RISK MANAGEMENT REPORT # 6 – REPORT FROM THE FINANCE AND RISK COMMITTEE

For Decision

Please note: Board papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are not public documents until the Board has considered them at the Board meeting. It is understood that constituencies will circulate Board documents among their members prior to the Board meeting for consultation purposes.

1. STRATEGIC PURPOSE

1.1 The purpose of this paper is for the Board of Directors to review the overall Global Partnership for Education (GPE) risk portfolio based on the recommendations of the Finance and Risk Committee (FRC), the Secretariat's analysis, and input from the Strategy and Impact Committee (SIC), Grants and Performances Committee (GPC), and Governance and Ethics Committee (GEC).

1.2 Information on implementation of the Operational Risk Framework (ORF) is provided in BOD/2017/12 DOC 06.

Summary of FRC, SIC, GPC and GEC Committees Deliberations

• **(1.1.2) Monitoring of the Strategic Plan.** *Residual risk rating increased from low to medium.* ⇨ While the Secretariat can monitor the Strategic Plan, SIC believes it is too early to demonstrate progress on strategic plan objectives, due to the data challenges. Thus, it is proposed to reflect this challenge in the residual risk rating, by raising the risk to "medium".

• **(1.1.6) Complementarity/Alignment with IFFEd.** *Residual risk rating remains critical.* ⇨ The FRC noted the Secretariat's recommendations to lower this risk to "'high" based on progress made post June Board meeting. However, the FRC felt there were still significant issues to be resolved before the risk could be lowered. The FRC stressed the importance of coordination and information sharing by GPE donor partners.

• **(1.1.7) Foundations Strategy.** *Residual risk rating is medium for this new risk.* ⇨ The SIC suggests a medium risk rating, pending its approval by the Board. It further suggests this risk be examined closely at the next review, as the approval of the Foundations Strategy will necessitate a change in the wording to focus on risks related to "implementation" rather than the current reference to the "absence" of a strategy. Should the strategy be approved by the Board, the SIC stresses that the residual risk rating will likely increase when the risk addresses implementation. Different mitigation actions will then be required to mitigate the risk.

• **(1.1.8) Private Sector Strategy.** *Residual risk rating is high for this new risk.* ⇨ The Private Sector Strategy and the Foundations Strategy have been assessed separately to reflect that those are two different strategies thus exposed to different risks. Some members of the FRC pointed out that dividing the Private Sector and Foundations constituency, should it be the next step, could add new risks. Members also suggested that the GEC considers the creation of any new constituency as part of a broader review of overall constituency arrangements post replenishment as the proposed expansion of developing country partners from 65 - 89 and the current number of members of the CSO2 constituency may also need to be factored into this. The SIC has added a new mitigation measure to specify that, in the absence of a risk management plan specific to the Private Sector Strategy, the existing *Corporate Engagement Principles* and the *Policy on Conflicts of Interest* help to mitigate this risk.

• **(1.2.3) Domestic Financing Risk.** *Residual risk rating decreased from critical to high.* ⇨ The FRC notes the risk has decreased based on current information in the results report and operational risk framework but notes that close vigilance is warranted. The FRC has amended a mitigation action for the Secretariat's CEO with regards to the engagement with relevant political authorities, and not just Ministry of Finance. The FRC also stresses the need to make maximum use of the Financing conference in Dakar with respect to developing countries partner (DCPs) pledges. The formulation of the risk around the 20% figure may also need to change in the future pending the outcome of the SDG4 working group deliberations.

• **(2.1.3) Choice of Grant Agents.** *Residual risk rating decreased from critical to high.* ⇨ The FRC welcomes the addition of new Grant Agents but stressed that more needs to be done in this area, particularly to expand the number and use of bilateral agencies. FRC also flags that the circumstances for having more than one Grant Agent in a country should also be considered carefully to ensure the expected benefits justified such an approach. With regards to the capacity of grant

agents, the Secretariat ensures minimum standards are met before approving of a grant agent. Additional mitigation actions have been added to the matrix based on Committee input.

• **(2.3.2) Programme Implementation Timeline.** *Residual risk rating remains medium.* ⇨ The GPC notes that the residual risk rating remains medium. There is, however, evidence that this risk is dropping, as reflected in the direction of travel which is seen as "improving". The Committee noted that progress has been made with GPC now carefully considering proposed implementation periods and recommending longer ones, as deemed appropriate based on context. The GPC would like to draw the Board's attention to this risk and raise the question on longer grant implementation periods.

• **(3.1.1) Donor Pledges.** *Residual risk rating decreased from high to medium.* ⇨ The FRC notes the reduction is related to existing pledges, and so suggests this risk be examined closely at the next review to consider pledges made at the GPE Financing Conference in Dakar, with attention given to the nature and the consistency of pledges (in particular how to treat the risk of earmarked/conditional pledges).

• **(4.1.2) Risk Management.** *Residual risk rating remains medium.* ⇨ The FRC regrets that the review of GPE current risk management policies and practices has not been completed. The review and benchmark will be conducted when the Risk and Compliance team is in place by Q1 2018. The Secretariat is considering hiring an external firm to help the review process. The FRC stresses the need to improve the way risks are presented (including visuals, correlations between risks, leverage of a mitigation actions on other risks, etc.).

• **(4.2.3) Secretariat Capacity.** *Residual risk rating remains high.* ⇨ The FRC noted that the Secretariat proposed a change in this rating to critical given the extent of the recommendations outlined in the Human Resources Plan. The FRC believe it appropriate to await the outcome of the Board's deliberations on the Plan before considering a change in rating.

2. EXECUTIVE SUMMARY

- The Risk Matrix covers key risks at the corporate or portfolio level, while the ORF examines risk on a country-by-country, and grant-by-grant basis (BOD/2017/12 DOC 06- Annex 1). The matrix is updated on a semi-annual basis.
- For the latest review of the Risk Matrix, the Secretariat has focused on the suggested areas and issues identified by the Board at its last meeting in Ottawa (June 2017), updating the status of current mitigation actions and identifying future actions and deliverables that would be required to help drive risk down to an appropriate Target Risk Level.
- For this review of the Risk Matrix (Annex 1), the Secretariat proposes limited adjustments to the risk Matrix at this stage to (a) update mitigation actions and (b) adjust residual risk assessments. The input of the various Committees has been received and incorporated in the mitigation actions and updates to residual risk assessments as appropriate.
- The Secretariat's assessment of risk is that the current list of risks outlined in the risk matrix are correct, and that one risk needs to be divided into two distinct risks, thus adding one new risk to the matrix. Of the 35 Risks proposed in the Matrix, 29 have lower risk scores than their inherent risk rating (i.e. the risk rating if mitigation actions were not applied) which is positive and shows that the mitigation actions applied are having an impact. Only 6 risks meet the current target risk ratings (i.e. the level of risk that should be acceptable for each risk), indicating that significant additional work is required. Of the 35 Risks, 2 are rated as "Critical" down from 4, and 12 are "High" after mitigation actions are applied.
- The Private Sector Strategy and the Foundations Strategy have been assessed together in previous assessments under risk *(1.1.7) Private Sector and Foundations Strategies*. In the current assessment, the risk (1.1.7) "Private Sector and Foundations Strategies" is divided in two distinct risks as follow: (1.1.7) "Foundations Strategy" and (1.1.8) "Private Sector Strategy", to reflect those are two different strategies thus exposed to different risks. The Foundations Strategy is on track for approval by the Board in December 2017; hence the Secretariat proposes a medium residual risk rating pending its approval. The Private Sector Strategy is being developed and is seen as presenting a higher level of risk; hence the Secretariat proposes a high residual risk rating.
- Residual risk ratings have decreased for 5 risks, indicating that mitigation actions are having a positive impact or that the situation itself has evolved resulting in a lower assessment of risk. Among those 5 risks, the residual risk rating is reduced from "critical" to "high" for 2 risks, and from "high" to "medium" for 3 other risks. The residual risk rating of only 1 risk has increased, with respect to the monitoring of the Strategic Plan (1.1.2). The risk that the partnership is unable to monitor and demonstrate progress on strategic plan objectives is upgraded from "low" to

"medium". While the Secretariat is able to monitor the Strategic Plan, the SIC believes it is too early to demonstrate progress on strategic plan objectives, due to the data challenge. Thus, it is proposed to reflect this challenge in the residual risk rating, by raising the risk to "medium".

- The Secretariat is currently finalizing the development of its risk management functions. A risk analyst has been brought on board in September 2017. A review and benchmark of the current risk policy and practices will be conducted when the Risk and Compliance team is in place by Q1 2018, with the aim for any major changes to be considered by the FRC and Board at the next semi-annual review. The Secretariat also considers hiring an external firm to ensure the review will not be further delayed.

3. RECOMMENDED DECISION

3.1 The Finance and Risk Committee recommends to the Board to approve the following decision:

BOD/2017/12-XX—Risk Management Report: The Board of Directors:

1. Endorses the changes to the Risk Matrix, including modification of risks, revisions to the overall score of some risks, update on current mitigations actions and addition of future mitigation actions, as presented in BOD/2017/12 DOC 06 Annex 1.

2. Requests the Secretariat to review the Risk Management Policy, including further clarification of the risk ownership and to report back to the Finance and Risk Committee by April 2018.

4. BACKGROUND

4.1 In December 2014 (BOD/2014/12-03), the Board adopted the Risk Policy and endorsed the Risk Management Matrix with the understanding that it will be reviewed and revised semi-annually by the Secretariat and submitted for evaluation to the Finance and Risk Committee and any material changes will be reported to the Board".

4.2 Per the Policy on Risk Management and related Risk Matrix, the Finance and Risk 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 to contribute to the mitigation of all financial, fiduciary risks related to its mandate.

4.3 In June 2016, the Board also approved the creation of an Operational Risk Framework that focuses on risk on a country-by-country, and grant-by-grant basis. The latest update is provided in a separate document (BOD/2017/12 DOC 07).

4.4 During its meeting in June 2017, the Board endorsed the changes to the Risk Matrix (BOD/2016/12 DOC 06), including the addition of some new risks, modification of risks, revisions to the overall score of some risks, update on current mitigation actions and addition of future mitigation actions. During its discussion, the Board noted that the risk matrix should ensure risks related to the impact of the Financing and Funding Framework (FFF) and the findings of the Results Report are appropriately considered.

