RISK MANAGEMENT - REPORT #1

For Information

1. BACKGROUND

1.1 The Secretariat presented the first Risk Management Report (GERF/2015/04 DOC 02) to the Governance, Ethics, Risk and Finance Committee ("GERF"), the Country Grants and Performance Committee ("CGPC") and the Strategy and Policy Committee ("SPC"). The Secretariat also presented the first version of the Assurance Map, explaining that it was developed in response to a key recommendation from an Assurance Briefing note on the GPE prepared by the Internal Audit department of DFID. It was explained that this is an additional tool typically used by organizations to better understand the key controls in place regarding key risks, the parties responsible for the control, and whether there is duplication or gaps in those controls. The assurance map contains an assessment of whether there is sufficient assurance (or confidence) that the controls are sufficient to mitigate the risk and whether further action is required to strengthen the controls.

2. SUMMARY OF THE DISCUSSION AT THE GERF

2.1 The GERF noted with appreciation the efforts made by the Secretariat to build a culture of risk awareness among the members of the Global Partnership as well as the detailed information provided on the status of several risk mitigation measures. The GERF did however, request that the Secretariat include in future reports an analysis of the trends for each risk with regard to whether the risk rating was likely to change or not and whether this was in a positive or negative way. The Secretariat recognized that the addition of a column to the Dashboard with trends will help to address this recommendation and will submit a slightly revised framework for the December Board Meeting. It was also felt that there would need to be a check-in with the Board to ensure its comfort level with the current level of risk outlined in the risk matrix, from which it could be determined whether further mitigation activities would be needed.

2.2 The GERF concurred with the Secretariat's recommendation to raise the overall risk score from medium to critical for risk 3.1.4 which concerns the risk that GPE has insufficient funds and liquidity to meet its current and planned funding needs. The GERF noted the key reason for this change is the impact of the significant appreciation of the US dollar since the replenishment conference and its effect on reducing the projected value of non-US dollar based donor pledges to the GPE Fund.

2.3 With regard to the Assurance Map, the GERF requested clarification on the link between this and the Risk Management Matrix ("RMM"). It was clarified that the Assurance Map focuses on a subset of key risks from the RMM and provides further details particularly around the existing controls in place to manage these risks. The GERF suggested that the Secretariat consider ways to better integrate the Assurance Map with the RMM.

2.4 Some GERF members noted the need to provide additional information on risks at country level. They expressed concern that some of the highest risks to the Global Partnership arise from grant implementation. The Secretariat explained that these types of operational risks are part of the RMM and the controls in place to manage these risks are included in the Assurance Map. The Secretariat recalled the information already analyzed through the annual Portfolio Review. However it was noted that currently no GPE specific Operational Risk Framework or Matrix exists that provides a country by country analysis of the risks. The Secretariat noted that the newly established Monitoring Unit will enhance its ability to monitor the status of all grants and flag at risk grants to Country Leads for follow-up with SE/MEs and recipient governments, including a discussion on corrective actions that need to be taken, as well as obtaining updated information on risks and mitigations measures to be provided in regular reports.

2.5 The Chair of the GERF explained that with regard to grants supervised by the World Bank, country risk analyses are already being done jointly with the recipient governments at the preparation stage of the grant and were reviewed periodically. In light of this information, the GERF recommended that the Secretariat collect information on risks at country level from SE/MEs and share it along with the Risk Management Update. The GERF expressed their view that since SE/MEs are responsible parties to mitigate some programmatic risks, they should be held accountable to provide this data to the Secretariat.

2.6 The GERF requested the Secretariat to inform the Country Grants and Performance Committee ("CGPC") on the gaps in information identified by the GERF on country level risk and to discuss further how to best share this information with the Board going forward.

3. SUMMARY OF THE DISCUSSION AT THE CGPC

3.1 Following the presentation of the risk management progress report by the Secretariat, the CGPC asked a few questions about their role and wanted to ensure that it was a standing item on their meeting agendas going forward. They noted that they were looking forward to reviewing the final report at the end of the year when more progress would be made. The CGPC didn't have time to follow-up on the GERF discussion regarding risks at country level.

4. SUMMARY OF THE DISCUSSION AT THE SPC

The SPC reviewed the two risks assigned to it:

4.1 With regard to risk 1.1.2 (GPE Partners fail to deliver on commitments made in achieving GPE's Strategic Plan Objectives), the committee noted that the Implementation Plan for the current Strategic Plan had been revised last year with revisions including the elimination of deliverables requiring partner implementation and instead to focus on actions that the Secretariat itself could deliver on. With that, the risk had been mitigated significantly. The Chair noted that with regards to the planning process underway for the new strategic plan, it would be important to consider the choices being made against the defined risks.

4.2 With regard to risk 1.2.3 (The Partnership is unable to define its mandate in emergency/humanitarian crises in both GPE and non-GPE member countries), it was noted that it is difficult to comment on a risk related to mandate without a Board decision on it in place. However, progress has been made on mitigating the risk since the Global Partnership continues to consider the issue and is actively participating in technical working groups on Education in crisis and conflict which might lead to a more defined role of GPE in those contexts later this year.

The committee felt that the level of risk at medium for both risks was accurate.

