

Country Risk Management

Approved on 6 November 2023; Updated 17 June 2026
Approved by Executive Grant Management Committee
Process Owner Ethics and Risk Department
Associated OPN OPN on Country Risk Management

Purpose and Overview

- This document provides procedural guidance on how the Global Fund Secretariat ensures risk management across the Grant Life Cycle. The specific grant deliverables set out in these procedures apply to portfolios as stated in the indicative columns. It describes for each key process outputs, the timelines and responsibilities for preparation, review and approval.
- The figure below provides the phases and subprocesses of revisions depending on revision type.



- High level responsibilities of key actors:

Key actor	Summary of responsibilities
Country Team (CT)	Owns and manages country and grant-level risks on a day-to-day basis. Identifies, assesses, prioritizes, documents, and monitors risks throughout the grant lifecycle; designs and implements mitigating actions and assurance activities proportionate to risk; maintains and updates risk information in IRM (for HI/Core portfolios); prepares risk-related inputs for Grant-making, implementation oversight, revisions, annual funding decisions, and closure.
Fund Portfolio Manager (FPM) / Disease Fund Manager (DFM)	Leads and coordinates Country Risk Management at portfolio level. Ensures completeness, quality, and consistency of risk assessments; validates prioritization of risks, mitigating actions, and assurance plans; makes final First Line risk assessment decisions; submits CRMMs and other risk deliverables for management review and approval; escalates significant risks and risk trade-off decisions to senior management and governance bodies.
First Line Managers (Grant Finance, PHME, HPM Managers, ICOE team)	Provide management oversight of CT risk assessments and risk management decisions. Review and provide alignment or challenge on risk assessments and CRMMs; support escalation and acceptance of significant risks; recommend portfolios and issues requiring senior management or governance attention.
Technical Teams	Provide subject-matter expertise to support the First Line in designing, implementing, and continuously improving grants and operational processes. Develop and help apply risk and assurance policies, standards, guidance, and tools within their domains, while advising on Grant-making, implementation, performance, and mitigation of risks across the Grant Life Cycle.
Local Fund Agent (LFA)	Provides independent assurance to support Country Risk Management, as requested by the CT. Conducts capacity assessments, assurance activities, and reviews of mitigating actions; reports findings and recommendations to inform risk assessments, assurance planning, and management decisions.
Principal Recipient (PR)	Manages programmatic, financial, and operational risks at implementation level. Implements agreed mitigating actions and controls; reports on progress against assigned mitigating actions and assurance activities; assesses and manages risks related to sub-recipients and other implementers; provides information to support CT risk assessments and monitoring.
Country Coordinating Mechanism (CCM)	Provides oversight at country level and supports alignment of risk considerations with national priorities. Endorses nominated PRs and, where applicable, key decisions relevant to grant implementation that may affect the risk profile.

Second Line Risk Function – Thematic Risk Leads (Ethics and Risk Department)	Provides independent oversight, guidance, and challenge to First Line risk management. Develops and maintains risk management frameworks, tools, and guidance; reviews and assesses risk information captured by CTs (e.g. IRM, CRMM); monitors trends, emerging risks, and systemic issues; advises management and governance bodies on country risk exposure and risk trade-offs; does not own or manage risks directly.
Portfolio Performance Committee (PPC)	Exercises senior management oversight of country risk. Reviews CRMMs, portfolio risk profiles, and assurance outcomes; conducts Country Portfolio Reviews and thematic reviews; makes and endorses risk trade-off decisions within delegated authority; ensures alignment with the organization's risk appetite.
Executive Grant Management Committee (EGMC) / Grant Approval Committee (GAC)	As part of grant approval and exception processes, reviews and accepts residual risks and mitigation strategies presented by management; approves policy exceptions related to Country Risk Management in line with delegated authority.
Third Line (Office of the Inspector General, Independent Evaluation, external auditors)	Provides independent assurance over the effectiveness of risk management, internal controls, and governance through audits, evaluations, and investigations; reports findings to management, committees, and the Board.