4.5 The Secretariat originally intended to conduct a full review of the Risk Management Policy, including further clarification of the risk ownership by December 2017 when dedicated risk management specialists would be in place. However, only one of the two positions has been filled, with the second position delayed as the selected candidate declined an offer. This has resulted in the need to request a postponement of the review and benchmark of the current risk policy and practices until 2018, which was agreed to by the Coordinating Committee. The review will be conducted when the Risk and Compliance team is in place by Q1 2018, with the aim for any major changes to be considered by the FRC and Board at the next semi-annual review. The way the risks are presented will be reviewed as well, with particular attention to visuals, correlation between risks, leverage of a mitigation actions on other risks, etc. The Secretariat also considers hiring an external firm to help the review process. The FRC further stresses the need to improve the way risks are presented (including visuals, correlation between risks, leverage of a mitigation actions on other risks, etc.)

5. METHODOLOGY

5.1 The Risk Matrix (Annex 1) contains a "Severity Chart" that outlines the relationship between probability of a risk occurring and the impact of that risk if it occurred to determine a risk rating. (i.e. where probability is unlikely and impact is low would produce an overall "Low" risk rating). The Matrix outlines each risk along with current, and additional mitigation actions required. In reviewing each risk and the mitigation measures being implemented, the Secretariat considers the impact, probability and overall score of each risk and the Target Risk. The Target Risk describes how much risk the Board is willing to accept to reach objectives. This will inform the Board Tolerance for each specific risk and will help to define management's "risk appetite". Target risk helps to ensure that risks are not over or under managed, and that financial and human resources are allocated effectively.

5.2 The Matrix also includes the future direction of travel foreseen for the upcoming months. The future direction of travel indicates whether the risk rating is likely to change by the time of the next assessment based on the implementation of planned mitigation actions and/or other factors that may impact the assessment of risk. Three symbols are provided to indicate the future direction of travel; these are improving as the risk rating is likely to be lowered (i.e. from High to Medium), deteriorating as the risk rating is likely to be increased (i.e. from High to Critical), or stable to indicate no change in rating expected. Finally, the Matrix includes an analysis of Inherent Risk, which is the level of risk before mitigation actions and controls are applied.

5.3 The inclusion of Inherent, Residual, and Target risk is intended to allow the reviewer understand the risk prior to mitigation and controls, after existing mitigation actions are applied, and the target level of where risk would be acceptable and the associated additional mitigation actions required to move the risk towards the target level.

6. OVERALL ANALYSIS

6.1 The Secretariat proposes taking into consideration input from the various Committees limited adjustments to the risk Matrix at this stage to (a) update mitigation actions and (b) therefore adjust residual risk assessments.

6.2 Among some of the key mitigation actions that have helped to either reduce certain risk ratings or better mitigate the risks include the impact of a strengthened quality assurance process over the last year which is helping to reduce the risk of poor quality grants failing to be detected and/or remedied prior to approval, engagement with the Education Commission on the issue of Pioneer Countries and IFFEd where there is now better clarity on the link between the two, issues of eligibility, and matters related to implementation timelines. The use of data from the results report and from the operational risk framework is also giving a more nuanced picture of risks across the portfolio, with some progress made on the risks related to domestic finance.

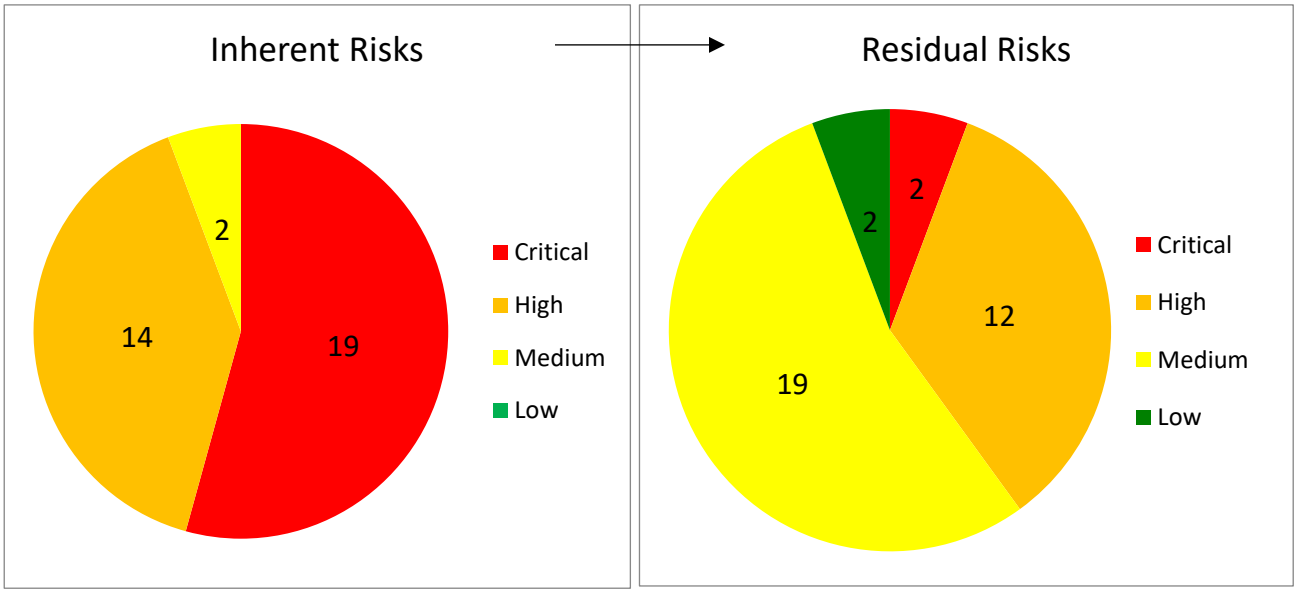
6.3 The Private Sector Strategy and the Foundations Strategy have been assessed together in previous assessments under risk (1.1.7) “Private Sector and Foundations Strategies”. The Secretariat proposes to divide the risk (1.1.7) “Private Sector and Foundations Strategies” into two separate risks as follow: (1.1.7) “Foundations Strategy” and (1.1.8) “Private Sector Strategy”, to reflect those are two different strategies thus exposed to different risks. The Foundations Strategy is on track for approval by the Board in December 2017; hence the Secretariat proposes to downgrade its residual risk rating from “high” to “medium” compared to the previous assessment pending its approval by the Board. The Private Sector Strategy is currently being developed and is seen as presenting a higher level of risk; hence the

Secretariat proposes to maintain the residual risk rating at a "high" level, similar to the previous assessment.

6.4 With regards to the newly created Foundations Strategy risk (1.1.7), the SIC believes it should be examined closely at the next review, stressing that the wording should be amended when the strategy is in place to focus on "implementation", as it currently refers to the "absence" of a strategy. Should the strategy be approved by the Board, the SIC stresses that the residual risk rating will likely increase when the risk addresses implementation. New appropriate mitigation actions will then be required to mitigate the risk. Furthermore, the FRC noted that a proposed mitigation action concerning a potential division of the Private Sector and Foundations constituency, should it be the next step, could add new risks. Thus, the creation of any new constituency may wish to be considered by the GEC and Board as part of a broader review of overall constituency arrangements post replenishment.

6.5 Over the next 6-12 months, the finalization of design issues related to the Financing and Funding Framework, implementing the recommendations from the HR plan on the changes the Secretariat needs to make in how it works, and where it needs to invest in capacity (e.g. such as support for education sector analysis and planning), combined with securing a successful replenishment outcome will be key for further reductions in risk ratings.

Residual Risk Assessment



6.4 Of the 35 Risks, 2 are rated as "Critical" and 13 are "High" after mitigation actions are applied (residual risks).

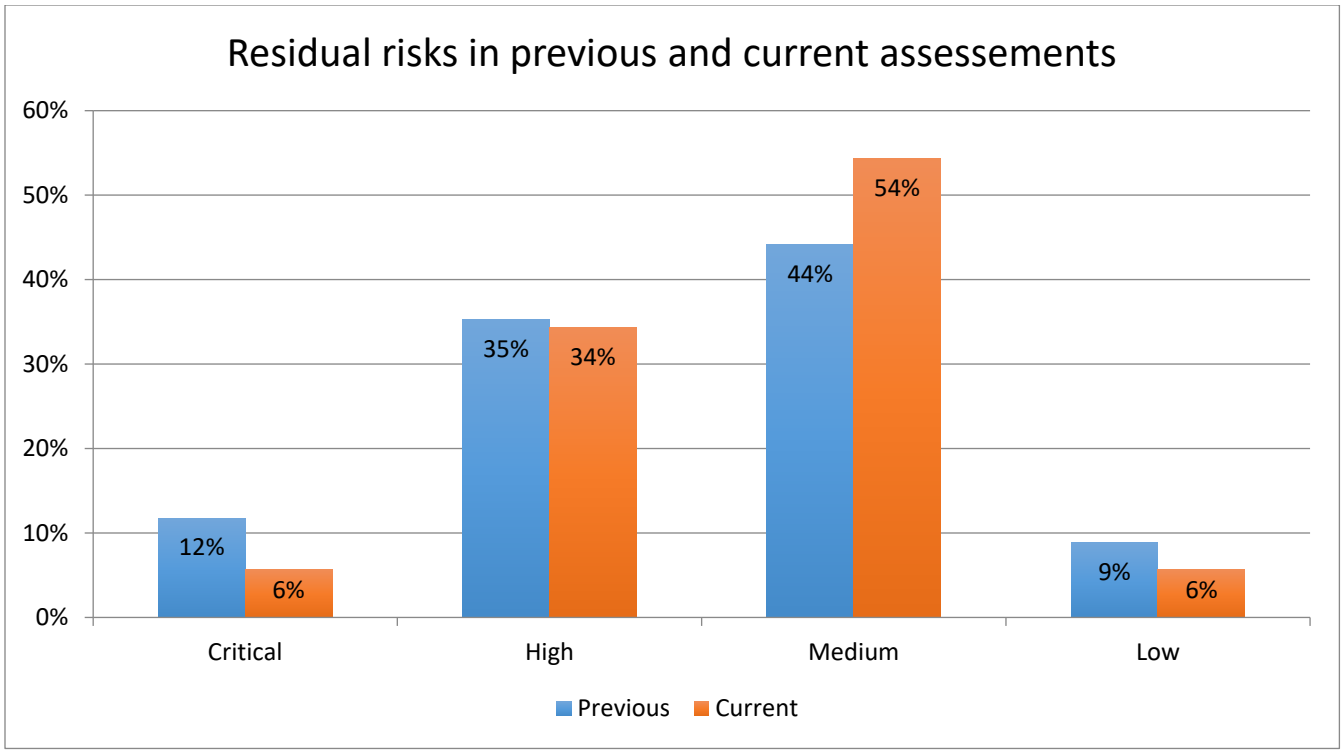
The two critical risks relate to:

- 1.1.6 Complementarity/alignment with IFFEd. The risk that GPE and the Education Commission's International Financing Facility for Education are not complementary and aligned and therefore negatively impact the replenishment and potentially the effectiveness on global education financing.
- 2.3.3 Program Implementation Modality. The risk that by not using government systems where suitable, GPE will not realize sufficient progress in strengthening systems.