5. ANNEXES AND REFERENCES

Appendix 1: Risk Management - Report #1 - Meeting of the Governance, Ethics, Risk, and Finance Committee, Paris, France, April 7-8, 2015 (GERF/2015/DOC 02)

APPENDIX 1: RISK MANAGEMENT - REPORT #1 (GERF/2015/DOC 02)

For Information

2. BACKGROUND

2.1 At its last Board Meeting in December 2014, the Board of Directors ("Board") adopted the Risk Policy which sets out the wider risk management system required to ensure that the Global Partnership delivers on the objectives identified in its strategic plan.

2.2 The Governance, Ethics, Risk and Finance committee is responsible for overseeing risk management within the Global Partnership for Education ("Global Partnership" or GPE") and ensuring that progress is being made on implementing risk mitigation measures. It is also responsible for working with the Secretariat to identify new risks as they arise along with associated risk mitigation measures. The Secretariat provides an update to the GERF on a semi-annual basis, and the GERF then reports to the Board on how the Global Partnership is managing risk and where decisions or interventions by the Board may be necessary. The GERF is also a Risk Owner with regard to governance/management and financial/fiduciary risks, and has the responsibility and authority to work with all relevant actors to mitigate the specific risks delegated to them by the Board. Other Committees and GPE Partners responsibilities vis a vis the RMM are summarized in Annex 1.

3. INPUTS REQUESTED

3.1 The Secretariat requests that each Committee focus on risks owned respectively as presented in Annex 2 and 3 and address its inputs to the GERF. The GERF will provide to the Board a report for information with consolidated views from other Committees at the next Board Meeting in May 2015. In addition, the Secretariat requests the GERF to provide feedback on the progress that has been made to date by the Secretariat on implementing many of the risk mitigation measures; review the level of assurance of key risks presented in the assurance map and provide advice as to how the Secretariat can obtain more direct feedback from risk owners such as the Board, committees and other partners in addition to requesting the information on a semi-annual basis.

4. SUMMARY OF KEY ACHIEVEMENTS

4.1 Annex 3 presents an update of key measures implemented since the adoption of the Risk Policy and RMM through March 6, 2015. It is designed to capture and report on realized improvements. Over the last 3 months most efforts have been centered on the rolling out of the

New Funding Model, the implementation of the recommendations of the organizational review and the definition of the process/roadmap for the new strategic plan.

4.2 In reviewing each risk and the mitigation measures being implemented, the Secretariat especially noted that:

- the score for risk 3.14 concerning GPE not having sufficient funds and liquidity to meet its current and planned funding obligations should be reviewed from "medium" to "critical". The Secretariat considers that the probability of this risk occurring has evolved from "likely" to "very likely" (GERF/Financial Forecast) due to the negative impact on the forecast of available assets of a significant strengthening of the US dollar thereby eroding the value of non-US dollar pledges made at the 2014 replenishment conference. Although the Secretariat has explored various options to mitigate the foreign exchange risk, the effectiveness of these mitigation measures are limited and the likelihood is that without a significant increase in supply through increased or new donor contributions, GPE will have to reduce the demand for funding through reductions or delays to future allocations that have not yet been announced by the Board;
- The Secretariat has made progress on implementing the recommendations of the Organizational Review by starting the recruitment process for the 14 new staff, further defining the roles of various teams to strengthen the monitoring and quality assurance functions. As soon as this process is complete, the Secretariat will be in a better position to implement more mitigation actions for key programmatic risks;
- The implementation of mitigation actions to attenuate the risk that the Global Partnership has not been able to capture reliable data to monitor and demonstrate performance of GPE grants activities and Education Sector Plans "ESP" (2.2.1) has been prioritized;
- The Secretariat has focused on ways to attract additional funding and alternative sources of funding (risk 2.1.3) by developing a strategy framework for Private Sector engagement and submitting options to the GERF for new financing mechanisms;
- The SPC has been assigned the ownership of the risk that GPE Partners fail to deliver on commitments made in achieving GPE's Strategic Plan Objectives. The Secretariat recommends to more precisely define the SPC's accountabilities in this regard or to consider transfer the ownership of this risk to the Board;
- Under the Organizational Review, the 12 positions out of 14 have been published and the Secretariat is in the process of precisely defining the Secretariat core functions.

Linking the Strategic Plan and the Risk Management Process

4.3 Sections of the RMM is currently used to inform decision-making process in relation to the development of the next Strategic Plan and also in the assessment of the current GPE operational model (Work stream one). The work on developing the next Strategic Plan and in particular the "Work stream one" addresses strategic risk 1.2.4 and programmatic risk 2.16, 2.14. and 2.22. New risks may be identified while developing the new strategic plan, including deliberations on how to strengthen GPE's operational model. The RMM has also defined a risk (2.14) concerning clarity of roles and responsibilities within the partnership. Ongoing work in clarifying these at both country and global level is also forming part of the work on the next strategic plan. The Secretariat will review the Risk Policy, the RMM and the assurance map following the adoption of the new Strategic Plan in order to ensure full alignment.