4. The detailed steps and associated responsibilities are captured in the RACI (forthcoming)

1. Design and Review of Funding Application

Grant Deliverable	Requirements per Portfolio Category					Timeline	Responsibilities		
	HI / Core	Focused					Prepare / submit	Review / validate	Approve
		A	T	Li	Le				
Portfolio Risk Assessment shared with CCM or RCM applicant									
Initial risk assessment impacting grant design shared with applicant [†]	R	BP				Start of Country Dialogue (to inform funding application development by the CCM/RCM)	First Line – Each relevant specialist within the CT, in consultation with relevant technical teams, prepares the summary of Risks they are responsible for	Second Line – Risk consulted at discretion of CT	FPM (and DFM [†])
Completed Secretariat Briefing Note (SBN) – Risk Section									
Describe gaps identified in FR by the applicant [†]	BP	-				Before the start of the TRP review	See Operational Procedures on Design Funding Requests and Sign Quality Grants		
Completed Capacity Assessment[†]									
New PR	R					Before the start of the TRP review	LFA conducts a tailored assessment defined by the CT (PR self-assessment for Focused portfolios)	Review: Each CT Specialist ensures their relevant risks are appropriately assessed with relevant mitigating actions and assurance activities planned for identified capacity issues. Validate: FPM (and DFM [†])	RM/DH [†]
Existing PRs implementing new components/new major activities ²	R	-							
PRs implementing PFR/RBC for the first time	R								

2. Grant-making

Grant Deliverable	Requirements per Portfolio Category					Timeline	Responsibilities		
	HI / Core	Focused					Prepare / submit	Review / validate	Approve
		A	T	Li	Le				
Residual Risks, Mitigating Actions and Assurance Activities identified									

[†] Henceforth, this symbol denotes 'if applicable'.

² See [OPN on Country Risk Management](#) for examples of new major activities.

Grant Deliverable	Requirements per Portfolio Category					Timeline	Responsibilities		
	HI / Core	Focused					Prepare / submit	Review / validate	Approve
		A	T	Li	Le				
Residual risks, mitigating actions and assurance activities defined and captured in the Integrated Risk Management module, including rating of all risks ³	R	-				<p>At the start of grant-making, CTs may consult with Risk and technical teams, as needed</p> <p>CTs are encouraged to submit updated IRM as soon as grant negotiations are completed and prior to submission of Grant-making Final Review Form (GMFRF)⁴</p> <p>Risk (Thematic Risk Leads) are encouraged to provide early inputs on critical risks and mitigating actions for CTs to consider</p>	Each CT Specialist ensures their relevant residual risks are appropriately identified and rated, and mitigating actions and assurance activities have been identified and prioritized	The relevant First Line Manager (FLM) and Thematic Risk Lead provide feedback per Risk area as defined in the OPN on Country Risk Management (aligned/non-aligned and comments) in IRM on the CT's risk assessment	FPM is responsible for final risk assessment
Completed GMFRF – Risk Section									
Capacity Assessment completed when required, and an exception rational included if required but not completed	R					Pre-requisite for Pre-GAC review and mandatory for submission to GAC	See Operational Procedures on Design Funding Requests and Sign Quality Grants		
IRM completed for grants under review, and an exception rationale included if IRM is not completed	R	-				Pre-requisite for Pre-GAC review and mandatory for submission to GAC			
Completed Risk Assessment submitted to GAC									
Risk submits strategic risk assessment to GAC for prioritized portfolios scheduled for review	R	-				Before GAC	Thematic Risk Leads	Thematic Risk Lead Managers	DCRO

³ Each CT specialist completes the following elements in IRM for their respective risks: risk rating for each grant Sub-risk, Target Risk level and rationale, Risk Summary, identification of Root Causes and Mitigating Actions (as relevant to address the residual risk rating), assurance planning for the three years of implementation

⁴ Subject to change pending final submission timelines of the GMFRF.

3. Grant Implementation

Grant Deliverable	Requirements per Portfolio Category				Timeline	Responsibilities		
	HI / Core	Focused				Prepare / submit	Review / validate	Approve
		A	T	Li				
Assurance activities planned								
Assurance plan: Strategic assurance activities planned for the implementation period	R	-	Initiated during Grant-making, must be documented in IRM within the first three months of the implementation period (best practice to complete during Grant-making)		Relevant CT Specialist completes strategic assurance planning for their respective risks ⁵	Assurance planning completed during Grant-making is validated by FLMs and Thematic Risk Leads during the Grant-making review ⁶	FPM (and DFM [†]) validates overall prioritization of Assurance Activities based on the residual risks in the portfolio	
IRM updated								
Ongoing Risk Management / Updated IRM (First Line) As part of risk identification, CTs must also carry out Risk Assessments at the grant level and update ⁷ IRM as information becomes available to CTs throughout the grant life cycle	R	-	Ongoing throughout grant implementation		First Line: Relevant CT Specialist, FPM (or DFM [†]) or PO updates IRM for their respective risks	First Line: Any changes made to IRM will be summarized in an email notification to the entire CT at the end of each business day and captured in the change log of IRM. If any member of the CT disagrees with changes made to IRM they should escalate to next management level	FPM is responsible for the final risk assessment	
PR Reporting								
Update on KMAs	R	-	See Operational Procedures on Oversee Implementation and Monitor Performance					
Annual Funding Decision: Risk Section updated								
Updated risk section of the AFD ⁸	R	-	See Operational Procedures on Make Annual Funding and Disbursement Decisions					
Completed Country Risk Management Memorandum (CRMM)								