While the 12 high risks include:

- 1.1.8 Private Sector Strategy / 1.2.3 Domestic Financing. / 2.1.1 Roles, Responsibilities and Accountabilities at Country Level. / 2.1.2 GPE Funding Model. / 2.1.3 Choice of Grant Agents. / 2.2.2 Quality Assurance Process (Education Sector Plans). / 2.3.4 Grant Management. / 2.4.2 Quality Data (Education Sector Plans). / 3.1.3 Strategic Financing and Resource mobilization. / 3.1.5 Foreign Exchange movements. / 3.2.1 Fraud and Misuse / 4.2.3 Secretariat Capacity.

6.5 Of the 35 Risks proposed in the Matrix, 29 have lower risk scores than their inherent risk rating (i.e. the risk rating if mitigation actions were not applied) which is positive and shows that the mitigation actions applied are proven efficient and are having an impact. However, only 6 risks meet the current target risk rating (i.e. the level of risk that should be acceptable), indicating that significant additional work is required. While significant mitigation actions have taken place, and are continuing, this alone has not been sufficient to reduce the probability and/or impact of a risk occurring.



6.6 While only 6 risks meet their target risk rating, this figure must be read in conjunction with the decrease of residual risk ratings for 5 risks. It indicates that mitigation actions have proven effective between the previous assessment and the current assessment, and highlights the risks are moving in the right direction toward achieving their target risk ratings. The number of risks in the category "critical" has been reduced with only 2 risks remaining in that category.

6.7 Among those 5 risks, residual risk ratings are reduced from "critical" to "high" for 2 risks:

- (1.2.3) Domestic Financing. The risk that GPE Developing country partners which apply for an ESPIG fail to increase their public expenditure or maintain expenditure at 20% or above. This risk has been reduced taking into account the positive findings from GPE results report, and slight improvements in the operational risk assessments, close vigilance is warranted. The Financing conference in Dakar should be used as a venue with respect to developing countries partner (DCPs) pledges. The formulation of the risk around the 20% figure may also need to change in the future pending the outcome of the SDG4 working group deliberations.
- (2.1.3) Choice of Grant Agents. The risk that a country cannot identify a grant agent suited to the purpose for the country context. This risk has been lowered considering further expansion in the choice of Grant Agents with three International NGOs expected to be added to the list of active grant agents shortly. However, more need to be done in

this area, particularly to expand the number and use of bilateral agencies. The circumstances for having more than one Grant Agent in a country should also be considered carefully to ensure the expected benefits justified such an approach. With regards to the capacity of grant agents, the Secretariat ensures minimum standards are met before approving of a grant agent. Additional mitigation actions have been added to the matrix for the Secretariat to perform resource analysis of prospective grant agents.

6.8 Among those 5 risks, residual risk ratings are reduced from "high" to "medium" for 3 risks:

- (2.2.1) Quality Assurance (Grants). The risk that quality assurance processes do not always detect poorly designed programs/grants at country level (in terms of both substance and oversight) and ensure they are remedied. Significant effort has been made at both strengthening the Secretariat's QAR processes along with efforts by the GPC.
- (3.1.1) Donor Pledges. The risk that donors fail to deliver on their current funding pledges within the replenishment period. Based on current assessment of donor pledges as we come to the end of the replenishment period, it is deemed unlikely that there will be any failure to deliver on expected contributions. This risk should be examined closely at the next review to consider pledges made in Dakar, with attention given to the nature and the consistency of pledges (in particular how to treat the risk of earmarked/conditional pledges).
- (1.1.7) Foundations Strategy. The risk that the absence of the Foundations Strategy could result in misalignment with current partnership processes, engagement and prevent current work (i.e. FFF) from progressing. The Foundations Strategy is on track for approval by the Board in December 2017. The Constituency is currently providing comments and it will go to SIC for final approval by mid-October 2017. The update of this residual risk rating must be read in conjunction with the proposition of the Secretariat to divide the risk (1.1.7) "Private Sector and Foundations Strategies" into two separate risks: (1.1.7) "Foundations Strategy" and (1.1.8) "Private Sector Strategy", to reflect those are two different strategies thus exposed to different risks.

6.9 For one risk, the probability of risk has increased from "possibly" to "likely", but the risk rating remains "medium" as per the severity chart. This risk is related to the Secretariat Institutional Arrangement (4.2.2): the risk that the GPE institutional arrangement has a negative impact on its ability to achieve GPE strategic objectives. The adjustment relates to the potential challenge of operationalizing the KIX and ASA mechanisms under current Grant Agent eligibility rules, and based on World Bank

procurement requirements. The broader dialogue on institutional arrangements may result in the need to closely examine this risk at the next review.

6.10 The direction of travel, which indicates whether the risk rating is likely to change by the time of the next assessment based on the implementation of mitigation, has changed from "stable" to "improving" for 2 risks:

- (2.3.2) Program Implementation Timeline. The risk that grant objectives are not achieved within the expected implementation period. While the residual risk rating remains medium, there is however evidence that this risk is dropping, as reflected in the direction of travel which is seen as "improving". Progress has been made with GPC now carefully considering proposed implementation periods and recommending longer ones, as deemed appropriate based on context.
- (3.1.3) Strategic Financing and Resource mobilization. The risk that GPE fails to demonstrate its added value and attract new and additional funding in the context of the upcoming replenishment. While the outlook based on replenishment activities to date is positive, it will not be possible to adjust the risk rating downwards until after the results of the GPE Financing conference are known.

6.11 One residual risk rating has increased, with regards to monitoring of the Strategic Plan (1.1.2). The risk that the partnership is unable to monitor and demonstrate progress on strategic plan objectives is upgraded from "low" to "medium". While the Secretariat is able to monitor the Strategic Plan, it is too early to demonstrate progress on strategic plan objectives, due to the data challenge. Thus, it is proposed to reflect this challenge in the residual risk rating. With regards to the data challenge, the matrix includes two additional risks that capture specifically this challenge (risk 2.4.1 on data quality for grants and risk 2.4.2 on data quality for Education Sector Plans). The Secretariat has strengthened its data requirements for grants, requiring partner countries to use GPE funding to meet them if not in place and no other source available. An improved focus on data will be critical to demonstrate progress on strategic plan objectives in the medium to long term.

7. NEXT STEPS

7.1 Following the Board meeting in December, and the finalization of the risk management functions in the Secretariat, the Secretariat will (a) continue to implement and monitor the mitigation actions outlined in the risk Matrix, and (b) conduct a comprehensive review of the risk policy and practices to

report back to the Committees in order to propose improvements and to prepare the next update to the Board in June 2018.

8. PLEASE CONTACT: Padraig Power (ppower@globalpartnership.org), Matthew Smith (mdsmith@globalpartnership.org) and Anne Joncheray (ajoncheray@worldbank.org) for further information.

9. ANNEX AND ADDITIONAL INFORMATION

Annexes:
1. Risk Matrix
2. Comparison between previous and current risk assessments
3. Acronyms

References:
- Risk Management Report #6 (BOD/2017/06 DOC 06)
- Risk Management Policy

ANNEX 1 – GPE RISK MATRIX, OCTOBER 2017

SEVERITY CHART

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

IMPACT

Severe: The risk will cause the objective to not be achieved, causing serious damage to GPE's ability to carry out its work and reputation.
Major: The risk will cause major elements of the objective to be delayed or not achieved, causing likely damage to GPE's ability to carry out its work and to its reputation.
Moderate: The risk will cause some elements of the objective to be delayed or not be achieved, causing potential damage to GPE's ability to carry out its work and to its reputation.
Minor: The risk will not substantively impede the achievement of the objective, causing minimal damage to GPE's ability to carry out its work or to its reputation.

PROBABILITY

Very Likely: The risk is seen as certain to occur within the next three years.
Likely: The risk is seen as likely to occur within the next three years
Possible: The risk is seen as possibly occurring within next three years
Unlikely: The risk is seen as unlikely to occur within the next three years

DEFINITIONS

Inherent risk: The risk that GPE faces prior to any mitigation efforts, before internal or other controls.

Residual risk: The level of risk remaining after reasonable mitigation efforts have been applied.

Target risk (risk appetite and risk tolerance for a specific risk): The amount of risk that management is willing to accept to reach objectives, which helps define management's "risk appetite." Target risk helps to ensure that risks are not over- or under-managed, and that financial and human resources are allocated effectively.

Mitigation actions: These should be as **s**pecific, **m**easurable, **a**chievable, **r**ealistic and **t**ime-bound (SMART) as possible. There is a requirement to measure progress with mitigating actions and to highlight for management where mitigating actions are off track. If the mitigating action is an ongoing, recurrent action/control, consideration should be given to whether this needs to be reported in the risk register.

Six-Month Trend/Direction of Travel: Indicates whether the risk rating is likely to change by the time of the next assessment (every six months) based on the implementation of planned mitigation actions and/or other factors that may affect the assessment of risk. Three symbols are provided to indicate the future direction of travel:

- **Improving**, as the risk rating is likely to be lowered (e.g., from High to Medium).
- **Deteriorating**, as the risk rating is likely to be increased (e.g., from High to Critical).
- **Stable** to indicate that no change in rating is expected.