Development of an Assurance Map

4.5 The assurance map presented in Annex 4 is intended to be a useful tool for the GERF, and the Board to document the key controls that are in place at all levels of the partnership and the extent to which we can place reliance on these controls to manage key risks (not all 29 risks in the Risk Matrix). It is designed to help Management, GERF and ultimately the Board identify duplication or gaps in these controls and to better understand how these key risks are currently managed.

4.6 At this time, the Secretariat has focused on 7 critical risks out of the RMM as well as the risk of fraud and misuse. The intention would be to provide this document annually to the GERF as part of the update on Risk Management and subsequently to the Board.

Building a culture of Risk Management within GPE

4.7 At the Secretariat level, a tracking tool to inform the implementation status of each mitigation action has been developed and is presented in Annex 2. Risk Management has been integrated into the Country Support Team ("CST") Workplan and other teams are considering aligning both exercises. Going forward, additional information and training sessions will be organized. The revised Country Level Process Guide will include the role of key players in risk management.

4.8 A the Global/ Country level, the Risk Strategy and Matrix have been presented during the Orientation of new Board/Alternate and Communication Focal Point. During upcoming Developing Country Partners meetings, dedicated session might be organized to inform DCPs of

their specific responsibilities either as grant recipient, or as LEG coordinator and, or as member of the Partnership.

Setting up of the Monitoring Unit

4.9 The Country Support Team has set up a new Monitoring Unit to strengthen CST's results planning, monitoring and reporting, particularly focusing on results from GPE grants and other country-level support. The Monitoring Unit will enhance monitoring of the status of all grants and flag at risk grants to Country Leads for follow-up with the Supervising or Managing Entity ("SE/ME"), including corrective actions that need to be discussed with the SE/ME and the government, as well as obtaining updated information on risks and mitigation measures to be provided in regular reports. The CST is also developing a monitoring tool focused on key aspects of country level work. This instrument is now in the testing phase. The SPP team is simultaneously in the process of strengthening GPEs overall monitoring and evaluation capacity and specialized staff is currently being recruited.

4.10 The Monitoring Unit will specifically help address the strategic risk that SE/MEs are not always providing effective oversight. The Secretariat has initiated discussions with SE/ME partners on common grant program indicators to facilitate aggregation and analysis of program results for capturing key sector and grant information and monitor performance against these targets. In addition, the Operations Team is in the process of recruiting a Finance Officer to work with the Monitoring Unit on financial oversight. Overall the Monitoring Function will specifically help to address strategic risk 1.2.1 and programmatic risk 2.1.2, 2.1.3, 2.2.1, 2.2.3 and financial/fiduciary risk 3.1.3. The Country Support Team has also continued to steadily increase the number of country missions.

Setting up of the Quality Assurance Function

4.11 A preliminary review of quality assurance review has been conducted in 2014 and will feed into the process to develop the Secretariat Quality Assurance Function as defined through the Organizational Change Process. The Secretariat is currently redesigning and strengthening the quality assurance process including clarifying roles, with having a stronger focus on fiduciary arrangements to address risk 2.1.1 and 2.1.5. The Operations Team is in the process of recruiting a senior Finance/Policy Officer to work with CST and the Strategic Planning and Performance team ("SPP") are advanced in the process of hiring new specialized staff and strengthening the quality assurance function and activities.

5. RISK

5.1 The risks associated with the implementation of the Risk Policy is not to further clarify the responsibilities and accountability of risk owners, especially when they are outside of the Secretariat.

6. NEXT STEPS

6.1 Pending receiving updates and recommendations from the Country Grants and Performance Committee and the Strategy and Policy Committee, the GERF and the Secretariat will update this first progress report and send it out for information to the Board in May.

7. PLEASE CONTACT Christine Guétin at cguetin@globalpartnership.org for further information.

8. ANNEXES AND REFERENCES

Annex 1: Risk Management – Roles and Responsibilities (as defined per the Risk Management Policy, Dec. 2014)
Annex 2: Risk Dashboard as of December 2104
Annex 3: Update on implementation of Mitigation Actions as of March 2015
Annex 4: Assurance Map

Risk Policy - Risk Management Matrix (BOD/2014/12 DOC 04 and BOD/2014/12 DOC 04 Attachment 1)

ANNEX 1. RISK MANAGEMENT – ROLES AND RESPONSIBILITIES (AS DEFINED PER THE RISK MANAGEMENT POLICY, DEC. 2014)

