training for the delivery of health services.

Inadequate policies, processes, procedures, tools and protocols to identify and mitigate risks at PR and SR level.

Current controls & mitigations

MA-7581 Implementation arrangement mapping conducted for all new grants.

MA-7582 PR selection, prior to Technical Review Panel and Grant Approvals Committee approval, that meet Global Fund minimum standards for internal controls and capacity.

MA-7583 Granting actions specifically to address implementation and capacity challenges prior to grant signing.

MA-7584 Grant implementation monitoring focusing on oversight and supervision done by government entities and national disease programs respectively.

MA-7585 Comprehensive assurance plans developed for all High Impact and Core portfolios highlighting agreed upon mitigating actions to address national program governance and grant oversight.

MA-7587 Updated Operational Policy Notes released for differentiated risk management across the grant lifecycle; strengthened assurances with additional resources made available to country teams allowing improved Global Fund oversight and compliance monitoring.

MA-7588 Integrated Risk Management Module 2.0 rolled out to ensure better analysis of PR and global program oversight and management of risks and the identification and roll out of mitigating actions to improve implementer capacity as well as national program governance.

MA-7600 Use the Portfolio Performance Committee or its leadership to inform context specific, risk-based approach and trade-offs to mitigate the impact of external events on grant oversight and implementation.

Assurances

LFA spot checks reports

External audit reports

Review design and/or effectiveness of the internal control environment

Joint programmatic, supply chain and financial spot checks

Overall Status

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

Risk control in development or planned

Controls & mitigations in development or planned

Status

Target completion

Action owner

Completed

31-12-2022

GMD-CT

Underway

31-12-2025

GMD (GPS)

Underway

01-12-2023

GMD (GPS)
<table>
<thead>
<tr>
<th>MA-7590</th>
<th>Development and roll out of front-line risk management approach, including undertaking in-country risk workshops with CCMs, PRs, implementers and partners for High Impact and Core countries (aligned to the roll out of CCM evolution, and COE workshops).</th>
<th>Underway</th>
<th>01-12-2023</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-7601</td>
<td>Improve the operationalization and implementation of the COE Policy considering recommendations from TERG Evaluation and OIG Audits.</td>
<td>Underway</td>
<td>01-12-2023</td>
<td>GMD COE Team</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.

### Risk Impact
Substandard quality resulting in poor health outcomes for patients, including death or morbidity; increased drug resistance; and reduced impact of Global Fund investments.

### Key Partners
Agencies of the US Government, World Bank, World Health Organization, UNICEF, STOP TB and GAVI have a minor to moderate ability to mitigate health product quality risk.

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

### Change since last quarter
No change

### Residual Risk
Moderate

### Risk mitigation is progressing but there are some delays.

### Controls & mitigations in development or planned

| MA-7546 | Clarify the Secretariat Quality Assurance mandate, which is one phase of the QA strategy, through ‘As-is/To-be process’ including the necessary activities, roles and responsibilities, in turn supporting implementation of actionable quality assurance plans. | Underway | 31-12-2023 | SO |
| MA-7552 | Development of procedures to investigate and support countries to identify and remove ineffective or dangerous products from the market. Collecting and considering publication by stringent regulators such as Notice of Concern by WHO, Warning and Notice of Violation Letters by SRAs esp. USDA to capture external risk identified. | Underway | 31-06-2023 | SO |
| MA-7555 | Strategic Initiatives funding to support pharmacovigilance (PV) for innovative medicines by building in-country PV capacity in selected pilot countries to improve surveillance on patient outcomes from innovative medicines. | Underway | 30-12-2023 | SO |
| MA-7557 | Strategic Initiative funding to strengthen WHO capacity to review new health products (3 diseases and COVID-19), including development of well-defined PQ processes for medical devices and PPE that are essential to the COVID-19 response. | Underway | 30-12-2023 | SO |
| MA-7559 | Development and publication of new guidance documents and lists to advise recipients on the best practices to implement the newly published QA requirements on PPE or MD for Oxygens procurement. | Planned | 31-03-2023 | SO |
Human Rights related barriers, including stigma and discrimination, increase risk and vulnerability, limit access to HIV, TB and malaria-related health services for key, vulnerable and/or underserved populations, and worsen health outcomes.

Gender inequality increases risk and vulnerability, reduces access to health services, and worsens health outcomes for women, girls, and gender-diverse communities, particularly those in key and vulnerable populations.

Failure to address human rights related barriers can result in failure to achieve impact through Global Fund investments, in as much as they increase risk and vulnerability, hinder access to and retention in health services, and worsen health outcomes.

Failure to address gender inequalities and related barriers to access can undermine the effectiveness and impact of Global Fund-supported programs.

Key Gender Equality: UN, Bilateral, Foundation, Community and Civil Society partners

Key Countries: Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Congo, Cote d’Ivoire, Eritrea, Eswatini, Gambia, Guatemala, Guinea, Guinea-Bissau, Honduras, Indonesia, Kosovo, Liberia, Madagascar, Malawi, Nigeria, Pakistan, Papua New Guinea, Philippines, Rwanda, Somalia, South Sudan, Sri Lanka, Suriname, Tajikistan Tanzania (inc. Zanzibar), Timor Leste, Uganda, Zambia, Zimbabwe

Limited understanding and knowledge of health system planners, CCMs, and implementers on how gender inequality affects access to services and disease outcomes for women, girls and gender-diverse people, particularly KVPs, and how to address gender-related risks, vulnerabilities, and barriers to services in strategies and programs.

Limited capacity and expertise of implementers to implement gender-responsive and -transformative interventions hinders effective programming for women, girls, and gender-diverse people, particularly KVPs, and the reduction of gender-related risks, vulnerabilities, and barriers to services.

Limited understanding and knowledge of health system planners, CCMs, and implementers on how gender inequality affects access to services and disease outcomes for women, girls and gender-diverse people, particularly KVPs, and how to address gender-related risks, vulnerabilities, and barriers to services.

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Limited understanding of and response to the nature and extent of human rights-related barriers to health services is inadequate as a result of a failure to conduct or update an assessment of human rights-related barriers and existing programs, and develop or update an evidence-based plan to address existing barriers and scale up programs.

The scale, scope and quality of programs to address human rights-related barriers to HIV, TB and malaria services is limited and does not include all human rights program essentials.

The understanding of and response to the nature and extent of human rights-related barriers to health services is inadequate as a result of a failure to conduct or update an assessment of human rights-related barriers and existing programs, and develop or update an evidence-based plan to address existing barriers and scale up programs.

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New technical briefs on reducing human rights-related barriers to HIV and TB services, and on equity, human rights and gender equality and malaria developed.

New guidance and tools for undertaking a rapid assessment of human rights-related barriers and existing programs developed.

Program essentials for HIV and TB contain human rights program essentials (including efforts to remove criminal and other harmful laws and policies), meaning that countries will have to report on status of these programs and, for core and high impact portfolios, will have to detail what they plan to do to ensure full implementation.

Breakdown Barriers (BBB) cohort expanded to 24 countries, with (reduced) human rights matching funds available to 20 initial and 4 new countries (Bangladesh, Burkina Faso, Nigeria, Thailand). More stringent financial and programmatic matching fund conditions developed and included in allocation letters.

New KPI (E1) developed to measure progress towards comprehensive programming to reduce human rights-related barriers in the 24 BBB countries over the period of the new Strategy. This will include annual assessments of progress.

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New KPI (E1) developed to measure progress towards comprehensive programming to reduce human rights-related barriers in the 24 BBB countries over the period of the new Strategy. This will include annual assessments of progress.
MA-9006: Security toolkit: “Protecting implementers and improving programme outcomes: guidance and tools to strengthen security in GF supported KP programmes” developed and published.

MA-9007: “Community Engagement: A Guide to Opportunities Throughout the Grant Life Cycle” developed and launched; regional workshops to support enhanced community engagement in all phases of grant lifecycle held.

MA-9008: Regularly update the register of human rights crisis situations (as defined by the Global Fund guidance on managing grants in such a situation) that occur in countries receiving funding from the Global Fund, based on reports from technical partners, media coverage etc.

MA-9009: Strengthening of multiple partnerships aimed at increasing collaboration and action to eliminate all forms of stigma and discrimination.

Assurances

Gender equity IRM has indicator to track TRP assessment of gender responsive grants. AGWY SI has a MEL framework which will be reported to the Secretariat.

Review of funding request essential data tables

Yearly KPI E1 progress reports

Crisis register available through CRG

Overall Status

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

Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Gender Equality</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-8001 Roll out a Gender Equality Marker to track and improve grant investments in gender equality</td>
<td>Underway</td>
<td>31-12-2025</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-8002 Data driven decision making: 1. Draft, pilot and use gender equality indicators to improve gender inequality risk assessment and implement appropriate mitigation plans. Trainings undertaken, together with the Human Rights Risk trainings. 2. Support the use of data collection tools on gender through the grants as appropriate including UNAIDS gender assessment, Stop TB’s CRG Assessments, and RBM’s Malaria Matchbox. 3. Support the implementation of KPI ST (formerly KPI6e) to track collection and use of sex-disaggregated data</td>
<td>Underway</td>
<td>31-12-2025</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-8059 Strengthen the Secretariat’s approach to gender equality with a more ambitious and systematic approach in GC7, including through new funding request requirements, TA, program essentials, new technical brief, thematic evaluations and KPIs measuring engagement and grant performance relating to gender equality.</td>
<td>Underway</td>
<td>31-12-2025</td>
<td>CRG</td>
</tr>
</tbody>
</table>