1.0 STRATEGIC RISKS

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
1.1 Strategy and Policy								
1.1.1 Implementation of the Strategic Plan SIC The risk that the Board and management have not developed a realistic and achievable implementation plan and clarified partner commitments to support the achievement of strategic plan goals and objectives.	Major Very Likely	• Board: Multiyear strategic plan implementation is updated and agreed by the Board annually. • Board: Results framework, including targets, adopted by the Board in Dec 2015. • Mutual Accountability included in Charter. • Contribution and Safeguard Policy adopted in March 2017.	Major Unlikely	Stable	• HR planning process considers the strategy and policy, corporate planning and other capacity needs of the Secretariat. • GPE Board approves a budget and a work plan for the Secretariat that provides necessary resources and focus for implementation of the strategic plan. • Secretariat developed and Board reviews the Secretariat (as part of HR plan). • Secretariat/Board: increase focus on branding and visibility at global and country level to be able to demonstrate results; integrate results in communication material. • SIC/Secretariat: identify and address potential tensions with GPE core principles in the design of the private sector strategy.	Dec. 2017/June 2018 FY 2018 FY 2018	Major Unlikely	5c
1.1.2 Monitoring of the Strategic Plan SIC The risk that the partnership is unable to	Major Very Likely	• Board: Approved the strategic plan in Dec 2015, which includes a Theory of Change, a results framework with indicators, targets and timelines to allow for improved monitoring and	Major Possible	Improving	• Secretariat: Online results framework data storage and retrieval system fully functional, for improving information systems to support monitoring and	June 2018	Major Unlikely	5e 2b 3a 5c

[1] Risk before reasonable controls are applied.
[2] Evaluated by Secretariat. For Board approval, December 2017.
[3] Evaluated by Secretariat. For Board approval, December 2017.

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
monitor and demonstrate progress on strategic plan objectives.		demonstration of progress during implementation. • M&E Strategy approved and proposed evaluations underway. • Committee (SIC): makes recommendations to the Board on adjustments to results framework and to the monitoring and evaluation strategy. • Secretariat: Prepared annual results report to provide the basis for making annual adjustments to the strategic plan based on progress and to enhance mutual accountability. • Secretariat: prepares management response to the Results Report detailing actions to be taken to stay on track to achieve agreed targets.			reporting on the results framework. • Dissemination of results to all partners (including at the country level) to improve mutual accountability.	Onward		
1.1.3 Knowledge and Innovation Exchange (KIX) SIC The risk that the partnership fails to leverage the global and cross-national knowledge and innovation exchange for improved education policies and systems and a stronger aligned partnership at the national level.	Major Likely	• Funding proposals completed and approved for A4L, BELDS and CIFF. • Funding for GPE KIX Strategy considered as part of the Financing and Funding Framework. • Private Foundation and Private Sector strategies shape. partnerships and financing for KIX. • Oversight of KIX thematic prioritization and design by SIC. • Secretariat/SIC/Board: design the Knowledge and Innovation Exchange mechanism. • At least three KIX initiatives conducted with country levels actors as pilot initiatives.	Major Possible	Improving	• Secretariat/SIC/Board: design the Knowledge and Innovation Exchange mechanism. • Secretariat: Ensure that design of KIX initiatives explicitly links global and regional activities to country-level work and with advocacy and DCP south - south learning work. • Secretariat: Ensure that consultations are held with all GPE constituencies, especially DCPs, as KIX design unfolds. • Secretariat: Ensure all GPE Secretariat teams input to the design process of KIX. • Secretariat: Ensure that external vendor supports the analytics and design of KIX.	Dec. 2017 Onward 2018 Ongoing	Major Unlikely	1b 5b

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
		• Secretariat: Monitoring GRA progress and evaluation by 2018.			• Secretariat: Ensure sufficient capacity and coordination on KIX between secretariat and teams. • KIX mechanism and strategy approved by Board in December 2017. • Annual report on GRA activities.			
1.1.4 Advocacy and Social Accountability SIC The risk that uncertainty undermines the continuity of civil society and teaching profession engagement while designing new mechanisms.	Major Likely	• Board: approved the establishment of an advocacy and social accountability mechanism in March 2017. • Implementation of Board approved transparency policy. • Additional advocacy staff recruited following December Board approval of additional full time staff in December 2016. • Ongoing monitoring and support of CSEF program.	Major Possible	Stable	• Secretariat/SIC/Board: design of the advocacy and social accountability mechanism. • Secretariat/SIC: design new mechanisms for successor to CSEF and consider shifting the timing until after the CSEF evaluation. • LEG: promote linkages between the different country level activities funded by GPE to avoid fragmentation at country level. • Secretariat: ensure sufficient capacity and coordination between secretariat and team.	June 2018 Oct. 2018 Ongoing	Major Unlikely	
1.1.5 Complementarity/alignment with ECW Board The risk that GPE and Education Cannot Wait (ECW) are not complementary and aligned and therefore negatively impact the replenishment and potentially the	Major Very Likely	• Secretariat: ongoing coordination with Education Cannot Wait, including at country level, and regular report to the Board. • Participation in HLSG by GPE Board Chair. • Participation in Exec. Committee of ECW by Secretariat. • Participation in joint missions.	Major Possible	Stable	• Secretariat: engagement with external consultants for ECW hosting review process for High Level Steering Group decision. • Secretariat: representatives assigned to newly created ECW task teams. • GPE/ECW/Ed. Commission: Need for better clarity in communications on the issue of complementarity and added value between GPE/ECW/IFFEd.	Dec. 2017 Oct. 2017	Major Unlikely	

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
effectiveness on global education financing.								
1.1.6 Complementarity/alignment with IFFEd Board The risk that GPE and the Education Commission's International Financing Facility for Education are not complementary and aligned and therefore negatively impact the replenishment and potentially the effectiveness on global education financing.	Severe Likely	• Chair/Secretariat: contribute to the Education Commission Work, Secretariat participated in a design workshop (September 2017). • ED Commission presented to Board (June 2017). • Secretariat: Actively worked with Commission staff on "Pioneer Countries" to avoid duplication/confusion at country level and clarified with ED Commission that IFFEd will not operate in low income countries. • Commitments from ED Commission to not actively fundraise for IFFEd in advance of GPE replenishment and greater clarity obtained on eligibility and timeline.	Severe Likely	Stable	• GPE/ECW/Ed. Commission: There is a need for better clarity in communications on the issue of complementarity and added value between GPE/ECW/IFFEd. • GPE and IFFEd to continue dialogue on implications for country operations where eligibility may overlap. • GPE Donors: Actively coordinate and share information related to IFFEd using the donor group, to ensure all GPE donors have the same level of understanding.	Ongoing Ongoing	Major Unlikely	
1.1.7 - Foundations Strategy SIC The risk that the absence of the Foundations strategy could result in misalignment with current partnership processes, engagement and prevent current work (i.e. FFF) from progressing.	Major Likely	• Board: Agree to roadmap for GPE Engagement with the Foundations in March 2017. • Secretariat: Develop the Foundations strategy to be presented in December 2017.	Major Possible	Stable	• SIC: Review draft strategy by end of October 2017. • Secretariat/PF Constituency: Consultation on draft strategy is held between GPE Secretariat and members of the PF Constituency. • Secretariat: Ensure Foundations strategy incorporates feedback from SIC, Private Foundations constituency and is aligned with various related work streams that target collaboration with foundations.	Oct. 2017 Oct. 2017 Nov. 2017	Major Unlikely	

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
					• Board: Approve Private Foundations Strategy in December 2017. • Ensure sufficient resources to implement the strategy once developed.	Dec. 2017 2018		
1.1.8 - Private Sector Strategy SIC The risk that the absence of the Private Sector and Foundations strategies could result in misalignment with current partnership processes, engagement and prevent current work (i.e. FFF) from progressing.	Major Likely	• Board: Agree to roadmap for GPE Engagement with the Private Sector in March 2017. • Secretariat: Develop phase 1 of Private Sector Strategy to be presented in December 2017 and broader Private Sector Strategy 2020.	Major Likely	Stable	• Secretariat: Work with partners such as GBC Ed to strengthen and support the private sector constituency and to support GBC Ed's participation on the GPE Board. • Secretariat to ensure that the phase 2 full strategy will be developed on time. • Board: Approve full Private Sector Strategy in Dec. 2018. • Secretariat: Conduct a review of Board constituencies, including to consider establishing a separate PS constituency. • In the absence of a risk management plan specific to the Private Sector Strategy, the existing Corporate Engagement Principles and the Policy on Conflicts of Interest mitigate this risk.	Ongoing Dec. 2018 Dec. 2018		
1.2 Support to the Education Sector in Developing Countries								
1.2.1 Support to Education Sector Plans GPC The risk that the Partnership does not leverage its capacities to	Major Likely	• Secretariat/Partners: Guidelines for transitional plan preparation being utilized. • Secretariat: Guidelines for ESPDGs completed. • Secretariat: Working with Countries planning to apply in 2017/2018.	Major Possible	Stable	• Board: Review evaluation of the independent appraisal of ESPs and discuss any modifications needed. • Leveraging DCP meetings to promote peer to peer exchange and capacity development on sector planning.	FY 2018 Ongoing	Major Unlikely	1b 4b

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
support the production of quality ESPs.[4]		• Secretariat: Implementation of the Operational Risk Framework bears out that 4 countries/federal states have critical risk in this aspect, 8 have high risk, 12 medium and 23 have low risk (out of a total of 47 countries/federal states). • Secretariat: Roll out improved quality assurance framework linked to the Operational Risk Framework and increase Secretariat capacity in this area.			• Secretariat: Technical assistance services to develop quality education sector plans based on analytics. • Support DCP capacity building through coordinated support with grant agents. • Secretariat: report on the issues and actions for ensuring Grant Agents, coordinating agencies, and Local Education Groups are operating efficiently and effectively as well as learning from experience to deliver GPE 2020.	Ongoing June 2018		
1.2.2 Support to Education Sector Plans GPC The risk that the partnership does not support planning, financing and monitoring during ESP implementation.	Major Likely	• Secretariat/Partners: Joint sector participation by Secretariat using new methodology. • DCPs: Multi-year action plan for each ESP. • Secretariat: Implementation of the Operational Risk Framework bears out that 3 countries/federal states have critical risk in this aspect, 13 have high risk, 12 have medium risk, and 19 have low risk (out of a total of 47 countries/federal states).	Major Possible	Stable	• Board: Decision on research based guidance for local education groups. • Leveraging DCP meetings to promote peer to peer exchange and capacity development on sector planning (education financing, sector monitoring). • New guidelines underway; joint sector review effectiveness, domestic financing, monitoring. • Secretariat: design Education Sector Investment Case and select pilot countries to test it. • Secure additional finance to address data gaps. • DCPs: Develop Education Sector Investment Case to translate ESPs and policy into investment opportunities. • Secretariat: ensure sufficient Secretariat capacity to support	Dec. 2018 Dec. 2017 Dec. 2017 FY 2017-2018 From June 2018	Major Unlikely	1b 4b