Actors		Roles and responsibilities
Global Level	Board	• Overall responsibility. Review the portfolio of risks. • Monitor and assess overall effectiveness and risks associated with the work of the Global Partnership and implementing risk mitigation measures • Prioritize risks if necessary • Consider risk in decision-making
	Governance, Ethics, Risks Finance Committee	• Oversees risk management; review consolidated update before the Board • Identify new risks with the Secretariat with associated risk mitigation measures • Ensures that progress is being made on implementing risk mitigation measures • Discuss alignment of core risks with the GPE Strategic Plan and identify new exposure/opportunities to be tackled by the Board • Risk Owner with regard to governance/management and financial/fiduciary risks
	Country Grants Performance Committee	• Provide oversight to assigned risk. Identify additional mitigation measures as needed. Suggest inclusion/deletion of risks • Risk Owner with regard to many of the programmatic risks associated with GPE grants
	Strategy Policy Committee	• Provide oversight to assigned risk. Identify additional mitigation measures as needed. Suggest inclusion/deletion of risks • Risk Owner with regard to strategic risks (including development of strategies and policies and tracking progress on GPE's Strategic Plan)
	Partnership Level	• Alert on risks identified • Advice on measures to mitigate programmatic and strategic risks
Secretariat	CEO/ Leadership Team/ Staff	• Risk Management within the Secretariat • Integrate risk management into overall management frameworks • Approve mitigation measures and ensure they are implemented in a timely manner • Promote risk-aware culture • Update risk management policy • Coordinate operation of risk management processes throughout the Secretariat • Facilitate preparation and updating of the organizational RMM • Coordinate regular risk reporting to the GERF and the Board • Verify that risk management processes are functioning (compliance function)
Country Level	Developing Country Partners	• Responsible for implementing their own risk mitigation measures to ensure that GPE funds are used for their intended purpose and are properly managed and accounted for • Identify risks • Implement mitigation actions • Inform the LEG/SE-ME and the Secretariat
	SE/ME	• Manage risks associated to grants • Operate internal control systems • Identify risks and inform the Secretariat • Mitigate risks - in line with their own policies and procedures, including internal audit and investigative functions
	LEG	• Identify risks • Implement mitigation actions in country, especially with regard to strategic and programmatic risks • Inform the Board and the Secretariat

ANNEX 2: RISK DASHBOARD – AS OF DECEMBER 2014

1.0 Strategic

Implementation of GPE strategic plan

- Implementation Plan
- Partner Commitments
- Monitoring mechanisms
- Mantadate of GPE Secretariat/Board

Support to the education sector in developing countries

- Support to Education Sector Plans
- Engagement strategy
- GPE role in in emergency/humanitarian crises
- Operational modalities

2.0 Programmatic

Program implementation and oversight

- Quality assurance process
- SE/ME oversight
- Program Implementation Timeline
- Roles, responsibilities and accountabilities at country level
- New Funding Model - support to countries
- Identification of SE/ME

Data and results

- Quality data
- Program Implementation Modality
- Grant Management

3.0 Financial & Fiduciary

Available resources

- Donor pledges
- DCPs pledges
- Alternative funding
- Liquidity

Fiduciary

- Fraud and misuse

4.0 Governance & Management

Decision making process

- Grant decision making process
- Grant decision making process
- Risk Management
- Board governance responsibilities

Functioning and mandate of Secretariat

- Media exposure
- World Bank - Secretariat hosting arrangement
- Secretariat capacity

	Impact			
Probability	Minor	Moderate	Major	Severe
Very Likely	Medium	High	Critical	Critical
Likely	Low	Medium	High	Critical
Possible	Low	Medium	High	High
Unlikely	Low	Low	Low	Low

1.0 Strategic

Risk that threaten the achievement of Global Partnership's strategic objectives.

1.1 Implementation of GPE strategic plan

1.1.1	The risk that the Board and Management have not developed a realistic and achievable implementation plan to support the achievement of Strategic Plan goals and objectives.	
1.1.2	The risk that GPE Partners fail to deliver on commitments made in achieving GPE's Strategic Plan Objectives.	
1.1.3	The risk that the Partnership is unable to monitor and demonstrate progress on Strategic Plan Objectives.	
1.1.4	The risk that Board members do not share a common agreement on the mandate of the Board and the Secretariat.	

1.2 Support to the education sector in developing countries

1.2.1	The risk that the partnership does not address the sustainability of education systems in Education Sector Plans.	
1.2.2	The risk that GPE is unable to positively influence education budgets at country level.	
1.2.3	The risk that the partnership is unable to define its mandate in emergency/humanitarian crises in both GPE and non GPE member countries.	
1.2.4	The risk that GPE processes do note take sufficient account of the level of national capacity and the operating environment, particularly in conflict-affected states.	

2.0 Programmatic

Risk related to the implementation of the Global Partnership's programs at country level.

2.1 Program implementation and oversight

2.1.1	The risk that GPE's quality assurance processes do not always detect poorly designed programs at country level (both in terms of substance and oversight) and ensure they are remedied.	
2.1.2	The risk that SE/MEs are not always providing effective oversight.	
2.1.3	The risk that grant objectives are not achieved within the expected implementation period.	
2.1.4	The risk that roles, responsibilities and accountabilities of the GPE Secretariat, LEGs, CAs, SEs and MEs in country are not clearly defined, understood and consistently applied.	
2.1.5	The risk of disruption in GPE activities due to problems in the implementation of the new funding model.	
2.1.6	The risk that a country can not identify a SE/ME.	

2.2 Data and results

2.2.1	The risk that the Partnership is unable to capture reliable data to monitor and demonstrate performance of GPE grants, activities and ESP.	
2.2.2	The risk to GPE that by not using government systems, GPE will not realize sufficient progress in the sector.	
2.2.3	The risk to GPE that poor performing grants are not all detected and remedied in a timely manner.	