Human Rights

<table>
<thead>
<tr>
<th>Human Rights</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-7401 Build Secretariat capacity on human rights risk management (including risk assessment, mitigation plans and oversight), and developing necessary tools and trainings aimed at ensuring the Global Fund moves into the new Strategy with the best possible approaches and practices with regard to human rights risk. <strong>Note:</strong> the reorganization may be affected and delayed by Replenishment outcomes.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-7402 Reorganize CRG and review CRG support across the Secretariat to ensure effective implementation of the new strategy.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9010 Analysis of challenges and opportunities to remove harmful laws, policies and practices underway in 10 key portfolios, to inform GC7 support in those countries and beyond; strengthening of partnership, particularly with UNAIDS and UNDP and PEPFAR, for collaborative and complementary activities in this area.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9011 Supporting rapid assessments of human rights-related barriers and existing programs, to inform funding requests, with focus on 4 new BDB countries.</td>
<td>Underway</td>
<td>30-09-2023</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9012 Supporting progress assessments in 20 BDB countries, to document progress made, results and impact of BDB in the countries; and support GC7 funding requests.</td>
<td>Underway</td>
<td>310-12-2023</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9013 Intense effort to scale up and increase quality of programming in expanded cohort of 24 BDB countries, including support to country teams and long-term TA provision to countries and implementers.</td>
<td>Underway</td>
<td>31-12-2026</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9014 Developing the new (2024-2026) Human Rights Strategic Initiative so it best supports the effort to scale up and increase quality of programming, as well as efforts to remove harmful laws and policies and efforts to ensure more equitable access to malaria services.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9015 Operationalizing the new human rights KPI (KPI E1), as well as supporting an evaluation of the extent to which human rights barriers are reducing as a result of program scale up in priority countries (part of the Office of Evaluation &amp; Learning’s 2023-2025 evaluation calendar).</td>
<td>Underway</td>
<td>31-12-2026</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9016 Phase III of partnership with Thomson Reuters Foundation, aiming to support young people’s leadership on human rights issues related to the 3 diseases, and on removing legal barriers that hinder young people’s access to health services and increase risk and vulnerability, and negatively impact disease outcomes.</td>
<td>Underway</td>
<td>31—07-2024</td>
<td>CRG</td>
</tr>
<tr>
<td>MA-9017 Build Secretariat capacity on human rights and developing necessary tools and trainings aimed at ensuring that the Global Fund can implement the ambition of the new Strategy with the necessary capacity and capabilities.</td>
<td>Underway</td>
<td>30-04-2024</td>
<td>HR</td>
</tr>
</tbody>
</table>
### Current controls & mitigations

**MA-7474**  
Embedding STC principles and practices through the operationalization of the STC policy and supporting in-country stakeholders to address transition challenges and manage the transition process. This includes continued provision of transition grants to support efforts to address transition challenges, ongoing development and use of guidance related to transition planning and sustainability, TA support to address transition challenges, negotiation of co-financing commitments and ongoing reviewing of the realization of those commitments, ongoing support for sustainability and transition planning, ongoing review by the TRP of transition / sustainability considerations in the review of Funding Requests (including the addition of a new principle on sustainability in 2023-2025), approval of extended use of Wambo for non-grant funding (including in transition contexts), maintaining engagement with development partners on sustainability and transition planning and with civil society and community groups to effectively support the STC agenda.

**MA-7477**  
Strengthened organizational focus and Secretariat coordination on transition and STC, in collaboration with Grant Management Division – development of joint OIG, TRP, TERG, and Secretariat recommendations to guide STC policy implementation in 2020-2022; embedded sustainability / transition specialists within AELAC region.

**MA-7479**  
Review of transition grants and case by case consideration of extensions in exceptional circumstances to mitigate ongoing transition challenges. Secretariat has conducted a review of existing transition grants and on a case-by-case basis is leveraging flexibilities in the STC Policy where needed to consider extending transition grants and/or leveraging Portfolio Optimization funding to support these extensions, to mitigate transition challenges (including those exacerbated by COVID-19). This includes several extensions of previous transition grants and allocation of limited amount of portfolio optimization to support these extensions.

**MA-7480**  
Strengthened organizational focus and Secretariat coordination on transition and STC, in collaboration with Grant Management Division, including development of Health Finance department to support overall health financing and sustainability / transition efforts (with increases in available resources), in addition to continued prioritization by Grant Management. This is a major Secretariat initiative to step up the Global Fund Secretariat’s engagement in health financing and efforts to strengthen overall sustainability/value for money.

**MA-7481**  
The updated eligibility policy includes a provision to make disease components that received transition funding in the 2020-2022 allocation period exceptionally eligible to potentially receive an allocation in the 2023-2025 period, to support / mitigate ongoing transition challenges (including those exacerbated by COVID-19).

### Assurances

**Transition Readiness and Sustainability Assessments**

Co-financing compliance monitoring

Ongoing review of transition preparedness activities in GAC review of grants

2018 OIG audit on Transition, TERG 2019 Thematic Review on STC Policy

### 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><strong>MA-7470</strong> Implementation of STE-SI – Ongoing implementation of the GAC approved Sustainability, Transition &amp; Efficiency Strategic Initiative for the 2020-2022 cycle, with a continued focus on (but not limited to): i) advancing robust national (and regional) transition planning, including in portfolios beyond the transition preparedness cohort to enhance focus on early, robust planning in line with joint recommendations; ii) provision of TA to address transition bottlenecks, including those related to RSSH transition challenges; iii) strengthening public financing of CSR service delivery (i.e., “social contracting”); iv) ongoing efforts to enhance expenditure tracking across Global Fund portfolio; v) ongoing efforts to enhance efficiency across Global Fund portfolio.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>HFD</td>
</tr>
<tr>
<td><strong>MA-7476</strong> Systematic review of STC considerations and co-financing trends in the development of Global Fund funding requests and grants, including grants in the transition preparedness portfolio.</td>
<td>Underway</td>
<td>31-12-2024</td>
<td>GMD</td>
</tr>
<tr>
<td><strong>MA-7535</strong> Implementation / operationalization of transition and transition preparedness considerations into the 2023-2025 allocation cycle, including Access to Funding processes. This includes the provision of transition funding to eligible disease components for 2023-2025, which will continue to support addressing transition challenges and supporting the transition process.</td>
<td>Underway</td>
<td>31-12-2024</td>
<td>GMD</td>
</tr>
</tbody>
</table>
Increased resistance to drugs and insecticides used to fight the three diseases can lead to increased morbidity and mortality. Inconsistent and inadequate treatment, low quality pharmaceuticals, and interruptions in health product supply foster drug resistance that threatens public health. Insecticide resistance refers to the development of resistance in the mosquito vectors of malaria, to the insecticides used in the main vector control tools used to control malaria (primarily insecticide treated nets (ITN) and indoor residual spraying (IRS)).

Drug resistance can lead to treatment failures heightened disease burden and increased mortality across portfolios, complicating the HTM response (operationally and financially) and negatively impacting the path to ending the epidemics. Insecticide resistance may diminish the effectiveness of vector control tools which have been critical in reducing the malaria burden, thus negatively impacting ability to reduce cases and deaths and the Global Fund investments in Malaria control and elimination.

WHO, RBM, US Government agencies, the World Bank, National Governments and National disease control programs, and the Innovative Vector Control Consortium are key partners in partnering the risk of Drug and Insecticide Resistance.

For Antimalarial drug resistance, the threat of emerging artemisinin partial resistance and partner drug resistance is a concern for all of malaria endemic countries in sub-Saharan Africa. For insecticide resistance: sub-Saharan Africa is the main area of concern given intense and widespread insecticide resistance. The insecticide resistance also exist outside of SSA more focally. TB: Bangladesh, Cameroon, Cambodia, DRC, Ethiopia, Ghana, India, Indonesia, Kenya, Mozambique, Myanmar, Nigeria, Pakistan, Philippines, South Africa, Tanzania, Uganda, Ukraine, Viet Nam, Zambia.

Drug & Insecticide Resistance
- MA-7440
- MA-7443
- MA-7445
- MA-7446
- MA-7447
- MA-7448
- MA-7449

Drug resistance to TB and insecticides to anti-malarial drugs results in the development of resistance to first and second-line treatment regimens.

Drug resistance to Malaria
- MA-7450

Drug resistance to HIV
- MA-7451

Drug resistance to TB
- MA-7452

Increased patient adherence and engagement is required to address the risk of Drug and Insecticide Resistance.
WHO Threats maps includes results of drug efficacy surveillance. Global Fund grant support programs to conduct therapeutic efficacy studies to monitor drug efficacy and inform decisions on malaria treatment.

**Insecticide resistance**

WHO normative guidance on development of insecticide resistance management plans; use of these by countries to develop plans; guidance that sound IRM plans should be in place for Global Fund recipients of funding for malaria vector control as indicated in the Information note and program essentials.

**Insecticide resistance**

Data on insecticide resistance widely available to guide appropriate product choice. WHO GMP Threats Map includes a section on insecticide resistance. This tracks all reports of insecticide resistance and is often used by CTs, TAP, and partners to check / cross check status of resistance to help inform appropriate tool choice.

**Insecticide resistance**

Support and reward innovation of new vector control tools that have a) new insecticide classes, b) combinations of effective insecticides/classes and/or c) enhanced effectiveness against insecticide (especially pyrethroid) resistant mosquitoes. Partnership work via IVCC. Global Fund procurement practices support to innovation. Previous and current Global Fund (and Unitaid) catalytic investments to support entry of new ITNs to market (New Nets Project and Net Transition Initiative).

**Insecticide resistance**

National malaria programmes propose use of appropriate IRS and most effective ITNs or other vector control tools (as appropriate to local prioritization decisions), informed by strong evidence of the local insecticide resistance status and these underpin Global Fund grants. Insecticide resistance monitoring and entomological surveillance are appropriately prioritized in Global Fund grants. Both these are supported by the Malaria Strategy, Information Note and Program essentials.