⁵ In addition to regular assurance activities, each specialist should plan for Thematic capacity assessments in each of their risk areas as needed (see OPN on Country Risk Management)

⁶ If done after Grant-making, assurance plan would be validated by FLMs and Thematic Risk Leads during CRMM reviews

⁷ This can be informed by changes to the country context, updates received from progress reports, assurance and audit reports, mission reports, or other sources of information.

⁸ A grant's Key Mitigating Actions are automatically added to ADMFs. Other mitigating actions are reviewed and selected, as necessary, to capture them in the ADMF for the 2nd and 3rd AFD and supplementary funding decision. If there are any adjustments to be made, this is done in the IRM module prior to finalizing the AFD process.

Grant Deliverable	Requirements per Portfolio Category					Timeline	Responsibilities		
	HI / Core	Focused					Prepare / submit	Review / validate	Approve
		A	T	Li	Le				
Approval of annual CRMM	R	-				See Country Risk Management OPN for details on timelines and requirements	Relevant Technical Specialists update their respective risk areas in IRM FPM reviews overall completeness, quality and accuracy and submits the CRMM for review and approval in IRM	First Line review: First Line Managers (SFPM, CL [†] , PHME, Finance, HPM managers and ICOE team) review in IRM all aspects of the risk assessment in their respective risk areas Second Line review: Thematic Risk Leads review in IRM on all aspects of the risk assessment in their respective risk areas	Recommended by: RM/DH and Deputy Chief Risk Office (DCRO) review and recommend or reject the CRMM and provide comments as necessary. Approved by: Head, GMD and Chief Ethics and Risk Officer (CERO) review and approve or reject the CRMM
Updated IRM for Programmatic Revision requiring TRP review									
Update of IRM following Programmatic Revisions requiring TRP review ⁹	R	-				During CT review and before CT finalizes the revision	Relevant CT Specialists reviews IRM to determine if an update to the risk assessment in their risk areas is required as a result of programmatic revisions requiring TRP review		

4. Closure

Grant Deliverable	Requirements per Portfolio Category					Timeline	Responsibilities		
	HI / Core	Focused					Prepare / submit	Review / validate	Approve
		A	T	Li	Le				
Grants in IRM closed									
Close grants ¹⁰	R	-				Once the final PU and External Audit report are received for a grant	First Line: The relevant CT Technical Specialist reviews MAs and Assurance Activities and ensures they are set to	Recommended by: FPM (or DFM [†]) confirms the MAs and	

⁹ Grant Revision requests are opportunities to assess progress to manage key risks during grant implementation and determine if programmatic and budgetary adjustments are needed to support new or amended mitigating actions.

¹⁰ KMAs and Assurance Activities are closed at the end of an IP or transferred to the relevant grant continuing in the next IP (if applicable).

Grant Deliverable	Requirements per Portfolio Category					Timeline	Responsibilities		
	HI / Core	Focused					Prepare / submit	Review / validate	Approve
		A	T	Li	Le				
						status Met or Deleted, or have a new timeline and status assigned based on a new grant they have been added to in a new IP	Assurance Activities have been appropriately closed or transferred Approved by: Risk 'closes' the grant in IRM		

Monitoring and Reporting

5. The operational monitoring and reporting activities are led by the Ethics and Risk Department, in coordination with subprocess owners. The following data points are monitored:

Item	Monitoring
Grant Design and Approval: Completed Capacity Assessment	All portfolios have a completed capacity assessment when required or documented an approved exception at the time of GAC approval
Grant Design and Approval: Completed Risk Assessment	High Impact and Core portfolios have a completed IRM at the time of GAC approval
Ongoing risk management: Annual CRMM Completed	All High Impact and Core portfolios required to submit a CRMM have a CRMM approved by the agreed timeline
Ongoing risk management: Completion of KMAs	Key Mitigating Actions completed that were due to be completed for the reporting period
Ongoing risk management: Completion of Assurance Activities	Assurance Activities completed that were due to be completed for the reporting period
Closure	Completion of grant closure processes in IRM that were due to be completed for the reporting period