3.0 Financial & Fiduciary

Risk concerned with the management and control of Global Partnership resources; and risk that funds are not used for the intended purposes, do not achieve value for money, and/or are not properly accounted for. The realization of fiduciary risk can be due to a variety of factors, including lack of capacity, competency or knowledge; bureaucratic inefficiency; and/or corruption.

3.1 Available resources

3.1.2	The risk that some DCPss fail to deliver on their current pledges.	
3.1.3	The risk that GPE fails to attract alternative sources of funding.	
3.1.4	The risk that the GPE Fund has insufficient liquidity to meet its current and planned funding obligations.	
3.1.1	The risk that donors fail to deliver on their current funding pledges.	

3.2 Fiduciary

3.2.1	The risk that significant GPE funds are diverted from their intended purpose through fraud or other forms of misuse.	

4.0 Governance & Management

Risk related to weak governance structures, lack of clarity in roles between the Board and the Secretariat, risk due to inadequate or failed internal processes, people and systems.

4.1 Decision making process

4.1.1	The risk that GPE decision making is not made in an efficient and timely manner, therefore having a potentially negative impact on GPE operations.	
4.1.2	The risk that GPE decision making with regard to grants is not made in an efficient and timely manner, therefore having a potentially negative impact on GPE operations.	
4.1.3	The risk that Board and Management do not systematically take risk into consideration while taking decisions.	
4.1.4	The risk that some Board members do not understand their governance responsibilities.	

4.2 Functioning and mandate of Secretariat

4.2.1	The risk that GPE doesn't have sufficient capabilities to deal with a serious media crisis.	
4.2.2	The risk that the Secretariat may become less effective and efficient due to operational challenges of the hosting arrangement and the current restructuring within the World Bank.	
4.2.3	The risk that the Secretariat's technical capacity, organizational structure, financial, and human resources are not sufficient to deliver on the responsibilities assigned to it by the Board.	

ANNEX 3: UPDATE ON IMPLEMENTATION OF MITIGATION ACTIONS AS OF MARCH 2015

1.0 STRATEGIC

Risk	1.12 The risk that GPE Partners fail to deliver on commitments made in achieving GPE's Strategic Plan Objectives.
Score	Medium
Owner	SPC
Action 1	Remove deliverables that have no credible and tangible partner assigned to support delivery
Update	
Status	Completed
Action 2	Monitor whether GPE Partners follow on their commitments. Have periodic meetings to discuss means of accelerating progress on deliverables under the Implementation Plan of the Strategic Plan
Update	For the current Strategic Plan: • Implementation Plan has been reviewed, revised and endorsed at the Board. • Presentation and discussion of the revised plan at the DCP meeting in December
Status	In progress

Risk	1.2.1 The risk that the partnership does not address the sustainability of education systems in Education Sector Plans (ESP).
Score	High
Owner	CGPC
Action 1	Monitor and report on the implementation of the new funding model, focusing on the compliance of grant implementation with requirements for sector analysis and with delivering commitments on domestic funding.
Update	• Implementation of new funding model on track for first round 2015 • Grant guidelines updated and piloted, including requirements matrix to assess status of ESP, data and financial commitments • Monitoring and reporting on compliance discussed at CGPC • Monitoring systems under development in CST Monitoring Unit

Status	Under development
Action 2	DCP constituency meetings should serve as a platform for collective discussion and decision making on issues of concern, while also sharing experience.
Update	• December DCP meetings included technical session on new funding model • May DCP meetings to include technical session on credible ESP
Status	Under development
Action 3	Develop Secretariat services and processes to quality-assure ESP preparation and appraisal.
Update	• Guidelines for Education Plan Preparation and Appraisal updated in line with new funding model in collaboration with UNESCO IIEP
Status	Under development
Action 4	LEG members engage more with governments on development and implementation of education sector plans and report any difficulty to the Secretariat.
Update	• LEG members in Mozambique, Nepal and Rwanda engaged with governments on ESP in context of NFM preparations • Discussions begun with second group of countries in Q1 2015
Status	In progress

Risk	1.2.2 The risk that GPE is unable to positively influence education budgets at country level.
Score	High
Owner	DCPs
Action 1	Identify priority countries, develop an engagement strategy and encourage LEG members to engage and support DCPs
Update	• Domestic Financing discussed as part of NFM requirements in Mozambique, Nepal and Rwanda
Status	In progress
Action 2	Monitor the implementation of the requirement on domestic financing in the new funding model and regularly brief the Board on progress against commitments.
Update	• Secretariat development of Monitoring Function underway as part of Organizational Change process
Status	Under development

Action 3	Support civil society coalitions to build their capacities and engage in the LEG.
Update	• New CSEF grant reviewed by the CGPC and then sent to Board for approval in May
Status	In progress

Risk	1.2.3 The risk that the partnership is unable to define its mandate in emergency/humanitarian crises in both GPE and non GPE member countries.
Score	Medium
Owner	SPC

Action 1	Define GPE's role, policy and operational modalities in humanitarian contexts in both GPE and non GPE countries.
Update	• Meetings with key partners on an ongoing basis • Operational Model for Global Humanitarian Education Fund is being developed • Focus will be on broader definition of humanitarian crisis • Paper to be presented May Board meeting
Status	Under development