**Entomological surveillance and/or insecticide resistance monitoring is strengthened and/or expanded in GC7 grants via TAP work.**

**Global Fund and partners work to support development of a healthy marketplace for vector control tools with sufficient capacity and affordable pricing of the most effective tools.**

**Catalytic funding (NextGen SO SI and Net Transition Initiative SI, as well as partnership work currently support).**

**Global Fund**

- Increased in scale of use of most effective vector control tools in GC7 grants compared to GC6 grants (achieved via TAP work with CTs to support funding request development and review; sound TRP review; TAP work with GMP to develop ITN prioritization guidance).
- Work with partners in-country and internationally to support implementation the 2022 WHO Malaria Drug Resistance strategy pillars: a) strengthen surveillance of antimalaria drug efficacy and resistance by supporting implementation of TES at national/subnational level; b) ensure appropriate malaria diagnosis are available and quality assured; c) reactive interventions to respond to identified resistance such as support to implementation and documentation of ACT diversification; Leverage use of the SO SI to support these activities d) contribute institutionally to develop better tools and interventions to mitigate resistance.

**Assurances**

LFA programmatic procurement and supply chain spot checks

WHO GMP Threats Map includes a section on insecticide resistance. This tracks all reports of insecticide resistance and is often used by CTs, TAP, and partners to check / cross check status of resistance to help inform appropriate tool choice.

WHO Threats maps includes results of drug efficacy surveillance

TRP reviews of funding requests demonstrate appropriate vector control plans and justified prioritization decisions

### 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><strong>MA-7445</strong> Global Fund grants support countries to implement changes in treatment regimens, drug policies when necessary; accelerated uptake of innovation to maximize value for money (e.g. change to DTG for treatment of HIV, shorter regimens for TB and DR-TB). Related guidance can be found in Technical Information notes and Program Essentials.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7449</strong> Global Fund grant support for work with local communities and private sectors to find missing HIV and TB cases a, as is stressed by the Technical Information Notes and revised by TRP.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7058</strong> Through the TB Strategic Initiative, deploy a pool of pre-qualified providers to support increased access to molecular diagnostics, roll out of new recommendations and guidelines for DR-TB, support update of all-oral regimens in the priority countries; multi-country investments for programs focused on migrants and cross border issues, mining sector, refugees, and improved laboratory services.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7446</strong> Global Fund grant support for behavior change communication, fixed dose combination therapies and support programs to improve patient adherence to antimalarial treatment.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7447</strong> Providing clear guidance and advice on quality and effective grant-funded services (within current budget limitations and leveraging partners as needed); effective treatment and prevention reduce opportunities for drug and insecticide resistance to develop.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-8050</strong> i. Expanding access to care via appropriate channels (public, community or private). ii. Enhancing quality of service provision given access.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7667</strong> Increase in scale of use of most effective vector control tools in GC7 grants compared to GC6 grants (achieved via TAP work with CTs to support funding request development and review; sound TRP review; TAP work with GMP to develop ITN prioritization guidance).</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7668</strong> Market intervention to increase supply and/or affordability of most effective ITNs in place (achieved via work with SO, suppliers and the Gates Foundation)</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
<tr>
<td><strong>MA-7660</strong> Work with partners in-country and internationally to support implementation the 2022 WHO Malaria Drug Resistance strategy pillars: a) strengthen surveillance of antimalaria drug efficacy and resistance by supporting implementation of TES at national/subnational level; b) ensure appropriate malaria diagnosis are available and quality assured; c) reactive interventions to respond to identified resistance such as support to implementation and documentation of ACT diversification; Leverage use of the SO SI to support these activities d) contribute institutionally to develop better tools and interventions to mitigate resistance.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>TAP</td>
</tr>
</tbody>
</table>
**Ethics Office annual reports.**

**Assurances**

- 3rd Line OIG audit/investigation and Ethics Office annual reports.
- AFC oversight over OIG.
- Evidence of communications issued. OIG clearance of associated AMA.

**The Operational Framework for PSEAH and Related Abuse of Power**

**PSEAH Training**

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

### Ethical Misconduct and SEAH

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Risk owner: CRG</th>
<th>2022-Q4</th>
<th>MEC Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ethical Misconduct:</strong> Implementers, suppliers and other in-country partners engage in non-merit based, skewed decision-making and/or abusive behavior that is in contravention of the Global Fund's corporate values, its Codes of Conduct or applicable policies on ethical behavior and conduct.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>SEAH:</strong> 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.</td>
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<tr>
<td><strong>Risk Impact:</strong></td>
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<tr>
<td><strong>Ethical Misconduct:</strong> Leads to poorly designed investments, poor quality delivery of grant-financed activities, unreliable programmatic data, fraud, asset diversion, financial loss, and / or reputation damage limiting the organization's ability to deliver on its strategic objectives and maximize impact against the three diseases.</td>
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<tr>
<td><strong>SEAH:</strong> Harm or serious harm to victims/survivors. Re-traumatization of victim/survivors. Inability to provide access to GF services, medicine, and programs to vulnerable populations due to SEAH or threat of SEAH. Diminished capacity within GF or implementer workforce due to incidents of SEAH and related abuse of power.</td>
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<tr>
<td><strong>Key Partners</strong></td>
<td>Not Applicable</td>
<td>Not Applicable</td>
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<tr>
<td><strong>Key Countries</strong></td>
<td>Not Applicable</td>
<td>Not Applicable</td>
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</tr>
<tr>
<td><strong>Change since last quarter</strong></td>
<td>No change</td>
<td>Current direction of travel</td>
<td>Steady</td>
</tr>
<tr>
<td><strong>Residual Risk</strong></td>
<td>High</td>
<td>Risk Appetite</td>
<td>Not Applicable</td>
</tr>
<tr>
<td><strong>Root Cause</strong></td>
<td></td>
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<tr>
<td><strong>Ethical Misconduct</strong></td>
<td></td>
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<tr>
<td>Tone from the top, institutional incentives, and institutional culture inadequately aligned with and committed to corporate values and codes of conduct.</td>
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<tr>
<td>Existing conflicts of interest across all stakeholders in Global Fund environment inadequately disclosed and managed.</td>
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<tr>
<td>Owners of risks and processes are not adequately accountable for ethics risks pertaining to their sphere of control.</td>
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<tr>
<td>Ineffective and inefficient business processes generate perverse incentives and lack of transparency and accountability.</td>
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<tr>
<td><strong>SEAH</strong></td>
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<tr>
<td>Inadequate policies, procedures, or capacity for the prevention of or protection from Sexual Exploitation, Abuse or Harassment, or forms of Child Abuse.</td>
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<tr>
<td><strong>Current controls &amp; mitigations</strong></td>
<td></td>
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<tr>
<td><strong>Ethical Misconduct</strong></td>
<td></td>
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<tr>
<td>MA-7001 Policies and procedures to manage and mitigate Ethical Misconduct in place. E.g. Ethics and Integrity Framework and Ethics Policy, including Conflicts of Interest; Codes of Conduct; Policy to Combat Fraud &amp; Corruption (PCFC).</td>
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<tr>
<td>MA-7002 Governance bodies, including the Board, TRP and CCMs, as well as Secretariat Senior Management regularly trained on conflict of interest and required to make conflict of interest disclosures or declarations as per agreed upon procedures.</td>
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<tr>
<td>MA-7003 Global Fund governance officials, employees, CCMs, recipients and suppliers covered by codes of conduct and ethics case management process for managing code of conduct violations in place.</td>
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<tr>
<td>MA-7004 Integrated Risk Management System (IRM) incorporates root causes of fraud and corruption risk across programmatic, governance, sourcing, and finance functional areas, consistently with the Global Fund Policy to Combat Fraud &amp; Corruption (PCFC).</td>
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<tr>
<td>MA-7005 Grant oversight, fiduciary safeguard, and assurance model in place across Global Fund grants.</td>
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<tr>
<td>MA-7006 Systematic risk-based integrity due diligence undertaken for counterparties, that is, the Board, TRP, Independent Evaluation Unit, staff, direct and indirect sourcing.</td>
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<tr>
<td>MA-7009 Allegations of fraud, corruption and other prohibited practices managed by OIG investigative unit.</td>
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<tr>
<td>MA-7010 New CCM members required to complete Code of Conduct e-learning.</td>
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<tr>
<td><strong>SEAH</strong></td>
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<tr>
<td>MA-7577 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>
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<tr>
<td>MA-7578 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>
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<tr>
<td>MA-7579 Developed training plan and completed the first annual cycle of trainings for relevant Global Fund staff, tailored to their specific roles. Corresponds to AMA 2 of the Ghana investigation.</td>
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<tr>
<td>MA-7606 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>
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</table>

**Assurances**

- 3rd Line OIG audit/investigation and Ethics Office annual reports.
- AFC oversight over OIG.
- Evidence of communications issued. OIG clearance of associated AMA.
### Controls & mitigations in development or planned