[4] The criteria for a quality ESP can be found here: http://www.globalpartnership.org/sites/default/files/2015-06-gpe-iiep-guidelines-education-sector-plan-appraisal.pdf

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
					planning, financing and monitoring (as part of HR plan).			
1.2.3 Domestic Financing GPC The risk that GPE Developing country partners which apply for an ESPIG fail to increase their public expenditure or maintain expenditure at 20% or above.	Severe Very Likely	• Secretariat/GPC/Board: Develop a policy for taking appropriate action where domestic finance commitments are not being met. • Secretariat/LEG/CSO: Continuous support to civil society coalitions to build their capacities and engage in the LEGs. • Increased focus as part of FFF including strengthened requirements on data for domestic finance. • Secretariat: Implementation of the Operational Risk Framework bears out that 9 countries/federal states have critical risk in this aspect, 12 have high risk, 14 have medium risk, and 12 have low risk (out of a total of 47 countries/federal • states). • Secretariat/All partners: engage with all relevant partners and committees to develop a proposal to achieve greater additionality, coordinated financing, co-financing, and leveraging to crowd in resources to finance credible education sector plan (March 2017, Board decision). • Active engagement from DCP champions to influence peers on domestic finance.	Severe Possible	Stable	• Secretariat/GPC/Board: Develop a policy for taking appropriate action where domestic finance commitments are not being met. • Secretariat: Leveraging DCP meetings to discuss guidelines on domestic financing, level of expenditure on education and monitored yearly through the results framework indicator number 10. • Secretariat: Monitor and encourage the budget tracking components of the implementation plans under the CSEF grants. • SIC: Explore future forms of support for civil society advocacy on domestic financing in the context of ASA design. • Secretariat: Add country-level advocacy mechanisms including with HoS/Ministers of Finance as required (make use of Spring and Annual WB/IMF meetings and global events as well as country visits). • Secretariat/Board: Develop an action plan for high-risk countries. • CEO: Engagement with relevant political authorities (Ministry of Finance, Ministry of Budget, Parliament, etc.) . • DCPs: Develop Education Sector Investment Case to	Dec. 2017 Ongoing June 2017 June 2018 Ongoing Ongoing Jan. 2018	Severe Possible	4c

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
					translate education sector plans and policy into investment opportunities. • Promote domestic finance needs as part of the replenishment strategy, fully seizing the opportunity by developing countries hosting the replenishment.			
1.2.4 National/regional capacity and operating environment GPC The risk that GPE processes do not take sufficient account of the level of national/regional capacity and the operating environment, particularly in conflict-affected states.	Major Likely	• Board: Operational model strengthened (Board decision Oct 2015). • Board: Results report to include elements on operational modalities, role of GA, etc. • Secretariat/GPC/Board: portfolio review includes a section on how the GPE mechanisms have been applied in countries in crisis over the past year, highlighting strengths and weaknesses. • GPC/Secretariat: Revised TORs and selection process for grant agents communicated (GPC decision Feb 2016). Review grant proposals. • LEG/DCP: Choice of grant agents based on implementation arrangements. • Grant Agents: QAR 2, quality check on the implementation arrangement. • Secretariat: Applies existing policies such as the operational framework, accelerated funding and transitional education sector plans, and focuses on this risk during quality assurance review.	Major Unlikely	Improving	• Secretariat/Board: Clarify responsibility and optimizing approaches for capacity building and technical assistance including in fragile and conflict affected states. • Secretariat/FRC/SIC: Strengthen the focus on resilience and preparedness especially for Fragile and Conflict Affected Countries within ESPIG and ESPDG guidelines and the assessment of credible plans. Incorporate this topic within KIX design work. • FRC: Agrees on disaster risk management strategy. • Secretariat/CGP: Develop guidance that would encourage and facilitate regional funding approaches in two separate instances: (a) small, islands, and land locked states, (b) regional/crisis situations. • Secretariat: Develop mitigation plan for country level partnership procedures in fragile and conflict states	June 2018 Ongoing Oct. 2018 (a) Ongoing (b) FY 2018 Ongoing	Major Unlikely	2b 4b

Risk/Risk Owner(s)	Inherent Risk[1]	Current Mitigation Actions/Controls	Residual Risk[2]	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk[3]	Strat. Obj.
		• FRC/CGP/Board: Continue implementing country risk management plans. • Implementation of the revised quality assurance framework and the monitoring and evaluation strategy. • Secretariat: Enhance collaboration between UNHCR and INEE partners to ensure stronger operational modalities at country level.			(pending on engagement with ECW and possible completion date in June 2018). • Secretariat: Provide additional support to fragile and conflict affected countries on RBF (Subject to availability of resources). • Review of grant Agent Selection Process. • Increase collaboration and coordination with ECW secretariat in countries where funding is provided by both organizations.	Ongoing FY2018		

2.0 PROGRAMMATIC RISKS

Risk/Risk Owner(s)	Inherent Risk	Current Mitigation Actions/Controls	Residual Risk	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk	Strat. Obj.
2.1 Country Advisory								
2.1.1 Roles, Responsibilities and Accountabilities at Country Level GPC The risk that roles, responsibilities and accountabilities of the Secretariat, LEGs, CAs and GAs in country are not clearly defined, understood and consistently applied.	Severe Very Likely	• Secretariat: Country-level Process Guide outlines key roles and responsibilities at country level while charter and other governance documents cover the rest of partnership. • Secretariat: Implement the monitoring and evaluation strategy. • Grant Agents and Trustee: Legal relationship outlined in the Financial Procedures Agreement. • GA and DCP: Legal relationship outlined in grant agreements. • Board: Mutual accountability included in Charter. • Board: Conflict Resolution Mechanism adopted. • Annual survey on clarity of roles and responsibilities implemented as part of the Results Report (Indicator 32).	Severe Possible	Stable	• Secretariat: report on the issues and options for ensuring Grant Agents, Coordinating Agencies, and Local Education Groups are operating efficiently and effectively as well as learning from past experiences to deliver GPE 2020. • Secretariat/Board: Clarify responsibility and optimizing approaches for capacity building and technical assistance including in fragile and conflict affected states. • Secretariat: Develop technical guidance for strengthening effectiveness of LEG/Board. • Secretariat/Partners: Continue successful implementation of the operational model recommendations (Board, Oct. 2015) including adjustments based on lessons learned. • Identify improvements to country support based on findings of Indicator 32 results (clarity of roles and responsibilities). 65% of DCPs and 63% of other respondents (country-level partners other than MoE) noticed improvements in clarity in the past year based on survey.	June 2018 June 2018 FY2018 FY2017/ FY2018 Ongoing	Severe Unlikely	2a, b 3c 4a

					• Terms of reference for country leads			
2.1.2 GPE Funding Model GPC Support to countries: The risk of disruption in country-level processes due to problems in the implementation of the GPE funding model.	Major Very Likely	• Secretariat: Country-level Process Guide updated to reflect GPE funding model 2015-2018. • GPC/Board: Decision on application of variable part for grants under USD$5 million approved by the GPC, which is also linked to the operational risk framework. • Secretariat: Guidelines on program implementation grants updated. • Increase delegation to the Grant and Performance Committee. • Secretariat: make timely decision on grants. • Secretariat/Partners÷ Continue implementing operational model recommendations (Board decision Oct 2015) including adjustments based on lessons learned.	Major Likely	Stable	• Secretariat: Continue strengthening country-level development partners' including Ministry of Finance understanding of the implementation of the funding model and their roles in it. • Secretariat: Strengthen country advisory and operational support (as part of HR plan). • Secretariat: Further clarify funding model requirements and incorporate lessons learned in guidance, including financing tool with clear guidelines on operationalizing the variable tranche.	Ongoing Dec. 2018 Dec. 2018	Major Unlikely	3a, d
2.1.3 Choice of Grant Agents GPC The risk that a country cannot identify a grant agent suited to the purpose for the country context.	Severe Likely	• Expansion of Grants Agents on the way. • Secretariat/FRC: Roll out of verification for whether grant agents meet minimum standards. • Secretariat/GPC/FRC: Reduce burden on low-risk grants through operational risk framework. • Ensure LEGs are fully aware of range of Grant Agents options. • Effective implementation of Grant Agent selection process for prospective grant agents.	Severe Possible	Stable	• Examine flexibility for Direct Access of GPE Grants to Governments in certain cases through review of institutional arrangements. • Secretariat/Trustee/Board: explore further direct access through budget support. • Secretariat: Perform resource analysis of prospective grant agents in addition to minimum standard check.	FY2017 and beyond	Severe Unlikely	2a