2.0 PROGRAMMATIC

Risk	2.1.3 The risk that grant objectives are not achieved within the expected implementation period.
Score	Medium
Risk Owner	DCPs
Action 1	Analyze root causes for delays in program implementation
Update	• More attention to program "readiness" using a checklist by Country Leads and Monitoring Unit following grant approval is proposed to reduce implementation delays
Status	Under development
Action 2	During the proposal development stage, precisely define objectives and targets and a realistic timeline for implementation.
Update	• Clearer guidance provided in revised ESPIG Guidelines
Status	Under development
Action 3	Monitor at risk grants and engage earlier with corrective action including potential cancellation or mandatory reprogramming of grants.
Update	• Monitoring Unit being established to monitor the status of all grants and flags at risk grants to Country Leads for follow-up with SE/ME • Corrective actions are discussed with the SE/ME and government
Status	Under development

Risk	2.1.5 The risk of disruption in GPE activities due to problems in the implementation of the new funding model.
Score	High
Owner	Alice Albright
Action 1	Redesign and strengthen the quality assurance process, including clarifying roles and responsibilities of actors involved (DPC, LEG, SE/ME, Secretariat, CGPC) including stronger focus on fiduciary arrangements.
Update	• Integrated in Quality Assurance Function discussion and into Workstream 1 for the new Strategic Plan • Recruiting Senior Quality Assurance Officer and Senior Finance Officer
Status	Under development

Risk	2.1.6 The risk that a country cannot identify a SE/ME.
Score	High
Owner	Board
Action 1	Implementation of the Eligibility Expansion Plan
Update	• Negotiation of Financial Procedures Agreements with eligible INGOs underway
Status	In progress

Risk	2.2.1 The risk that the Partnership is unable to capture reliable data to monitor and demonstrate performance of GPE grants, activities and ESP.
Score	Critical
Owner	DCPs/SE/ME
Action 1	Develop SPP mechanisms, including minimum reporting requirements capturing key sector and grant level indicators, baselines, and targets and ensure regular reporting of the results.
Update	• A pilot for annual progress reporting with Zanzibar and completion reporting with Rwanda have been started • Discussions are ongoing with partners on common indicators
Status	In progress
Action 2	Improve Secretariat services and processes to support required ESP Implementation Plans and allocate subsequent capacity to report on consolidated sector implementation.
Update	• Discussion on Secretariat support to ESP process on DCP meeting agenda in May • Monitoring tool for Secretariat support to country level processes under development
Status	Under development

Risk	2.23 The risk to GPE that poor performing grants are not all detected and remedied in a timely manner.
Score	High
Owner	CGPC

Action 1	Analyze existing information and data to determine causes for performance issues/risks and define appropriate responses.
Update	• Updated information on risks and mitigation measures should be provided in regular progress reports
Status	Under development

Action 2	Develop minimum standards for capturing key sector and grant information, baselines, and targets. Monitor performance against these targets. Identify corrective action as appropriate and agree on their implementation.
Update	• Discussions initiated with SE/ME partners on common grant program indicators to facilitate aggregation and analysis of program results
Status	Under development

Action 3	Agree on roles and responsibilities with respect to performance and actions that may be taken in cases of non-performance.
Update	• Preliminary Discussion on performance in CGPC retreat (Feb. 2015) • Timeframes policy to be submitted to the Board (May 2015) to also tighten up deadlines for signing and implementing grants
Status	Under development

Action 4	More frequent monitoring of program implementation and frequent country visits.
Update	• Tracking of country missions ongoing; Frequency of country visits steadily increasing
Status	In progress

3.0 FINANCIAL/FIDUCIARY

Risk	3.1.1 The risk that donors fail to deliver on their current funding pledges.
Score	Medium
Owner	Donors
Action 1	Monitor conversion of donor pledges to contributions and the related impact on GPE's financial position through the financial forecast and publicize pledge delivery status on website.
Update	• Update on status of pledges included in Financial Forecast and to be included in end 2014 financial reports due late March 2015
Status	In progress
Action 2	Promote timely signature of Contribution Agreements to maximize pledge conversion (including multi-year contribution agreements)
Update	• Trustee and Secretariat in discussion with multiple donors regarding completion of contribution agreements. 8 out of 18 have signed a contribution agreement by mid-March.
Status	In progress

Risk	3.1.3 The risk that GPE fails to attract alternative sources of funding or additional funding.
Score	Critical
Owner	Board
Action 1	Provide a stronger case for investing in GPE focused on measuring and reporting results and value-added.
Update	• CST is developing a monitoring tool and system focused on six aspects of country level work • Cluster and logbook system in place to monitor country level work
Status	In progress
Action 2	Develop options paper considering forms of ear-marking or funding of special initiatives.
Update	• New Financing Mechanism Paper for discussion with GERF, CGPC and SPC
Status	Under development
Action 3	Private sector engagement strategy.