<table>
<thead>
<tr>
<th>Ethical Misconduct</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MA-7007</strong> Increase frequency of training and real-time engagement with the Board, Committees and Constituencies on conflict-of-interest management and duty of care.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-7008</strong> Develop and roll out standard training and communication on the Global Fund’s values and codes of conduct across the Secretariat.</td>
<td>Planned</td>
<td>30-12-2023</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-7516</strong> Roll out of the Integrity Due Diligence framework. i) (Exc. GMD) Corresponds to AMA 6 of the 2019 OIG Audit of Ethics &amp; Integrity.</td>
<td>Completed</td>
<td>30-12-2022</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-7513</strong> Roll out of the Integrity Due Diligence framework. ii) (GMD) Complete roll-out with risk-based approach applied to all categories of implementers. Corresponds to AMA 6 of the 2019 OIG Audit of Ethics &amp; Integrity.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-7010</strong> Clarify the accountabilities for managing, monitoring, and overseeing a defined set of Ethics and Integrity risks and integrate into existing mechanisms. Corresponds to AMA 2 of OIG Audit of Ethics &amp; Integrity.</td>
<td>Underway</td>
<td>31-06-2023</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-7011</strong> Prepare a paper reviewing misconduct investigation mandates and required resources across the Global Fund, propose options for decision by the relevant Committees (and if necessary, the Board) and update terms of reference of the affected functions. Corresponds to AMA 3 of OIG Audit of Ethics &amp; Integrity.</td>
<td>Planned</td>
<td>31-12-2023</td>
<td>Ethics</td>
</tr>
<tr>
<td><strong>MA-7012</strong> Secretariat to define desired maturity levels, set overall responsibility for implementing the PCFC, enhance programmatic assurance related to fraud risk management, and establish an overall approach for monitoring fraud risk at enterprise level. Corresponds to AMA 1, 2, 3 &amp; 4 of OIG Fraud Risk Maturity Assessment.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>Risk</td>
</tr>
<tr>
<td><strong>SEAH</strong> Assess SEAH risk (covering implementer capacity and inherent program risk) and commence prioritized interventions required for a robust PSEAH operational plan across the portfolio. Corresponds to AMA 4 of the Ghana investigation. PSEAH steer co closely monitoring execution of the plan.</td>
<td>Underway</td>
<td>23-12-2022</td>
<td>Ethics</td>
</tr>
<tr>
<td>Risk Description</td>
<td>Related Action</td>
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<tr>
<td>Failure to meet the Global Fund’s target for the Seventh Replenishment and convert pledges (remaining pledges for Sixth Replenishment) due to loss of donor support and confidence, major reputational damage and/or external factors outside of the Global Fund's control</td>
<td>MA-7997 MA-7998 MA-7999 MA-8000 MA-8001</td>
<td></td>
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<tr>
<td>Failure to mobilize adequate levels of sustainable domestic funding and/or effectively use existing resources to fight HIV, tuberculosis and malaria and build more resilient and sustainable systems for health.</td>
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<table>
<thead>
<tr>
<th>Risk Impact</th>
<th>Related Action</th>
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</thead>
<tbody>
<tr>
<td>Inability to mobilize a robust pool of new funding for country allocations for the 2023-2025 allocation period to sustain Global Fund-supported programs, and inability to maximize and sustain health and development outcomes, particularly for key and vulnerable populations.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Root Cause</th>
<th>Related Action</th>
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</thead>
<tbody>
<tr>
<td>Perceived de-prioritization or lack of responsiveness by the Global Fund to issues of concern/priority to donors (for example, RSSH, gender equality, geographic focus areas, pandemics, and humanitarian response, etc.).</td>
<td>MA-7997 MA-7998 MA-7999 MA-8000 MA-8001</td>
</tr>
<tr>
<td>A negative shift in sentiment towards the Global Fund among major donors, whether due to shifts in national politics or international priorities, fatigue with the three diseases, de-prioritization of health versus other SDG priorities, or reductions in ODA more generally as a result of budgetary pressures.</td>
<td>MA-7997 MA-7998 MA-7999 MA-8000 MA-8001 MA-8002</td>
</tr>
<tr>
<td>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.</td>
<td>MA-7997 MA-7998 MA-8000 MA-8001 MA-8002</td>
</tr>
<tr>
<td>Perceived lack of data on effectiveness and impact of C19RM interventions on the ground and potential effect on donor trust and commitments.</td>
<td>MA-8009 MA-8011 MA-8012</td>
</tr>
</tbody>
</table>

### Domestic Health Financing

<table>
<thead>
<tr>
<th>Change in Risk Impact</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing</td>
<td>MA-8037 MA-8032 MA-8031 MA-8038 MA-8057</td>
</tr>
<tr>
<td>Decreasing</td>
<td></td>
</tr>
<tr>
<td>Not Applicable</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue raising – macro-fiscal risks: Low prioritization of the health sector in general or in the face of economic downturn (e.g., COVID-19 pandemic, Ukraine crisis), poor government capacity to collect and mobilize funds or political instability affecting the government expenditure prospect.</td>
<td>MA-8037 MA-8032 MA-8031 MA-8038 MA-8057</td>
</tr>
<tr>
<td>Governance: Lack of data and systems to reliably measure co-financing commitments and their realization in a standardized manner on a routine basis; Constraints in tracking expenditure through existing country systems and processes; and when policy not applied consistently across portfolios.</td>
<td>MA-8035 MA-8033 MA-8037 MA-8038 MA-8058</td>
</tr>
<tr>
<td>Pooling: Fragmentation/duplication/overlap of financing flows to the health sector and HTM financing, reduces the capacity to redistribute available prepaid funds and create inefficiencies.</td>
<td>MA-8035 MA-8031 MA-8033 MA-8037 MA-8038 MA-8039</td>
</tr>
<tr>
<td>Purchasing: Failure to adequately finance and purchase critical commodities with domestic funds.</td>
<td>MA-8035 MA-8038</td>
</tr>
<tr>
<td>Coverage &amp; benefits: Inability to domestically fund interventions for key and vulnerable populations (KVP) in an optimal and sustainable manner</td>
<td>MA-8036 MA-8037 MA-8038</td>
</tr>
</tbody>
</table>

### Current controls & mitigations

<table>
<thead>
<tr>
<th>Donor Funding</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-7999</td>
<td>Sustain and strategically expand advocacy support base.</td>
</tr>
<tr>
<td>MA-7999</td>
<td>Sustain and strategically expand advocacy support base.</td>
</tr>
<tr>
<td>MA-8000</td>
<td>Closely monitor political transitions and sustain strong cross-party support for Global Fund in key donor countries to address increasingly challenging political landscapes.</td>
</tr>
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<td>MA-8000</td>
<td>Closely monitor political transitions and sustain strong cross-party support for Global Fund in key donor countries to address increasingly challenging political landscapes.</td>
</tr>
<tr>
<td>MA-8001</td>
<td>Continue to mature and account the accountability processes based on lessons learned from the Seventh Replenishment, setting the foundations and paving the way for a successful Eighth Replenishment.</td>
</tr>
<tr>
<td>MA-8001</td>
<td>Continue to mature and account the accountability processes based on lessons learned from the Seventh Replenishment, setting the foundations and paving the way for a successful Eighth Replenishment.</td>
</tr>
<tr>
<td>MA-8002</td>
<td>Engage with Board stakeholders around political and governance issues, ensuring that additional public donors continue to be part of key conversations.</td>
</tr>
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</tr>
<tr>
<td>MA-8003</td>
<td>Ensure the Global Fund meets agreed terms and conditions in donor contribution agreements to ensure payments as scheduled.</td>
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</tr>
<tr>
<td>MA-8004</td>
<td>Monitor developments in relation to other replenishment exercises and funding efforts in global health planned over 2022-2025 and ensure coordination with relevant/key players.</td>
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</tr>
<tr>
<td>MA-8004</td>
<td>Continue strengthening internal processes for screening, due diligence, and risk management in relation to private sector partnerships, including the operationalization of policies around private sector engagement.</td>
</tr>
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<td>Continue strengthening internal processes for screening, due diligence, and risk management in relation to private sector partnerships, including the operationalization of policies around private sector engagement.</td>
</tr>
<tr>
<td>MA-8005</td>
<td>Deploy the refreshed Global Fund brand and replenishment campaign assets to continue increasing the visibility of the organization’s mandate and results.</td>
</tr>
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<td>MA-8005</td>
<td>Deploy the refreshed Global Fund brand and replenishment campaign assets to continue increasing the visibility of the organization’s mandate and results.</td>
</tr>
<tr>
<td>MA-8006</td>
<td>Strengthen oversight of performance to ensure delivery of results through enhanced monitoring across the grant life cycle, including through regular reporting and increased transparency. Portfolio Performance Committee, KPI reporting, and the Performance and Accountability Framework.</td>
</tr>
<tr>
<td>MA-8006</td>
<td>Strengthen oversight of performance to ensure delivery of results through enhanced monitoring across the grant life cycle, including through regular reporting and increased transparency. Portfolio Performance Committee, KPI reporting, and the Performance and Accountability Framework.</td>
</tr>
<tr>
<td>MA-8007</td>
<td>Continue resource mobilization efforts across different markets to secure timely pledge conversion for the Sixth and Seventh replenishments.</td>
</tr>
<tr>
<td>MA-8007</td>
<td>Continue resource mobilization efforts across different markets to secure timely pledge conversion for the Sixth and Seventh replenishments.</td>
</tr>
<tr>
<td>MA-8008</td>
<td>Monitor budgetary processes and mobilization of political and civil society advocacy partners as well as high-level influencers, particularly where pledge conversion is at risk or where opportunities for increased pledges have been identified.</td>
</tr>
<tr>
<td>MA-8008</td>
<td>Monitor budgetary processes and mobilization of political and civil society advocacy partners as well as high-level influencers, particularly where pledge conversion is at risk or where opportunities for increased pledges have been identified.</td>
</tr>
<tr>
<td>MA-8009</td>
<td>Support the engagement of the Global Fund in the Access to COVID-19 Tools Accelerator (ACT-A), particularly on the diagnostics and therapeutics pillars and health system connector, to continue positioning the partnership as a key organization in pandemic preparedness and in the global health landscape</td>
</tr>
<tr>
<td>MA-8009</td>
<td>Support the engagement of the Global Fund in the Access to COVID-19 Tools Accelerator (ACT-A), particularly on the diagnostics and therapeutics pillars and health system connector, to continue positioning the partnership as a key organization in pandemic preparedness and in the global health landscape</td>
</tr>
<tr>
<td>MA-8011</td>
<td>Increase interactions with donors, partners, and advocates to ensure the Global Fund effective positioning in an evolving health and political context, and to monitor and protect financial commitments.</td>
</tr>
<tr>
<td>MA-8011</td>
<td>Increase interactions with donors, partners, and advocates to ensure the Global Fund effective positioning in an evolving health and political context, and to monitor and protect financial commitments.</td>
</tr>
</tbody>
</table>
Robust lessons learned undertaken for Seventh Replenishment to inform process for the Eighth Replenishment.