2.2 Quality Assurance								
2.2.1 Quality Assurance (Grants) GPC The risk that quality assurance processes do not always detect poorly designed programs/grants at country level (in terms of both substance and oversight) and ensure they are remedied.	Major Very Likely	• Secretariat/Board: Enhanced quality assurance review process where peer review groups are formed based on risks and management. clearance of the QAR reports. • Secretariat/Board Quality assurance framework updated. • GPC Methodology for Grant Reviews Approved. • Secretariat and GPC: strengthen QAR process on the way.	Major Possible	Improving	• Secretariat and GPC: Continue to examine ways to improve quality insurance processes. • Secretariat: Monitoring and evaluation strategy and results framework. • Secretariat: Ongoing harmonization of grant agent quality assurance processes to promote alignment and timing of applications. • Secretariat: Modify QAR arrangements for ESPIGs. • Apply Operational Risk Assessment at QAR 1. • Commence implementation of first phase of value for money strategy.	Ongoing FY2017 Ongoing FY2018 FY2018 June 2018	Major Unlikely (Non-FCAS) Major Possible (FCAS)	3a, b, c 4b 5d
2.2.2 Quality Assurance Process (Education Sector Plans) GPC The risk that independent appraisal processes do not always detect and correct poorly designed education sector plans.	Major Very Likely	• Secretariat: The revision of the methodology to assess the quality of ESPs has been finalized. Technical feedback provided at the ESPDG application stage to support the development of sound ESPs from beginning to end. • Board: Decision on independent appraisal of education sector plans. • Secretariat: New guidelines for ESPDG planning. processes. Revised guidance on independent appraisal to development partners. Independent assessment, roster and training of	Major Likely	Improving	• Secretariat: Integrate review of ESPs in quality assurance framework. • Secretariat: Enhance advisory support for Sector Planning as part of country advisory functions (as part of HR plan). • Secretariat: Launch ESP evaluation; and disseminate lessons learned on Education Sector Planning.	FY 2018 Ongoing FY 2018	Major Possible	1a 4b 5d

		consultants for independent assessment completed.						
2.3 GPE Grant Management and Monitoring								
2.3.1 Grant Agent Oversight GPC The risk that grant agents are not providing effective oversight.	Major Possible	• Secretariat: Continue to annually implement and update operational risk framework. More frequent reviews of high risk grants. • Secretariat: Internal capacities strengthened to allow better oversight and increased joint monitoring missions. • Board: A process has been adopted for review of grant agent progress reports and audit reports on grant implementation. • Secretariat: A mechanism is being rolled out for three times a year joint Secretariat/agency management review of grant portfolio by regions for the World Bank, at the global level for UNICEF and on a biannual basis for grant agents managing one to two grants. • Secretariat: According to the implementation of the Operational Risk Framework, 1 country has Critical risk in this aspect, 3 have High risk, 15 have Medium risk, and 28 have Low risk (out of a total 47 countries/federal states). • Rolling out of the grant reporting template incorporating lessons learned from previous year pilot. • Monitor relevant indicator through M&E strategy – Indicator 25 "proportion of GPE	Major Possible	Improving	• Secretariat: increased number of joint missions (country support team and finance team). • Continue to emphasize importance of oversight during regular meetings with Grant Agents at all levels • Plan to review operational risk framework, assessing risk at QAR.	Ongoing	Major Unlikely	3d

		program grants assessed as on track"; Indicator 35 on grant audit reports received and followed up upon. • Review Grant Agent compliance with standards as evidenced by relevant internal/external audit reports during quality assurance review. • Secretariat: strengthened capacity in Monitoring Unit and Finance to review progress reports and audit reports.						
2.3.2 Program Implementation Timeline GPC The risk that grant objectives are not achieved within the expected implementation period.	Moderate Very Likely	• Secretariat/GPC: Strengthened grant monitoring, including systematic review of progress reports. • Board/GPC/Secretariat: Moved to a more flexible Grant Application Cycle to reduce risk that time pressures lead to poorly designed applications. • Secretariat/Grant Agents: A mechanism is being rolled out for joined management review three times a year of grant portfolio by regions for the World Bank, at the global level for UNICEF and on a biannual basis for grant agents managing one to two grants. • Secretariat: Rolling out implementation of the new ESPIG policy, which has strict rules on grant start date and ensuring the timely extension/restructuring of grants. Send early warning letters six months prior to grant completion. • Secretariat: According to implementation of the	Moderate Likely	Improving	• Secretariat: Extend quality assurance to revision of grants (as part of HR plan). • Board: Improved accountability through M&E strategy. • Secretariat: Progressive rollout of funding model has flexibility for more realistic implementation and evaluation strategy. • GPC: Increased focus on realistic nature of timeline during grant application review.	FY2019 Ongoing Ongoing	Moderate Possible	3e

		Operational Risk Framework, 4 countries have Critical risk in this aspect, 9 have High risk, 19 have Medium risk, and 15 have Low risk (out of a total 47 countries/federal states). • Secretariat: Strengthen quality assurance so grant objectives are realistically implementable within the expected timeline.						
2.3.3 Program Implementation Modality GPC The risk that by not using government systems where suitable, GPE will not realize sufficient progress in strengthening systems, increasing absorption capacity and providing more and better financing at scale.	Major Very Likely	• DCP: Application form must include information on use of national systems. • Standard process on selection of grant agent includes discussions on using government systems and choice of modalities. • Mutual accountability reflected in Charter, including harmonizing procedures and utilizing country systems as much as possible. • Analytical Paper on Alignment developed. • Ability to conduct PFM as part of ESPDGs.	Major Very Likely	Stable	• Secretariat: Improve GPE guidelines and support services to country partners (based on lessons learned about choices of modalities and grant agents). • Work to create guidance for ESP development, which will include focus on aid effectiveness and modalities. • Secretariat: Implement Monitoring and evaluation strategy (results framework).	FY2017 FY2017 FY2019	Major Possible	1b 2b 3c 5e

2.3.4 Grant Management GPC The risk to GPE that not all poorly performing grants are detected and remedied in a timely manner.	Major Very Likely	• CST and SPP: Monitor performance under the minimum standards for sector plan and grant program performance, as defined in the strategic plan results framework and propose corrective actions as needed. • Secretariat/Partners: Thrice-yearly management review meetings with agencies managing multiple grants; biannual meetings with those managing two grants or fewer are being established. • Standard grant reporting tools developed and in use. • Grant Agent selection process developed. • Secretariat: Develop and implement stronger QAR mechanism upstream to reduce the risk of poor quality downstream. • Secretariat/GPC: continue annually implementing the operational risk framework and regularly inform GPC about changes. • Ensure Monitoring Function is adequately resourced and strengthen advisory support for greater engagement upstream in design phase.	Major Likely	Improving	• Secretariat: Strengthen QAR in restructuring grants (as part of HR plan). • Grant Agents selection process lessons learned report to be developed.	2018 2018	Major Unlikely (Non-FCAS) Major Possible (FCAS)	3e

2.4.1 Quality Data (Grants) GPC The risk that the partnership is unable to capture reliable data to monitor and demonstrate performance of GPE grants.	Major Very Likely	• Board: Approved modified funding model requirements so that for countries applying from 2018 that require a plan to address data gaps (including gaps in learning outcome data), and for which financing to implement that plan within the agreed timeline is not identified by the time of the application, the ESPIG grant must finance the unfinanced portion of the data plan. • Secretariat: Internal capacities strengthened. Cross-team efforts to secure, strengthen, monitor and define indicators and framework. • Grant Agents: Include results frameworks to capture grant level targets with each proposal. Reports are provided to the Secretariat in accordance with grant agents own reporting procedures. • Secretariat: Grants are monitored and reported to the GPC and Board through the annual portfolio review. • DCP/LEG: Joint sector reviews capture performance at sector level in each country's and government's sector plan implementation report. • Secretariat: Results Framework developed and approved. • Secretariat: GPE Results Report and the Portfolio Review include additional data on the key activities funded by grants. • GPC: Improve compliance with standardized reporting format	Major Possible	Improving	• Secretariat: Update Funding model (ESPIG grant must finance the unfinanced portion of the data plan) and notify countries applying in 2018 onward. • Secretariat: Develop a data system to collect data under the results framework. • Secretariat/SIC/GPC: Explore further how ASA mechanisms could contribute to strengthen partners' capacities to capture data.	Ongoing Dec. 2017 June 2018	Major Unlikely	3a, b, c

		and adjust based on lessons learned. • Secretariat: Strengthen the Monitoring unit.						
2.4.2 Quality Data (Education Sector Plans) GPC The risk that the partnership is unable to capture reliable data to monitor and demonstrate performance of education sector plans.	Major Very Likely	• Secretariat: Cross-team efforts to secure, strengthen, monitor and define indicators and framework. • Secretariat: Quality assurance of education sector plans strengthened. • DCP/LEG: Joint sector reviews capture performance at sector level in each country's and government's sector plan implementation report. • Secretariat/DCP: revised Funding model with obligation that ESPIG grant finance the unfinanced portion of the data plan. • Board/GPC/Secretariat: implement strengthened data requirements as part of FFF. • Independent appraisal process approved. • Secretariat: roll out independent appraisal of ESP.	Major Likely	Improving	• Secretariat/CGP: Require financed ESPIG data plan. • Secretariat: Add additional ESA technical support to ensure stronger advisory functions (as part of HR plan). • Secretariat: Roll out A4L initiative and support stronger data on learning outcomes. • Secretariat/Partners: Leverage partnership to strengthen capacity around data, including design and roll out of the KIX mechanism. • Secretariat/SIC/GPC: Explore further how ASA mechanisms could contribute to strengthen partner's capacities to capture data.	2018 onwards June 2017 FY2017 and beyond FY2017 FY2017	Major Unlikely	

3.0 FINANCIAL & FIDUCIARY RISKS

Risk/Risk Owner(s)	Inherent Risk	Current Mitigation Actions/Controls	Residual Risk	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk	Strat. Obj.
3.1 GPE Strategic Finance								
3.1.1 Donor Pledges FRC The risk that donors fail to deliver on their current funding pledges within the replenishment period.	Major Very Likely	• Secretariat: Monitor monthly conversion of donor pledges to contributions and the related impact on GPE's financial position through the financial forecast. • Secretariat: Promote timely signature of contribution agreement to maximize pledge conversion (including multi-year contribution agreements). • Secretariat: Continue to work with donors to facilitate their reporting needs, including results. • Secretariat: Develop a mid-term pledge report with status updates for all donor pledges.	Major Possible	Stable	• Secretariat/Chair: Increased advocacy and engagement with donors to secure new pledges. • Secretariat: Successfully implement strategic plan and demonstrate added value of GPE, making adjustments in response to results. • Secretariat: Continue to identify ways to mitigate FX exposure. • Successfully deliver the GPE replenishment campaign. • Ensure sufficient capacity for advocacy and resource mobilization (as part of HR Plan).	2017/2018 Ongoing 2017/2018 2017/2018 Dec. 2017	Major Possible	4a
3.1.2 DCP Pledges FRC The risk that some DCPs fail to deliver on their current pledges.	Major Likely	• Secretariat: Methodology to monitor country pledges developed and used to support regular dialogue within and across developing country partners. • Secretariat: Methodology of a corporate indicator on domestic financing defined. • Board/Secretariat/Partners: Amplify importance of increased domestic financing through replenishment campaign advocacy. • Secretariat: Track pledges and work with countries to strengthen dialogue with MoF.	Major Possible	Stable	• Secretariat: Support development of ESIC to achieve greater additionality, coordinated financing, co-financing, and leveraging to crowd in resources to finance credible education sector plan. • Secretariat: Working with MoF and MoE to collect and validate DCP's (increased financing) pledge data by February 2018.	FY 2019 Ongoing / Feb 2018	Major Possible	4c
3.1.3 Strategic Financing and Resource mobilization FRC	Severe Likely	• Board: approved an ambitious FFF and Contributions and Safeguards Policy, including the creation of GPE Multiplier to improve prospects for co-financing and leveraging additional resources.	Severe Possible	Improving	• Secretariat/Committees/Board: Complete the design and roll out of KIX and ASA mechanisms.	2017-2018 Dec. 2017	Severe Unlikely	4a