Update	• Strategy framework developed and approved by the constituency
Status	Under development

Risk	3.1.4 The risk that the GPE Fund has insufficient funds and liquidity to meet its current and planned funding obligations.
Score	Medium
Owner	GERF

Action 1	GERF reviews the Financial Forecast to ensure prudent levels of allocations and recommend mitigation action to the Board if liquidity risks arise.
Update	• Financial Forecast submitted to GERF for April 2015 meeting with recommendations on prioritization of resources
Status	In progress

Action 2	Donors provide flexibility on the timing of their contributions within a given year to meet cash flow needs of GPE Fund.
Update	• Currently not required to date in 2015 but likely to be needed from 2016 onwards
Status	In progress

Action 3	GPE Secretariat explores with donors ways to mitigate the devaluation of local currencies.
Update	• Ongoing dialogue between Secretariat and GPE Fund Donors
Status	In progress

4.0 GOVERNANCE/MANAGEMENT

Risk	4.1.2 The risk that GPE decision making with regard to grants is not made in an efficient and timely manner, therefore having a potentially negative impact on GPE operations.
Score	High
Owner	CGPC
Action 1	Develop a proposal for delegating authority for non-controversial grants approval to CGPC to facilitate a more flexible approach to grant application dates.
Update	• Proposal to streamline grants decision-making process for material changes and accelerated funding, to be discussed at GERF and CGPC April meetings
Status	Under development

Risk	4.1.3 The risk that Board and Management do not systematically take risk into consideration while taking decisions.
Score	Medium
Owner	Board/Committees/Alice Albright
Action 1	Systematically monitor risk and progress on implementing risk mitigation measures and report to the Committees and Board.
Update	• Drafting of the first risk implementation update • Launch of the Risk Dashboard • Development of the Assurance Map
Status	Under development
Action 2	Take risk appetite and risk governance processes into consideration while taking decisions at Board and Management Level. When applicable include a discussion of risk in board papers.
Update	• Ongoing Development of a culture of risk among GPE • Board and all Committee are involved in the risk analysis • A risk analysis is included in all Board/Committee papers
Status	Under development

Risk	4.1.4 The risk that some Board members do not understand their governance responsibilities.
Score	High
Owner	GERF
Action 1	Provide induction, training and support to new Board and committee members
Update	• The first face to face Board Orientation took place end of February 2015
Status	In progress

Risk	4.2.3 The risk that the Secretariat's technical capacity, organizational structure, financial, and human resources are not sufficient to deliver on the responsibilities assigned to it by the Board.
Score	Critical
Owner	Board/Alice Albright
Action 1	Develop an implementable Secretariat work plan with associated timeline and resources.
Update	• Teams are starting to define their work functionally and a full workplan should be completed by start of the new fiscal year, July 2015
Status	Under development
Action 2 & 3	Board to approve additional capacity in areas identified in the organizational review or agree on tasks to be dropped by the Secretariat.
Update	• Alison Evans organizational review assessed the capacity of the Secretariat to deliver on tasks assigned by the Board and addressed capacity issues. The Board approved 14 new positions recommended by Alison Evans report to support more country facing work, monitoring, Quality Assurance, financial oversight and technical anchors. Recruitment in progress.
Status	Completed

ANNEX 4: ASSURANCE MAP

The purpose of the assurance map is to provide a snapshot of how key risks to the Global Partnership for Education are currently managed.

SEC: Secretariat of the Global Partnership for Education
GERF: Governance, Ethics, Risk, and Finance Committee
LEG: Local Education Group
SPC: Strategy and Policy Committee
CGPC: Country Grants and Performance Committee
DCP: Developing Country Partners
SE/ME: Supervising Entity/Managing Entity
Board: Global Partnership for Education Board of Director Assurance Assessment:
Secretariat Assessment of the level of assurance in place
Adequacy of the Assurance : Secretariat Assessment of whether the assurance is adequate or not.

RISK	Source and Type of Assurance Provided	Assurance Assessment	Is the Assurance Adequate	Improvement Actions Planned or Underway
1.13 - The risk that the Partnership is unable to monitor and demonstrate progress on Strategic Plan Objectives.	• **SEC** – Strategy, Policy and Performance Team monitoring implementation of current strategic plan. Review completed in 2014 • **SPC** – Overseeing implementation of existing Strategic Plan • **Board** –Considers Reports of SPC on implementation of existing plan.	High	Partially	• The new strategic plan will include a results framework with indicators, targets and timelines to allow for improved monitoring and demonstration of progress during implementation
	• **SEC –** Strategy, Policy and Performance Team takes account of risk while currently leading development of new plan • **SPC –** Overseeing development of new plan • **Board –** Actively engaged in development of new plan	Low	No	
1.14 - The risk that Board members do not share a common agreement on the mandate of the Board and the Secretariat.	• **Board** - Retreat to consider key strategic issues and direction of GPE • **Board** - Intensive Engagement of Board members in development of new Strategic Plan • **SEC** - Support to Board members, Committee members, and Constituencies to ensure greater understanding and engagement in GPE activities. This includes DCP constituency meetings and Board orientation.	Medium	Yes	• Development of work plan that will be Board endorsed to provide clarity on work of Secretariat and Board • Development of a common results framework for monitoring implementation of the work plan