- Risk Department oversight through PPCs, CRMMs and CPRs.
- Regular resource mobilization updates to MEC and Global Fund.
- Participation in regular internal and external meetings focused on ACT partnerships.
- Ongoing engagement of the Private Sector Engagement Risk Committee, an inter-
  - Monitoring process on visibility of Global Fund messaging through traditional and social media.
  - Regular engagement with key partnerships who function under re-
  - Internal MEC oversight.
  - Internal discussions with A2F guidance and GAC. Recommendation of Grants.
  - Activities by PCSAD, and provision of updates and organization of informative townhalls.

Assurances

- Close work with Global Fund Advocacy Network chapters and other critical stakeholders, including funders of advocacy (e.g., BMGF), regular updates/reporting on advocacy activities by PCSAD, and provision of updates and organization of informative townhalls.
- QF guidance and GAC. Recommendation of Grants.
- Additional monitoring work to better assess the potential impact of global macroeconomic downturns and exchange rate fluctuations on pledge conversions.
- Donor government budgets reflect commitments to the Global Fund and regular resource mobilization updates to MEC and the Global Fund governance bodies.
- Internal discussions with LGD, APD Constituency, the Donor Group and updates to EGC to ensure the accommodation of new donors. Pressure from new donors themselves.
- KPI reporting.
- Monitoring and regular engagement with key partners who function under replenishment models.
- Monitoring process on visibility of Global Fund messaging through traditional and social media.
- Ongoing engagement of the Private Sector Engagement Risk Committee, an inter-divisional/departamental body overseeing risk management tasks associated with private sector partnerships.
- Participation in regular internal and external meetings focused on ACT-A and providing regular guidance to the ED on this area of work.
- Regular resource mobilization updates to MEC and Global Fund governance bodies and regular close monitoring process of P&C through internal ALM Committee.
- Risk Department oversight through PPCs, CRMMs and CPRs.

Robust lessons learned undertaken for Seventh Replenishment to inform process for the Eight Replenishment’s lessons learned.

Overall Status

<table>
<thead>
<tr>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
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</thead>
</table>

**Controls & mitigations in development or planned**

**Donor Funding**

- MA-7998 Donor Funding: Facilitate the engagement of donors and other key stakeholders in the design of the new Global Fund strategy’s implementation arrangements and the new grant cycle, thereby increasing their ownership and involvement in the realization of the organization’s programmatic aspirations.
  - Underway 31-12-2023 ERCD

**Domestic Health Financing**

- MA-8030 Domestic Health Financing: Identify at-risk countries and incorporate mitigation actions in grant agreements. This includes monitoring macro-fiscal risks to inform GF allocations (i.e., qualitative adjustments and portfolio optimizations), compliance of co-financing incentives etc.
  - Underway 31-12-2023 HFD
- MA-8032 Domestic Health Financing: Use the Innovative Finance Strategic Initiative to approve additional joint investments and strengthen alternative sources of DRM. This includes developing the Blended Finance OPN to articulate the approach for joint investments with multi-lateral and/or other development partners.
  - Underway 30-04-2023 HFD
- MA-8038 Domestic Health Financing: Operationalize HF Risk Management Framework in preparation for GC7 by implementing change management activities (guidance to CTs, trainings, indicators etc.) so that appropriate analysis of health financing risks is done and corresponding MAs developed.
  - Underway 31-05-2023 HFD
- MA-8057 Domestic Health Financing: Enhance risk monitoring to identify countries with constrained capacity to finance health. Country capacity will be assessed systematically using indicators including economic growth prospect, structural risks of HF systems through IRM and domestic health expenditure trajectory.
  - Planned 31-05-2023 HFD
- MA-8058 Domestic Health Financing: Introduce a Co-financing monitoring tool and revising Co-financing OPN to clarify roles and responsibilities and ensure an audit trail of Co-financing numbers.
  - Underway 30-06-2023 HFD
- MA-8059 Domestic Health Financing: Implement a multi-pronged approach to Domestic Financing Advocacy leveraging various entry points (global, regional, and country platforms) for promoting increased domestic financing of health in LIC & LMICs.
  - Underway 31-12-2023 HFD
<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Risk Partners</th>
<th>Risk Impact</th>
<th>Key Countries</th>
<th>Key Risks</th>
<th>Change since last quarter</th>
<th>Current direction of travel</th>
<th>Global Fund ability to mitigate</th>
<th>Risk Appetite</th>
<th>Significant</th>
<th>Residual Risk</th>
<th>Target Risk</th>
<th>Target risk timeframe</th>
<th>Risk owner: Sourcing, IT, F&amp;A</th>
<th>2022-Q4</th>
<th>MEC Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-7263</td>
<td>Operational Risk: Service Level Agreement monitoring are in place for all tickets and reviewed daily to avoid delay in the processing of user tickets.</td>
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<td>MA-7264</td>
<td>Operational Risk: BCPs in place, regular updates are done on BCP status and flexibilities that are being used. End to End exercises is performed twice a year involving Business.</td>
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<td>MA-7257</td>
<td>Operational Risk: Project management training and mandatory on-line information security awareness trainings delivered to IT and Secretariat staff respectively. Including focused and targeted trainings for high-risk individuals as it relates to cyber-attacks / fraud / phishing / social engineering.</td>
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<tr>
<td>MA-7266</td>
<td>Information Security Risk: Continuous monitoring, review, and impact analysis of new emerging cyber threats e.g., ransomware etc.</td>
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<tr>
<td>MA-7258</td>
<td>Vendor Risk: Establishment of an IT transformation &amp; 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.</td>
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<tr>
<td>MA-7254</td>
<td>Solution (Project) Risk: Remediation action plan to address late projects and IT Operational issues in place.</td>
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<tr>
<td>MA-7262</td>
<td>Solution (Project) Risk: Reinforced IT governance, including new &quot;control gates&quot; for demand review, project approval and operations acceptance, defined and finalized.</td>
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<tr>
<td>MA-7259</td>
<td>Information Security Risk: Information security controls embedded in the organization, Global Fund’s ISMS for Treasury cash payments data &amp; processes, OIG and Ethics and all related IT operational management processes and facilities are ISO-27001 certified.</td>
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<tr>
<td>MA-8046</td>
<td>Information Security Risk: Multi Factor Authentication (MFA) rolled out to TGF employees, consultants and some critical external users.</td>
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<tr>
<td>MA-7455</td>
<td>All subleases with subtenants, maintenance/repairs contracts (including dashboards and annual schedule for maintenance contracts) and GF/GAVI Partnership Agreement (which defines responsibilities for governance of GHC) are in place and signed.</td>
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<tr>
<td>MA-7456</td>
<td>Full physical inventory performed, and databases updated regularly on a daily basis and following annual random or full physical inventory.</td>
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<tr>
<td>MA-7457</td>
<td>Dedicated Senior Security Officer (SSO) and team overseeing security policy and procedures.</td>
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<tr>
<td>MA-7460</td>
<td>Contract in place with 2 main security providers to perform security in the field.</td>
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<tr>
<td>MA-7461</td>
<td>Robust security framework, GF Crisis Management Plan, travel security policy, asset management framework, procedures and SOPs are in place.</td>
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<tr>
<td>MA-7375</td>
<td>Conservative Fx limit established. Limits exposure well within the limit. Regular updates on hedging positions are provided to AFC.</td>
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<tr>
<td>MA-7377</td>
<td>Global FX Management Framework in place to ensure that contribution agreements, adjusted pledges and other exposures are consistently hedged.</td>
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<tr>
<td>MA-7378</td>
<td>Revised and approved Treasury, Cash and FX Management Procedure is in place. Separate ALM committee and Investment and FX Committee has been formalized, with clear responsibilities set in ToRs.</td>
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<tr>
<td>MA-7380</td>
<td>Foreign exchange risk is being significantly reduced with a systematic hedging strategy. VaR limit utilization ratio of 49.2% at the end of Q4-22, with daily VaR limit at USD 26.9m and absolute daily VaR after hedges standing at USD 13.2m (before hedges: USD 57.6m).</td>
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<tr>
<td>MA-7381</td>
<td>Foreign exchange in grants (FEiG) is ongoing and implemented on a need basis (country request and/or quality of execution/spread) with 2 countries executing disbursements in local currencies, and some benchmarking based on PFC request. Multi-currency disbursements for EUR grants is being deployed.</td>
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<tr>
<td>MA-7382</td>
<td>Fully automated dashboard in Tableau to monitor net FX exposure, including Bloomberg VAR calculation. The project is in production, has been verified and replaced previous model.</td>
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<tr>
<td>MA-7631</td>
<td>Stress testing is implemented and performed every quarter (in the BRM module of Bloomberg) based on positions loaded automatically from the Global Fund’s systems.</td>
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</table>

**Assurances**

- ISMS, BCM, ITSM
- Bisorys
- Internal and external audits
- RM (Risikonnect)
- SO 20000, ISO 22301, ISO 27001 certification
- IT Governance
- IT Project Management
- Pen tests
- Vendor Management Office

### Overall Status

<table>
<thead>
<tr>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk mitigation is on track. There are no material delays.</strong></td>
<td></td>
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</tbody>
</table>

### Controls & mitigations in development or planned

| MA-8047 | Implement policy on USB stick encryption. | Planned | 30-06-2023 | IT |
| MA-8048 | Zero Trust approach: MS E5 architecture (DLP) | Planned | 31-12-2023 | IT |
| MA-8049 | Secure case management tools to be adopted by key business functions within Secretariat | Planned | 31-12-2023 | IT |

### Administration

| MA-7463 | Training workshops planned with Crisis Management team members. Operationalization of the Crisis Management Plan in progress and implementation of IT tool to inform of crisis events. | Underway | 31-03-2023 | Admin |
| MA-7464 | Future of Work Phase 2in progress to test and run lessons learned. Moving to BAU model plan for beginning 2023 | Underway | 31-03-2023 | Admin |

### Foreign Exchange

| MA-8056 | Potential Future Exposure (PFE) monitoring is being implemented in Bloomberg. | Underway | 31-03-2023 | Treasury |
### Risk Description
Sub-optimal integration and/or insufficient change management to support rollout of policies, procedures, systems and data flows to manage grants throughout the grant life cycle (GLC).