The risk that GPE fails to demonstrate its added value and attract new and additional funding in the context of the upcoming replenishment.		• Secretariat: Close monitoring of high external risks (political, global economy) and ongoing engagement with current and potential new donors to reach replenishment targets. • Secretariat/CEO/Board: Design of KIX will help to attract further financing from Private Sector and Foundations strategies. • CSP Approved and under Implementation. • Development of a Phase 1 Private Sector strategy covering the replenishment. • Secretariat: Deliver Results Report. • Secretariat: Secure replenishment co-hosts and other leaders, to increase funding and influence other leaders to increase education funding. • Secretariat/GPC/Board: work with country level partners/grant agents to identify prospects for greater co-financing and leveraging and report to CGP. Include recommendations in portfolio review.			• Include additional countries under the GEP multiplier. • Secretariat: Successful implementation of the Strategic Plan. • GPE, IFFEd and ECW demonstrate their complementarity, distinct roles and added values. • Maximize the effectiveness of the replenishment advisory group considering the identification of the replenishment cohosts. • Use the positive findings of the WDR to support GPE replenishment. • Leverage the WDR 2018 to promote GPE's focus on learning and equity through building national education systems.	Dec. 2017 2017/2018 2017 2017/2018		
3.1.4 Liquidity FRC The risk that the GPE Fund has insufficient funds and liquidity to meet its current and planned funding obligations.	Major Likely	• FRC: Review financial forecast twice a year to ensure prudent levels of allocations and recommend mitigation action to the Board if liquidity risks arise. • Donors: Encouraged to provide flexibility on timing of contributions within a given year. • Secretariat: Works with GAs to ensure commitment and transfer requests are reasonable.	Major Possible	Stable	• Secretariat/FRC/Board: develop prioritization criteria in case resources are either insufficient to finance the FFF at the minimum resource levels envisaged in Scenario 1, Annex 1 of BOD/2017/03 DOC 04 or resources are higher than the minimum resource levels. • Secretariat: Continue to examine further ways to mitigate foreign currency exposure as part of the next replenishment including consideration of hedging if available from World Bank, and use of a Euro Fund and grants.	Dec. 2017 FY 2017 2018	Major Unlikely	4a

3.1.5 Foreign Exchange movements FRC The risk that GPE is adversely affected by Foreign Exchange movements.	Major Likely	• Board/FRC/Secretariat: semi-annual forecast. • Board/FRC/Secretariat: announcing Maximum Country Allocations on a rolling basis to allow adjustments for major deviations in local currency rates. • Secretariat: encourage prompt contributions from donors. • Secretariat: encourage USD based contributions.	Major Likely		• FRC/Secretariat: review of institutional arrangements with emphasis on current constraints to hedge. • FRC/Secretariat: review appropriateness of Euro Grant Fund, including implications of Euro Grants on Grant Agents.	Dec. 2017 Oct. 2017	Major Unlikely	
3.2 Fiduciary								
3.2.1 Fraud and Misuse FRC The risk that significant GPE funds are diverted from their intended purpose through fraud or other forms of misuse as defined in the Misuse of Funds Policy.	Severe Very Likely	• DCP: Implementing partners use their own systems and procedures to prevent/detect fraud/misuse. • Secretariat/FRC/GEC: Oversees application of Misuse of Funds Policy and liaises with relevant partners on suspected cases. Additional finance staff hired. Risk considered during QARs of funding proposals. Links to fraud reporting hotlines on GPE website. Reviews of all progress and audit reports. • LEG: All GPE partners are required to be alert/report suspected cases. • Grant Agents: Apply their own policies and procedures and comply with legal requirements in the Financial Procedures Agreement. Minimum standards for grant agents include ability to deal with fraud and misuse, including investigations and protection of whistleblowers. • GERF: Semi-annual reviews and updates. Reviews findings of capacity-level assessments for potential new GAs. • Board/FRC: Informed of suspected/actual cases and take corrective action. • Secretariat: All Audit Reports reviewed and significant issues arising followed up and monitored for resolution. • Secretariat: According to implementation of the Operational	Severe Possible	Stable	• FRC: Review Misuse of Funds Policy. • Secretariat: Provide clear guidelines on operationalizing the Fraud and Misuse Policy and organize training for country facing staff. • Secretariat: repeat training of secretariat staff on communication protocol in the event of a crisis. • Secretariat: Finalize the development of Risk Management Functions. • Reduce Impact of this Risk occurring by successfully implementing Strategic Plan and clearly demonstrating GPE's added value. • Reduce Impact of this Risk occurring by ensuring prompt, credible, and transparent action is taken in the event the risk materializes to recover funds and address the cause of the misuse.	Dec. 2018 Ongoing FY2017 Ongoing Ongoing	Major Possible	3e 5d

		Risk Framework, 2 countries have Critical risk in this aspect, 4 have High risk, 26 have Medium risk, and 15 have Low risk (out of a total 47 countries/federal states). • Secretariat: Ensure all new grant proposals have strong quality assurance and fiduciary control systems in place, including on anti-corruption and fraud prevention. • Secretariat: Develop and implement risk management plans as outlined in the Operational Risk Framework. • Secretariat: Strengthen Quality Assurance and Monitoring Function particularly on Fiduciary Oversight.						

4.0 GOVERNANCE & SECRETARIAT MANAGEMENT

Risk/Risk Owner(s)	Inherent Risk	Current Mitigation Actions/Controls	Residual Risk	Six-Month Trend	Additional Mitigation Actions Required	Due Date	Target Risk	Strat. Obj.
4.1. GPE Governance								
4.1.1 GPE Decision-Making Process GEC/GPC The risk that GPE decisions are not made in an efficient and timely manner, therefore having a potentially negative impact on GPE operations, especially with regard to grants.	Major Very Likely	• FRC: Regular review of governance decision-making process. • GPC: Delegated authority to approve material changes to grants and to approve accelerated funding for emergency and early recovery activities (May 2015). • Secretariat: Support to Board members, committee members and constituencies to ensure greater understanding and engagement in GPE activities (DCP constituency meetings and Board orientation). • Board/GPC: Implement a more flexible grant application cycle to facilitate better quality applications and align with country planning cycle. • GEC/Board: Review Decision Framework proposal including more delegated decision making to the Secretariat and Committees to allow for a more strategic and responsive Board, and affirmative vote procedure for ESPIGs.	Major Possible	Improving	• GPC/Board: Operational risk framework to be used to define the most efficient decision-making process and the appropriate level of delegation of authority.	2018	Major Unlikely	3e 5d

4.1.2 Risk Management FRC The risk that Board and Management do not systematically take risk into consideration while taking decisions.	Moderate Very Likely	• Secretariat: Systematically monitoring information related to each risk and updating the status of mitigation actions. Information regularly reviewed and analyzed by the Leadership Team. • Committees/GERF/Board: Review semi-annual reports. • Secretariat: Roll out operational risk framework. • Secretariat/FRC: Reflect risks associated with the finalization of the design and subsequent rollout of the Financing and Funding Framework in the Risk Matrix.	Moderate Possible	Improving	• Secretariat/Board: Finalize the development of Risk Management Functions. • Review and benchmark GPE current risk management policies and practices.	Ongoing June 2018	Moderate Unlikely	5d
4.1.3 Global Governance Responsibilities GEC The risk that some Board and committee members do not share a common agreement on the mandate of the Board/committee/ Secretariat and cannot fulfil their governance responsibilities.	Major Likely	• Board: Pre-meetings to consider key strategic issues. • Secretariat: Support to Board members, committee members and constituencies to ensure greater understanding and engagement in GPE activities. Strengthened capacities through the merge of the Board Support Team and the Developing Country Team. • Board/Committees/Secretariat: Prioritization of activities through development and monitoring of Board/committee annual work plans. • Secretariat: Induction Process improved for new Board and Committee members. • Secretariat/Committee Chair: Ensure full participation of Committee/Board members and facilitate pre-meeting consultation within constituencies Implement	Major Possible	Stable	• Secretariat/GEC: Ensure periodic reviews of GPE Governance Structures to ensure they remain fit for purpose. • Conduct annual Board and Committee self - assessment (see governance review recommendations). • Appoint a vice Chair. • Conduct a review of GPE Constituencies. • Implement recommendations out of DCP constituencies evaluations. • Secretariat/Board/Committee Members: Increase efforts around constituencies' consultation and coordination.	2018 Dec. 2017 June 2018 June 2018	Major Unlikely	5d

		governance review recommendations. • Develop decision making framework to increase delegated authority to the committees.						
4.2. Secretariat mandate and management								
4.2.1 Reputational Risk GEC The risk that GPE's reputation is damaged.	Major Likely	• Secretariat: Communication team strengthened; protocol for handling media crises developed. • GEC/Board/Chair: Regular engagement on issues that potentially could do damage to GPE's reputation. • GEC/Board: Monitor implementation of the Transparency Policy. • GEC: Delegated authority on Ethics. Secretariat: Verify adequacy of security of GPE presence on social media/website.	Major Possible	Stable	• Secretariat: Repeat trainings of relevant staff on communications crises/media. • Secretariat: Demonstrate GPE's added value through successful implementation of the strategic plan and report results. • Secretariat: Finalize the development of Risk Management Functions to improve GPE's ability to manage core corporate risks. • Ensure sufficient attention to clarity of process, roles and responsibilities with partners. • Ensure sufficient attention to appropriate change management with staff and partners when rolling out new initiatives (as part of HR Plan).	Ongoing Ongoing FY2017	Major Unlikely	
4.2.2 Secretariat Institutional Arrangement Board The risk that the GPE institutional arrangement has a negative impact on its ability to achieve GPE strategic objectives.	Moderate Likely	• Secretariat: Work closely with the World Bank Vice Presidency of Development Finance and other parts of the World Bank that intersect with GPE. • Secretariat: Ensures full compliance with administrative policies of host. • Secretariat: Effective engagement with the WB on subjects that can impact the hosting arrangement and delivering GPE 2020 (such as the potential hosting of ECW, Direct Access, Leverage Fund).	Moderate Likely	Stable	• Secretariat: Ensure that solutions are identified that are compatible with Board decisions and host policies (e.g., Education Cannot Wait, Direct Access). • Secretariat: Ensure follow up with the World Bank on Education Commission recommendations of relevance (e.g. IFFEd mechanism). • Identify practical solutions to implement KIX and ASA as efficiently as possible. • Deliver next report on GPE institutional arrangements.	Ongoing FY2017 FY2017 Dec. 2017	Moderate Unlikely	5d