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RISK	Source and Type of Assurance Provided	Assurance Assessment	Is the Assurance Adequate	Improvement Actions Planned or Underway
1.24 - The risk that GPE processes does not take sufficient account of the level of national capacity and the operating environment, particularly in conflict-affected states.	• **LEG/DCP** – Choice of Managing Entity or Supervising Entity arrangements • **SE/MEs** –take account of the risks during design of the program. • **SEC** – Applies existing policies such as the Operational Framework, Accelerated Funding and Transitional Education Sector Plans, and focuses on this risk during Quality Assurance Review. • **CGPC** –Considers as part of proposal review • Board - ensures Secretariat is adequately resourced, oversees any changes to the operational model as part of strategic planning process, expanded eligibility to increase number and type of SEs/MEs that can operate in fragile and conflict affected states.	Medium	No	• Potential changes to GPE's business model to be addressed as part of Strategic Plan (including consideration of direct funding where appropriate) • Recruitment of additional country facing staff in Secretariat
2.14 - The risk that roles, responsibilities and accountabilities of the GPE Secretariat, LEG, CAs, SEs and MEs in country are not clearly defined, understood and consistently applied.	• **SEC** – Country Level Process Guide outlines key roles and responsibilities at country level while Charter and other Governance documents cover the rest of partnership. • **SE/ME and Trustee**: legal relationship outlined in the Financial Procedures Agreement • **SE and DCP**: legal relationship outlined in Grant Agreements • **Committee**: Committee TORs for all committees • **Board**: Board operating procedures in place • **GERF**: conducts annual review of governance arrangements	Low	No	• Review current situation, identify gaps, define the roles, responsibilities and accountabilities and discuss with GERF and CGPC. CGPC makes proposal to Board on any revisions/changes to roles, responsibilities of actors at country level.
2.21 - The risk that the Partnership is unable to capture reliable data to monitor and demonstrate performance of GPE	• **SE/ME** – include results frameworks to capture grant level targets with each proposal. Reports are provided to the Secretariat in accordance with SE/MEs own reporting procedures	Low	No	• Development of Standard Reporting Information for SE/MEs • Implementation of New Funding Model requirements on Data

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RISK	Source and Type of Assurance Provided	Assurance Assessment	Is the Assurance Adequate	Improvement Actions Planned or Underway
grants, activities and ESP.	• **SEC** – Grants are monitored and reported to the CGPC and Board through the Annual Portfolio Review. Sector performance provided in Results for Learning Report • **DCP/LEG** – Joint Sector Reviews capture performance at sector level in each country and government's sector plan implementation report			
4.23 - The risk that the Secretariat's technical capacity, organizational structure, financial, and human resources are not sufficient to deliver on the responsibilities assigned to it by the Board.	• **SEC** – 2014 organizational review completed and under implementation, annual budget and work plan developed to address the responsibilities assigned by the Board • **Board** – Considers the findings of organizational reviews of the Secretariat and approves resources deemed necessary to fulfill responsibilities	High	Yes	• Continue implementation of findings from organizational review • Conduct a follow up review of the Secretariat's organizational structure upon completion of next Strategic Plan
3.13 - The risk that GPE fails to attract alternative sources of funding.	• **SEC**: Continue to engage with current and potential new donors to reach replenishment targets	Low	No	• Options paper to be developed on different financial mechanisms for attracting new funding sources
3.21 - The risk that significant GPE funds are diverted from their intended purpose through fraud or other forms of misuse.	• **DCP**: Implementing partners use their own systems and procedures to prevent and detect misuse of funds. • **LEG**: All GPE partners are required to be alert to the potential for misuse and report suspected cases • **SE/ME**: Applies their own policies and procedures in relation to misuse of funds while managing GPE Funds and complies with legal requirements in the Financial Procedures Agreement requiring that funds be repaid if	Med	Partially	• Strengthened Quality Assurance and Monitoring of Grants to be developed and adopted by GPE Secretariat, including recruitment of additional financial management specialists.

RISK	Source and Type of Assurance Provided	Assurance Assessment	Is the Assurance Adequate	Improvement Actions Planned or Underway
	misused and conditions in grant agreements include clauses for repayment if funds are misused by third parties • **SEC:** Oversees application of "Misuse of Funds Policy" and liaises with relevant partners on suspected cases of misuse and considers the risk during Quality Assurance Reviews of funding proposals. Ensures completion of capacity assessments for SE/MEs other than Multilateral and Bilateral Agencies. Links to fraud reporting hotlines on GPE website. • **GERF**: Ensures that this risk and relevant mitigation measures are appropriate through semi-annual reviews and updates on the risk management matrix. Reviews the findings of capacity level assessments for potential new SE/MEs and makes recommendations to the Board • **Board:** Is informed of suspected or actual misuse cases and may take corrective action such as cancelling an allocation where necessary. Responsible for ensuring risk management is appropriate. Has adopted minimum standards for new SE/MEs to be considered eligible to receive GPE Funds and is responsible for approving these entities after recommendation from the GERF. • **Other:** Respective Internal and External oversight and audit functions of the World Bank are applied to the Secretariat operations and where the World Bank acts as SE (approximately 70% of grants). The internal and external oversight and audit functions of other SEs/MEs apply when they are recipients			• Review of all SE/MEs against minimum standards • Misuse of Funds Policy to be reviewed and updated as required.

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