### Risk Impact
Weaknesses in grant and risk management, inefficiency and high transaction costs in managing grants, and weakened internal controls.

### Key Partners
Not Applicable

### Key Countries
Not Applicable

### Change since last quarter
No change

### Residual Risk
Moderate

### Risk Appetite
Not Applicable

### Global Fund ability to mitigate
Target Risk

### Target risk timeframe
Not Applicable

### Root Cause
Limited assessment of the operational feasibility, timeliness and implications of Board-approved policies and strategies resulting in sub-optimal integration into the GLC.

### Related Action
- MA-7292

### Current controls & mitigations

- **MA-7288**: Majority of GLC (from Funding Request to Grant Closure) and cross-functional processes (Grant Entity Data (GED), Differentiation, Integrated File Handling (IFH)) are integrated and automated in the Grant Operating System (GOS).

- **MA-7289**: Regular GLC monitoring & exception reporting to monitor performance.

- **MA-7290**: Data Governance Committee established, and program of work agreed, to review and implement improvements to the Secretariat’s approach to data management.

- **MA-7291**: Operational Efficiency (OE) team identifies and manages interdependencies between policies, procedures, systems, and data across the GLC. Operational policies and procedures go through cross-cutting Secretariat review and approval process to ensure interlinkages are considered.

- **MA-7292**: Implementation of the Operational Launch enhancing the Secretariat’s ability to maintain up to date policies, procedures, systems and data.

- **MA-7293**: Comprehensive suite of reports for monitoring performance: programmatic, financial, operational and effectiveness of processes has been developed. In addition, a comprehensive suite of process monitoring & reporting tools has been developed to increase management and CT oversight and drive action.

- **MA-7294**: C19RM guidelines and process based on lessons learned and opportunities for process improvement are periodically updated.

- **MA-7295**: Business Contingency Plans in place and operational flexibilities covering GLC have been discontinued or are being integrated into the regular process.

- **MA-7296**: Changes to GLC processes are rolled-out with communications internally and external through Operations Update and information sessions. OE and other teams provide support to CTs and CCMs, PRs on GLC processes.

### Assurances
Monitoring of business process controls

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

### Controls & mitigations in development or planned

- **MA-7296**: Implementation of the Data Governance Program, currently focused on developing supporting data management procedures.
  - Status: Underway
  - Target completion: 31-03-2023
  - Action owner: IT

- **MA-7297**: Training suite on GLC processes is developed and updated.
  - Status: Underway
  - Target completion: 30-06-2024
  - Action owner: GMD (GPS)

- **MA-7298**: Changes to GLC processes are rolled-out with communications internally and external through Operations Update and information sessions. OE and other teams provide support to CTs and CCMs, PRs on GLC processes.

- **MA-7299**: The following launches are scheduled or continuing for 2023; the grant-making part of the integrated FR/GM launch, the LFA Launch, the Implementation Oversight Launch & the Revisions launch. In undertaking the Operational Launches:
  - The business cases for change will consider both impact on CTs as well as on CCMs, PRs and LFAs; and
  - Roll-out of revised processes will be accompanied by strong change management for CTs, CCMs, and PRs which include communications, updated training suite, and ongoing support during roll-out and implementation of the changes.
  - The FR/GM Launch is jointly managed and reported upon by A2F and GPS.
Risk Description
Weaknesses in identification of key risks, corresponding controls, assessment of impact, and prioritization and monitoring of controls and mitigating actions for both grant-facing and internal risks.

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

Key Partners
Not Applicable

Key Countries
Not Applicable

Change since last quarter
No change

Current direction of travel
Steady

Global Fund ability to mitigate
Significant

Residual Risk
Moderate

Risk Appetite
Not Applicable

Target Risk
Not Applicable

Target risk timeframe
Not Applicable

Root Cause
Absence, or limited operationalization of key policies, processes, and tools

Related Action
MA-7523 Risk measurement framework in place to ensure standardized and objective risk assessment across the portfolio and to facilitate ongoing Risk Appetite-based decision-making for 11 key organizational risks

MA-7532 Use of Integrated Risk Management tool to facilitate improved and streamlined risk identification/planning of mitigations, assurances and follow up

MA-7531 Proactive risk management across the grant life cycle, with clear roles and responsibilities of the first and second lines of defense

MA-7538 Framework and associated policies and procedures for coordination of second line oversight and risk management developed, to improve consistency and efficiency across all second line functions, based on an assessment of the current state and opportunities for improvement

MA-7537 Country Portfolio reviews (and use of Country Risk Management Memorandum) by the Portfolio Performance Committee to facilitate structured approach to risk trade-offs and risk acceptance

MA-7522 2nd line monitoring of execution of key mitigating actions and assurance activities, and through exception reports to strengthen risk oversight

MA-7605 Business Process Oversight Framework is in place to describe the Global Fund’s approach to managing business process risks and outline roles and responsibilities of key actors.

MA-7600 Key Business Process Reviews (KBPRs) performed to assess the system of internal controls for prioritized processes and ongoing implementation of improvement actions by the Business Process Owners to strengthen internal controls in line with the COSO framework.

MA-7610 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-7521 Active risk management of non-grant facing risks undertaken by Secretariat business units through selected use of departmental risk registers to structure risk assessment and mitigation, and exception reporting for monitoring of select key business process controls.

MA-7527 Matured organizational risk review process driving improvement in managing key organizational risks with greater focus on mitigating actions and ensuring linkages with strategic goals.

MA-7529 Risk Assurance Monitoring and Oversight framework developed for C19RM

MA-7528 Finance and Controlling risk monitoring, management, and exception reporting for key external and internal controls, to strengthen the control environment through an active feedback loop focused on improvement.

MA-7536 Conduct disease specific thematic deep dives to inform prioritized adaptations and mitigation plans and drive grant performance under the oversight of Portfolio Performance Committee.

Assurances
DIG Annual Report and Opinion on Governance, Risk Management and Internal Controls of the Global Fund

Regular work plan monitoring to ensure KBPRs are conducted as planned.

Monitoring implementation of improvement actions resulting from the KBPRs.

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

Controls & mitigations in development or planned

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<thead>
<tr>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
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<tbody>
<tr>
<td>Underway</td>
<td>30-12-2023</td>
<td>Risk</td>
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<tr>
<td>Underway</td>
<td>31-03-2023</td>
<td>Risk</td>
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<td>Underway</td>
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<td>Underway</td>
<td>31-03-2023</td>
<td>Risk</td>
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<table>
<thead>
<tr>
<th>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
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<tbody>
<tr>
<td>Plan, implement and monitor additional risk-based grant assurances to cover C19RM investments. This includes enhanced mandatory minimum assurance activities across the top 45 portfolios (accounting for 90% of C19RM investments) under the oversight of Investment Committee.</td>
<td>Underway</td>
<td>30-12-2023</td>
<td>Risk</td>
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<tr>
<td>Rebuild the Integrated Risk Management tool (IRM 2.0) to align with the strategy priorities and further improve and streamline risk management, risk analytics and risk reporting.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>Risk</td>
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<tr>
<td>Operationalize the 2nd line risk management, assurance, and oversight of grants approach to refine the roles and responsibilities of Business Risk Owners, the performance and accountability metrics and incorporating them into existing OPNs and related risk management documentation (including training materials rolled out in Q1 of 2023 as part of the transition to IRM 2.0).</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>Risk</td>
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<tr>
<td>Update Risk Management OPN and related risk management guidance documents to improve risk oversight at the PR, CCM and Secretariat levels.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>Risk</td>
</tr>
<tr>
<td>Perform deep dives on key countries and grant facing risks (Program Quality, Procurement, In-Country Supply Chain, Fraud &amp; Fiduciary). The outcome of the deep dives results in suggestions to revise key mitigating actions and triggers for grant facing risks to adequately reduce the risk level in line with the target risks set by the Board. Risk/TAP/SC/PFC Collaboration.</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>Risk</td>
</tr>
</tbody>
</table>
### Risk Description

2. External legal risk: exposure to local laws, regulatory and judicial processes, and compliance costs.
3. P&I risk: absence of legal protections vis-à-vis countries where Global Fund is active (e.g., grant management, audits/investigations, procurement, financial transactions) or has assets, including where certain activities may be outside the scope of P&Is granted in certain countries.
4. Internal legal risk: failure to observe Global Fund policies, rules, and procedures; inconsistencies and/or overlap among policies, rules, and procedures.

### Risk Impact

1. Contract risk: business teams’ acceptance of terms that provide less protection, oversight and/or assurance of Global Fund resources and interests; authority and enforceability issues; contract obligations inconsistent with Global Fund policies, regulations, and procedures; increasing questions of potential non-conformity with procurement contracts.
2. External legal risk: compliance costs; potential violation of local laws by Global Fund or implementers; potential inquiry, investigation and/or enforcement by external authority.
3. P&I risk: limited ability to protect and maximize impact of Global Fund resources; conduct resource mobilization; protect governance officials and staff; deliver life-saving commodities; protect data and information assets; pursue recoveries.

### Key Partners

Not Applicable

### Key Countries

Contract risk: countries where counterparties are organized and/or active. External legal risk: countries where the Global Fund is active or has assets. P&I risk: There are 23 signatories to the P&I Agreement (of which 17 have ratified or otherwise approved, indicated by *): Afghanistan*, Burkina Faso*, Burundi, Côte d’Ivoire*, Eswatini*, Ethiopia*, Gabon, Georgia*, Ghana, Guinea Bissau, Lesotho*, Liberia*, Malawi*, Moldova*, Montenegro, Mozambique*, Niger*, Rwanda*, São Tomé and Príncipe, Senegal*, Togo*, Uganda*, and Zimbabwe*. In addition, Kenya, Switzerland, Uganda, the United States and Zimbabwe have granted the Global Fund certain privileges and immunities under domestic laws or through bilateral agreements. In total, the Global Fund has P&Is in 20 countries.