4.2.3 Secretariat Capacity Board 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.	Severe Very Likely	• FRC/Board: Review annual work plan and budgets considering Secretariat capacities to implement strategic plan. • Secretariat: Regular work plan and budget monitoring. Review of costs associated to any additional activities. Conduct and review findings of annual staff survey. • Secretariat: Recruitment of increased headcount approved by Board. • Board: Prioritize deliverables for the Secretariat. • Secretariat: Ongoing focus on internal efficiencies. • Board: maintain associated Secretariat operating expenses within a range of 5-7%. • Secretariat: Invest in standardizing business processes and improving information systems to achieve efficiency. • Recruitment of additional staff completed, while reconsidering a few positions as part of HR plan.	Severe Possible	Improving	• Secretariat: Development of a multi-year comprehensive HR plan to address remaining inefficiencies and capacity gaps. • Board: Consider implications for hosting ECW arising from hosting review. • Secretariat: Secure additional space for the Secretariat • Secretariat: Deliver a report on institutional arrangements.	Dec. 2017 Dec. 2017 Dec. 2017	Major Possible	5d

ANNEX 2: COMPARISION BETWENN PREVIOUS AND CURRENT ASSESSMENTS

Risk	Owned by	Inherent Risk	Residual Risk Previous Assessment	Residual Risk Current Assessment	Previous vs. current assessment	Direction of travel	Target Risk
1.1.1 Implementation of the Strategic Plan The risk that the Board and management have not developed a realistic and achievable implementation plan and clarified partner commitments to support the achievement of strategic plan goals and objectives.	**SIC**	Critical	Low	Low	No change	Stable	Low
1.1.2 Monitoring of the Strategic Plan The risk that the partnership is unable to monitor and demonstrate progress on strategic plan objectives.	**SIC**	Critical	Low	Medium	Increase	Improving	Low
1.1.3 Knowledge and Innovation Exchange (KIX) The risk that the partnership fails to leverage the global and cross-national knowledge and innovation exchange for improved education policies and systems and a stronger aligned partnership at the national level.	**SIC**	High	Medium	Medium	No change	Improving	Low
1.1.4 Advocacy and Social Accountability. The risk that uncertainty undermines the continuity of civil society and teaching profession engagement while designing new mechanisms	**SIC**	High	Medium	Medium	No change	Stable	Low
1.1.5 Complementarity/alignment with ECW. The risk that GPE and Education Cannot Wait are not complementary and aligned and therefore negatively impact the replenishment and potentially the effectiveness on global education financing.	**Board**	Critical	Medium	Medium	No change	Stable	Low
1.1.6 Complementarity/alignment with IFFEd. The risk that GPE and the Education Commission's International Financing Facility for Education are not complementary and aligned and therefore negatively impact the replenishment and potentially the effectiveness on global education financing.	**Board**	Critical	Critical	Critical	No change	Stable	Low
1.1.7 - Foundations Strategy. The risk that the absence of the Foundations strategy could result in misalignment with current partnership processes, engagement and prevent current work (i.e. FFF) from progressing.	**SIC**	High	New Risk (High when 1.1.7 + 1.1.8 = 1 risk)	Medium	Decrease	Stable	Low
1.1.8 - Private Sector Strategy. The risk that the absence of the Private Sector strategy could result in misalignment with current partnership processes, engagement and prevent current work (i.e. FFF) from progressing.	**SIC**	High	New Risk (High when 1.1.7 + 1.1.8 = 1 risk)	High	No change	Stable	Low
1.2.1 Support to Education Sector Plans. The risk that the Partnership does not leverage its capacities to support the production of quality ESPs.	**GPC**	High	Medium	Medium	No change	Stable	Low
1.2.2 Support to Education Sector Plans. The risk that the partnership does not support planning, financing and monitoring during ESP implementation.	**GPC**	High	Medium	Medium	No change	Stable	Low
1.2.3 Domestic Financing. The risk that GPE Developing country partners which apply for an ESPIG fail to increase their public expenditure or maintain expenditure at 20% or above.	**GPC**	Critical	Critical	High	Decrease	Stable	High

1.2.4 National/regional capacity and operating environment. The risk that GPE processes do not take sufficient account of the level of national/regional capacity and the operating environment, particularly in conflict-affected states.	**GPC**	High	Low	Low	No change	Improving	Low
2.1.1 Roles, Responsibilities and Accountabilities at Country Level. The risk that roles, responsibilities and accountabilities of the Secretariat, LEGs, CAs and GAs in country are not clearly defined, understood and consistently applied.	**GPC**	Critical	High	High	No change	Stable	Medium
2.1.2 GPE Funding Model. Support to countries: The risk of disruption in country-level processes due to problems in the implementation of the GPE funding model.	**GPC**	Critical	High	High	No change	Stable	Low
2.1.3 Choice of Grant Agents. The risk that a country cannot identify a grant agent suited to the purpose for the country context.	**GPC**	Critical	Critical	High	Decrease	Stable	Medium
2.2.1 Quality Assurance (Grants). The risk that quality assurance processes do not always detect poorly designed programs/grants at country level (in terms of both substance and oversight) and ensure they are remedied.	**GPC**	Critical	High	Medium	Decrease	Improving	Low non FCAC / **Medium (FCAC)**
2.2.2 Quality Assurance Process (Education Sector Plans). The risk that independent appraisal processes do not always detect and correct poorly designed education sector plans.	**GPC**	Critical	High	High	No change	Improving	Major Possible
2.3.1 Grant Agent Oversight. The risk that grant agents are not providing effective oversight.	**GPC**	Medium	Medium	Medium	No change	Improving	Low
2.3.2 Program Implementation Timeline. The risk that grant objectives are not achieved within the expected implementation period.	**GPC**	High	Medium	Medium	No change	Improving	Medium
2.3.3 Program Implementation Modality. The risk that by not using government systems where suitable, GPE will not realize sufficient progress in strengthening systems.	**GPC**	Critical	Critical	Critical	No change	Stable	Medium
2.3.4 Grant Management. The risk to GPE that not all poorly performing grants are detected and remedied in a timely manner.	**GPC**	Critical	High	High	No change	Improving	Low (non FCAS) / **Medium (FCAC)**
2.4.1 Quality Data (Grants). The risk that the partnership is unable to capture reliable data to monitor and demonstrate performance of GPE grants.	**GPC**	Critical	Medium	Medium	No change	Improving	Low
2.4.2 Quality Data (Education Sector Plans). The risk that the partnership is unable to capture reliable data to monitor and demonstrate performance of education sector plans.	**GPC**	Critical	High	High	No change	Improving	Low
3.1.1 Donor Pledges. The risk that donors fail to deliver on their current funding pledges within the replenishment period.	**FRC**	Critical	High	Medium	Decrease	Stable	Medium
3.1.2 DCP Pledges. The risk that some DCPs fail to deliver on their current pledges.	**FRC**	High	Medium	Medium	No change	Stable	Medium
3.1.3 Strategic Financing and Resource mobilization. The risk that GPE fails to demonstrate its added value and attract new and additional funding in the context of the upcoming replenishment.	**FRC**	Critical	High	High	No change	Improving	Medium

3.1.4 Liquidity. The risk that the GPE Fund has insufficient funds and liquidity to meet its current and planned funding obligations.	**FRC**	High	Medium	Medium	No change	Stable	Low
3.1.5 Foreign Exchange movements. The risk that GPE is adversely affected by Foreign Exchange movements.	**FRC**	High	High	High	No change	Stable	Low
3.2.1 Fraud and Misuse. The risk that significant GPE funds are diverted from their intended purpose through fraud or other forms of misuse as defined in the Misuse of Funds Policy.	**FRC**	Critical	High	High	No change	Stable	Medium
4.1.1 GPE Decision-Making Process. The risk that GPE decisions are not made in an efficient and timely manner, therefore having a potentially negative impact on GPE operations, especially with regard to grants.	**GEC and GPC**	Critical	Medium	Medium	No change	Improving	Low
4.1.2 Risk Management. The risk that Board and Management do not systematically take risk into consideration while taking decisions.	**FRC**	High	Medium	Medium	No change	Improving	Low
4.1.3 Global Governance Responsibilities. The risk that some Board and committee members do not share a common agreement on the mandate of the Board/committee/. Secretariat and cannot fulfil their governance responsibilities.	**GEC**	High	Medium	Medium	No change	Stable	Low
4.2.1 Reputational Risk. The risk that GPE's reputation is damaged.	**GEC**	High	Medium	Medium	No change	Stable	Low
4.2.2 Secretariat Institutional Arrangement. The risk that the GPE institutional arrangement has a negative impact on its ability to achieve GPE strategic objectives.	**Board**	Medium	Medium	Medium	No change	Stable	Low
4.2.3 Secretariat Capacity. 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.	**Board**	Critical	High	High	No change	Stable	Low

ANNEX 3: ACRONYMS

ASA	Advocacy and Social Accountability
CSEF	Civil Society Education Fund
DCP	Developing Country Partner
DLI	Disbursement Linked Indicators
ECW	Education Cannot Wait
EMIS	Education Management Information Systems
ESPDG	Education Sector Plan Development Grant
ESPIG	Education Sector Program Implementation Grant
FFF	Financing and Funding Framework
FRC	Finance and Risk Committee
GA	Grants Agents
GEC	Governance and Ethics Committee
GPC	Grants and Performance Committee
IFFED	International Financing Facility for Education
JSR	Join Sector Review
KIX	Knowledge and Innovation Exchange
LEG	Local Education Groups
MCA	Maximum Country Allocation
MDB	Multilateral Development Bank
PS/F	Private Sector and Foundations Strategies
RBF	Results Based Financing
SIC	Strategy and Impact Committee
FCAC	Fragile and Conflict Affected States