### Change since last quarter

No change

### Residual Risk

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

### Root Cause

<table>
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<tr>
<th>Contract risk: inconsistent use of standard terms and templates results in GF accepting legal obligations, incurring compliance costs, and lacking appropriate protections against grant implementers, suppliers, partners, licensees and other third parties, particularly where originator pharmaceutical companies or suppliers of health products refuse to accept GF terms. Geopolitical volatility may also affect counterparties’ ability to deliver on the contract.</th>
<th>MA-7249 MA-7613</th>
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<tbody>
<tr>
<td>External legal risk: claims against or involving the Global Fund; compliance costs; potential violation of local laws by Global Fund or implementers; potential inquiry, investigation and/or enforcement by external authority. Increasing focus on sanctions compliance, particularly in areas affected by conflict. In addition, risks may arise from further development of the operational framework for C19RM and its continuing implementation.</td>
<td>MA-7250</td>
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<tr>
<td>P&amp;I risk: limited ability to dismiss claims; protect and maximize impact of Global Fund resources; conduct resource mobilization; protect governance officials and staff; deliver life-saving commodities; protect and receive transfers of data and information assets; pursue recoveries. Negotiation of P&amp;Is will continue to be, affected in implementing countries, as programmatic objectives are prioritized. Among donor countries, the current absence of P&amp;Is in France is an impediment to expansion of tele-working arrangements for staff residing in France.</td>
<td>MA-7251 MA-8048</td>
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<tr>
<td>Internal legal risk: decentralized ownership and awareness/understanding of Global Fund policies, rules and procedures; decentralized rulemaking, implementation and training/communication; no formal compliance structure. Compliance risk in relation to Q&amp;A policies continues for COVID-19 products.</td>
<td>MA-7252 MA-7253</td>
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### Current controls & mitigations

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<tr>
<th>MA-7249</th>
<th>Contract risk: Grant procurement, contribution and other agreements of strategic importance are prioritized. GF standard terms and templates have been developed for grants, procurement, and contributions; procurement services agents’ contracts for the procurement of certain COVID-19 related health products are leveraged where GF terms are not accepted. Delegations of Signature Authority require business, financial, legal, and certain specialized (risk, ethics and/or assurance) contract clearance.</th>
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<tbody>
<tr>
<td>MA-7250</td>
<td>External legal risk: engagement with Swiss mission on legal status; assertion of P&amp;Is (where available); advice of local counsel in selected areas (where external risks identified); contractual limitations of liability (where standard terms and templates are used) including disputes; updated guidance on arbitration and governing law provisions; streamlined process to engage external legal advisors; monitoring of sanctions and obtaining licenses (where appropriate); personal data privacy clauses included in grant confirmations and procurement terms and conditions as standard.</td>
</tr>
<tr>
<td>MA-7251</td>
<td>P&amp;I risk: GF standard terms and template contracts address P&amp;Is and dispute resolution. EGC oversight and Secretariat identification of countries for priority engagement.</td>
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<tr>
<td>MA-7252</td>
<td>Internal legal risk: LGD guidance to governance bodies and advice to the Secretariat on the development and application of GF policies; DSA updated. LGD collaboration enables timely Board and Committee approvals, including extensions of C19RM policy framework. Legal review of GF rules and procedures contribute conditions and reporting requests. Legal clearance of GF rules and procedures, including C19RM, HTM and other operational policies and procedures which continue to evolve with need; embedded Legal Counselling advise CTs on C19RM and other grant requirements; existing controls and assurance mechanisms (including Legal input into the C19RM monitoring and oversight framework) for grants aim to mitigate risks associated with simultaneous development of C19RM and its implementation.</td>
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### Assurances

| Tracking of selected contract deviations presented by business teams; escalation mechanism for acceptance of counterparty contract terms |
| Protection of P&Is (where granted) in countries where the Global Fund is active or has assets; legal opinions of local counsel |
| Signed and ratified country-specific P&I Agreements. Entry into force of P&I Agreement. P&I under domestic laws in certain countries. Legal acts as independent advisor to Board, Committees, Secretariat and OIG on internal policies, rules and procedures |

### Overall Status

Risk mitigation is on track. There are no material delays.
<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-7253 Internal legal risk: Potential revisions to Terms of Reference of Secretariat management committees contingent upon ED decision and MEC deliberation. Development of new Procurement Procedures for Direct Procurement.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>LGD</td>
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<tr>
<td>MA-7613 Contract risk: Further update of GF procurement terms and conditions and standard grant confirmation requirements.</td>
<td>Underway</td>
<td>31-12-2023</td>
<td>LGD</td>
</tr>
<tr>
<td>MA-8048 P&amp;I Risk: Certain operational measures to further expand the geographical coverage of P&amp;Is in line with EGC steer, including: enhanced involvement of ministries of foreign affairs; linkage of structural programmatic changes to conferral of P&amp;Is; and, other targeted efforts.</td>
<td>Planned</td>
<td>31-12-2025</td>
<td>LGD</td>
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</tbody>
</table>
### Risk Description
Global Fund governance structures, processes, culture, stakeholders, or support mechanisms are not sufficient or effective.

### Risk Impact
Weaknesses in governance affect the quality, timeliness, and adequacy of Governing Body decision-making, oversight, and advice, which in turn results in limited ability to implement the Global Fund mission and strategy, actual or perceived weaknesses promote sub-optimal replenishment outcomes, as well as an increased need for financial resources.

### Key Partners
Not Applicable

### Key Countries
Not Applicable

### Change since last quarter
No change

### Current direction of travel
Steady

### Global Fund ability to mitigate
Significant

### Residual Risk
Moderate

### Risk Appetite
Not Applicable

### Target Risk
Not Applicable

### Target risk timeframe
Not Applicable

### Root Cause
Structural issues (‘fit for purpose’) including Board Members / Alternate Board members’ assurances, Board approved 3 terms for BL and Committee terms, from 2022 onwards.
- Additional Public Donors Constituency allows routes for additional donors.
- Revised Donor Group Framework provides routes for voluntary and guaranteed integration of additional donors into the voting donor constituencies of the Board.
- Board Leadership role to support resource mobilization efforts.
- Donor Group review of Framework for Allocation of Seats ahead of each Replenishment (every 3 years)

### Related Action
- BCP define procedures for delegation of authority and provide for how key leadership roles would be filled in the event of a vacancy.
- Board approved 3 terms for BL and Committee terms, from 2022 onwards.
- MA-7357 MA-7358 MA-7359
- MA-7361 MA-7363 MA-7372
- MA-7360 MA-7362 MA-7370
- MA-7365 MA-7367 MA-7371
- MA-7364 MA-7366
- MA-7373 MA-7374
- MA-7368 MA-7369

### Current controls & mitigations
- Clinical & Dispute Resolution (2018) (provides guidance and an escalation mechanism in case of dispute within a constituency).
- Onboarding Framework (2023) in routine implementation for Board and committees. Dedicated on-boarding and ongoing advisory support to constituencies.
- MA-7361
- MA-7364
- MA-7366
- MA-7368
- MA-7370
- MA-7371
- MA-7374

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

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

### Controls & mitigations in development or planned
<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Status</th>
<th>Target completion</th>
<th>Action owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA-7365</td>
<td>Strengthened role of Coordinating Group, facilitating coordination between the Board / committees on cross-cutting issues.</td>
<td>Underway</td>
<td>30-06-2025</td>
</tr>
<tr>
<td>MA-7370</td>
<td>Roll out of the Integrity Due Diligence framework, as listed under SEAH and Misconduct risk.</td>
<td>Underway</td>
<td>31-03-2023</td>
</tr>
<tr>
<td>MA-7614</td>
<td>Constituency Management Guidelines, provide best practice guidance on constituency management, next update due Q1 2023 as per EGC workplan</td>
<td>Planned</td>
<td>30-04-2023</td>
</tr>
</tbody>
</table>
### 20 - Organizational Culture

**Risk owner:** HR

<table>
<thead>
<tr>
<th>2022-Q4</th>
<th>MEC Approved</th>
</tr>
</thead>
</table>

#### Risk Description

Failure to drive a performance based and ethical culture and ensure all staff uphold and demonstrate the Global Fund’s corporate values, protect its reputation, and the behaviors needed to maximize operational efficiency and effectiveness.

#### Risk Impact

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

#### Key Partners

Not Applicable

#### Key Countries

Not Applicable

#### Change since last quarter

No change

#### Current direction of travel

Steady

#### Global Fund ability to mitigate

Significant

#### Residual Risk

Risk Appetite: Not Applicable

Target Risk: Not Applicable

Target risk timeframe: Not Applicable

#### Root Cause

- **Direction from senior management on aspirational culture is not consistently cascaded or demonstrated**
  
  MA-7268 MA-7270 MA-7275 MA-7279 MA-7277

- **Variable people management capability results in inconsistent articulation of expected performance levels to staff, an inability to address poor performance, and limits staff development**
  
  MA-7281 MA-7272

- **Operational inefficiencies, lack of process definition and performance targets and lack of accountability limits prioritization of work, collaboration, and increases staff workload**
  
  MA-7275 MA-7280 MA-7272

- **Lack of an attractive and or consistent rewards philosophy, hinders the organization’s ability to attract, retain, motivate, and reward talent and align organizational need and capacity**
  
  MA-7270 MA-7275 MA-7279 MA-7274

- **Breaches of the code of conduct, unethical behavior, and conflicts of interest.**
  

- **Inconsistency and complexity of communication and lack of awareness about policies adds to perception of unfairness in rewards and recognition. A culture of hierarchy and organizational silos that reduce collaboration and can cause a breakdown in trust of the organization.**

#### Current controls & mitigations

- **MA-7268**
  - Ethics and integrity framework, and Ethics Policy, including Code of Conduct updates underpinned by processes for ethics case management and supported by clear communication of policies, awareness creation and relevant trainings. At the Secretariat level, the Ethics Office continue targeted training on specific ethics risks alongside the regular Secretariat on-boarding training for new joiners and ‘Managing at the Global Fund’ ethics sessions for new managers.

- **MA-7270**
  - Continued focus on staff wellness through deployment of a wellness strategy, providing support, to staff and teams by executing targeted interventions, where required. Conducting regular pulse check surveys, adjusting annual leave policy to cater to increased workload and providing further staff support service from ombudsman, staff counselor and occupational health advisor.

- **MA-7272**
  - Leadership capability enhanced through focused manager and employee capability development programs based on performance and talent management review and workforce and succession planning. This will be aligned to both the new organization strategy and the new People and Organization Ambition and will drive accountability, performance, and a culture of care and candor.

#### Assurances

- OIG Functional Audit Pulse Survey Check
- Engagement Survey and Pulse Surveys

**Overall Status**

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

#### Controls & mitigations in development or planned

<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-7277 Continue the development and embedding of Organizational and Divisional / Departmental / Team action plans based on the survey results, continue to be planned and implemented as required based on survey results (psychological safety).</td>
<td>Underway</td>
<td>31-03-2023</td>
<td>MEC</td>
</tr>
<tr>
<td>MA-7279 Articulating and improving an organizational culture of care and candor through various initiatives to be included in the People and Organization Ambition document (Sustainable &amp; measurable diversity, equity, inclusion and belonging strategy, improving psychological safety and wellbeing, and embedding Future of Work, Aspirational Culture, Wellbeing Strategy)</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>HR</td>
</tr>
</tbody>
</table>
### Risk Description
Significant organizational change and shifting priorities, leading to change fatigue and inadequate people management capability to drive performance and support talent development.

### Change since last quarter
No change

### Current direction of travel
Steady

### Global Fund ability to mitigate
Significant

### Root Cause

<table>
<thead>
<tr>
<th>Risk Cause</th>
<th>Related Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate people management capability to drive performance and support talent development.</td>
<td>MA-7321 MA-7326 MA-7328</td>
</tr>
<tr>
<td>Significant organizational changes and shifting priorities resulted in need for increased and differentiated capacity to support business as usual activities that have in many cases expanded to absorb additional workload and responsibilities taken on during the peak of the COVID19 pandemic.</td>
<td>MA-7321 MA-7324 MA-7327 MA-7328 MA-7331</td>
</tr>
<tr>
<td>Insufficient/ineffective and nonsystematic prioritization and reprioritization, and differentiation of organization activities, leading to uneven, ad-hoc and unsustainable workloads, due to budgetary constraints.</td>
<td>MA-7321 MA-7325 MA-7326 MA-7327 MA-7328 MA-7332</td>
</tr>
<tr>
<td>Inefficient business processes driving down productivity.</td>
<td>MA-7321 MA-7324 MA-7328</td>
</tr>
<tr>
<td>Significant organizational change and shifting priorities, leading to change fatigue and loss of motivation/engagement.</td>
<td>MA-7322 MA-7323 MA-7330 MA-7332</td>
</tr>
<tr>
<td>Increased risk of staff burnout leading to change fatigue and loss of motivation/engagement, due to increased and sustained high workload and productivity loss due to COVID-19 impact and other societal challenges e.g., rising inflation, conflicts etc.</td>
<td>MA-7321 MA-7327 MA-7330 MA-7331</td>
</tr>
<tr>
<td>Increased challenges to attract the right talent in a more competitive market, and increased challenges in retaining top talent and keeping rewards competitive, coupled with low attrition in overall population.</td>
<td>MA-7633</td>
</tr>
</tbody>
</table>

### Current controls & mitigations

| MA-7321 | Integrated organizational and workforce planning being embedded as part of an annual process cycle, to drive alignment on organizational priorities, workforce budget requirements, and position management based on the continued monitoring of workforce needs leveraging redeployment or, if required, recruitment of resources to meet the business needs. |
| MA-7322 | Continued focus on managing change effectively through various learning and development programs, clear and consistent communication, and transparency in the organization. |
| MA-7323 | Leadership capability being enhanced through focused development programs for managers. The initiative is further supported by offers on employee capability development programs aligned to organization strategy. |
| MA-7324 | Performance and Accountability reporting done on quarterly basis based on the continually embedded Business Process Model to further strengthen the use of metrics for performance management and decision-making. |
| MA-7326 | New performance & development cycle implemented as well as the recognition framework |
| MA-7332 | Further embed the Future of work project which includes a hybrid working, alongside polices and processes to support our new ways of working and enabling technologies |
| MA-7633 | Developed the new People and Organization Ambition that prioritizes organizational development, a culture of care and candor, sourcing and retaining the right talent for now and the future, increased leadership and accountability and continuously improved HR delivery. |

### Assurances
- OIG Functional Audit Pulse Survey Check
- Engagement Survey and Pulse Surveys

### Overall Status
Risk mitigation is on track. There are no material delays.
## Annexes – GF/B49/16

### 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.

### Key Partners

Not Applicable

### Key Countries

Not Applicable

### Change since last quarter

No change

### Current direction of travel

Increasing

### Global Fund ability to mitigate

Moderate

### Residual Risk

High

### Risk Appetite

Not Applicable

### Target Risk

Not Applicable

### Target risk timeframe

Not Applicable

### Root Cause

- Potential misstep in Board selection process
  - MA-7337
- Political factors can influence news coverage. Factly inaccurate news coverage that is not quickly mitigated and disproportionality in negative media coverage.
  - MA-7336 MA-7339
- Complexity of global health operations allow for misinterpretation
  - MA-7333 MA-7335 MA-7338
- Extensive and/or inaccurate coverage of OIG and other reports that identify misuse of funds or other serious issues at a time that is particularly crucial for the Global Fund to have a positive perception by key stakeholders
  - MA-7333
- Performance issues or internal control weaknesses
  - MA-7334

### Related Action

- MA-8055

### Current controls & mitigations

- **MA-7329** Constant coordination with external relations teams to adjust communications plans to priorities and emerging risks in key markets and audiences.
- **MA-7333** Proactive identification of potential issues by country teams and senior management with relevant teams.
- **MA-7334** Performance and Accountability Framework in place to drive process performance and accountability across the Secretariat, with routine monitoring of process efficiency and effectiveness metrics through reporting to Management Executive Committee.
- **MA-7335** Continual focus on strengthening organizational maturity of risk management, internal controls, governance, and increasing transparency.
- **MA-7336** Proactive, agile communications strategy by Communications Department.
- **MA-7337** Ethics and Integrity Framework and Ethics Policy, including Conflicts of Interest, in place, underpinned by processes for Ethics case management and conflict of interest reviews.
- **MA-7339** Build relationships with top-tier, influential media during ‘steady state’ moments to encourage a better understanding of the role and mission of the Global Fund, increasing the likelihood of fair and accurate coverage. Proactive media outreach in key markets and regular monitoring of media and social media coverage.

### Assurances

- Frequent exchanges with ERCD Leadership Team and internal working groups (Situation Response Team and COVID-19 Steering Committee)
- Country Teams reports
- Quarterly reporting, SPH active monitoring, and MEC discussion on the status of P&A indicators
- 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>Controls &amp; mitigations in development or planned</th>
<th>Status</th>
<th>Target completion</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>MA-8055</strong> Following the Seventh Replenishment Conference a communication plan was designed to guide and support communications around the new allocations, in preparation for the Board. In addition, based on lessons learned from 2022, the draft SOP on Crisis Communications will be reviewed and revised.</td>
<td>Underway</td>
<td>30-06-2023</td>
<td>ERCD</td>
</tr>
</tbody>
</table>
## Annex 4: Relevant Past Board Decisions

<table>
<thead>
<tr>
<th>Relevant past Decision Point</th>
<th>Summary and Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>GF/B46/DP05: Amended Risk Appetite Statements (November 2021)&lt;sup&gt;5&lt;/sup&gt;</td>
<td>Based upon the recommendation of the Audit and Finance Committee, the Board approves the amended Risk Appetite Statements, including risk appetites, target risk levels and timeframes to achieve target risk, as set forth in Annex 1 to GF/B46/06, acknowledging that the target risk level for each risk shall become the revised risk appetite at the target due date.</td>
</tr>
<tr>
<td>GF/B39/DP11: Approval of the Risk Appetite Framework (May 2018)&lt;sup&gt;6&lt;/sup&gt;</td>
<td>Based upon the recommendation of the Audit and Finance Committee, the Board approves the Risk Appetite Framework, including Risk Appetite, Target Risk levels and the indicative timeframes for achieving Target Risk, as described in the table in Annex 3 to GF/B39/07.</td>
</tr>
<tr>
<td>GF/B32/DP11: Approval of the Risk Management Policy (November 2014)&lt;sup&gt;7&lt;/sup&gt;</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>

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<sup>5</sup> [https://www.theglobalfund.org/board-decisions/b46-dp05/](https://www.theglobalfund.org/board-decisions/b46-dp05/)


<sup>7</sup> [https://www.theglobalfund.org/board-decisions/b32-dp11/](https://www.theglobalfund.org/board-decisions/b32-dp11/)
Annex 5: Relevant past documents and reference materials

Relevant past documents:
- Semi-annual Risk Management Report GF/B48 (November 2022)
- Risk Management Report and Annual Chief Risk Officer Opinion GF/B47 (May 2022)
- Recommended Updates to Risk Appetite GF/46 (November 2021)

Reference materials:
- The Global Fund Risk Appetite Framework (May 2018)