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cutting through complexity

Managing Risk in Global Health:

MAPPING THE WAY FORWARD

INTERNATIONAL DEVELOPMENT ADVISORY SERVICES (IDAS AFRICA)

Introducing the KPMG IDAS Africa Health Risk Matrix

Researchers estimate that development assistance for health peaked at USD28.2bn in 2010 – an enormous increase from USD5.7bn in 1990 (Financing Global Health 2012, McCoy et al 2009). As the fight against global epidemics such as HIV, malaria and tuberculosis steps up, both donors and implementers have begun to think more about how to effectively manage the risks that come along with rapid disbursement of vast sums of money through often weak health care systems in developing countries.

In the global health context, a risk can be defined as any internal or external situation or event that has the potential to impact an agency, preventing the agency from successfully achieving its objectives, delivering its services, capitalizing on its opportunities or carrying out its projects or events.

Risk therefore extends far beyond traditional threats like corruption or weak financial management. Practitioners must consider a diverse range of potential problems, such as: How might weak monitoring and evaluation practices limit programme relevance and effectiveness? When targeting marginalised groups, how will cultural, geographical and lifestyle factors present barriers to delivery? Effective mitigation of these and many other potential risks requires identification, quantification, and proactive management of risks.

This paper presents a generalised risk management matrix for health initiatives in developing countries. The matrix can be used as a tool to help donors and implementers identify and think through the most salient risks to the success of their programmes. This KPMG IDAS Africa Health Risk Matrix has been adapted from KPMG risk models with significant reference to models used by major institutions such as the World Bank and Global Fund[1], and tailored to focus on key areas of concern that we have identified through our work on the ground.

The subsequent sections of this paper provide a short discussion of how some of these risks can best be addressed, with examples from the field. We conclude with a discussion about how a good risk management plan can significantly improve health programme outcomes.

KPMG has diverse experience in helping both corporate and non-profit clients manage risk in the global health sector. We have developed risk management and mitigation plans for health sector clients. Our International Development Advisory Services (IDAS) arm in Africa has also provided assistance to the Global Fund and other implementers in developing risk management plans and policies and undertaking risk assessments.

KPMG IDAS Africa Health Risk Matrix – At a Glance	
Programmatic risks	Limited programme relevance
	Political risk
	Inadequate M&E and/or poor data quality
Fiduciary risks	Wilful misuse or misappropriation of funds, assets or health commodities
	Limited staff capacity
	Macroeconomic shocks
Risk to quality of health products and services	Sub-standard health products
	Poor service delivery
	Physical insecurity
Management risks	Weak governance
	Poor grant or project management

[1]See Global Fund, "Grant Risk Assessment and Management Tool: Information note to country teams" and Qualitative Risk Assessment Tool (QUART) April 2012; World Bank, "World Development Report 2014 – Risk and Opportunity: Managing Risk for Development" October 2013.

KPMG IDAS Africa Health Risk Matrix

Programmatic risks	
Limited programme relevance	**Programme design not based in sound, timely analysis of the context and problems at hand** Failure to analyse available data and apply past lessons to improve the quality of current programming can result in interventions that have limited relevance and do not represent value for money, i.e. through optimal resource use.
	Programme coverage, reach, intensity are not able to achieve proposed goals Where health coverage targets are set arbitrarily to international goals, such as MDGs or Universal Access, without regard to country context or experience, programmes may be judged as a failure in terms of unrealistic targets.
	Non alignment of programmes with international best practice Countries may fail to update their National Strategic Plans (NSPs) to follow advances in international best practice, resulting in misalignment between health programs and international priorities and reduced quality of care.
	No coordinated stakeholder engagement in development of the project implementation plan or budget If health programs are not aligned with and relevant to stakeholder priorities at the community, national and international levels, vested interests can skew work plans and reduce programme relevance, limited local ownership can prevent short-term success and sustainability post-funding, and budgetary allocation may not match implementation targets or plans.
Inadequate M&E or poor data quality	**Poor indicators and/or framework** Monitoring and evaluation (M&E) systems may be weakened from the outset by a bias towards 'soft' indicators in order to demonstrate progress; over-focus on process indicators (output) instead of impact and outcome indicators; and/or failure to adhere to internationally recognized indicators such as UNGASS indicators.
	Inadequate data collection and management / data quality assurance Without strong M&E and data quality assurance systems, programmes will struggle to produce accurate data with sufficient integrity, thereby limiting their ability to measure success and improve implementation.
	Limited evaluation, analysis, dissemination and use of available data Where decision-makers do not use available population, facility and community-based data to inform policy and planning, health programmes will fail to respond to the priority needs of the populations they serve.
	Inadequate budget for M&E system and/or HR capacity Few programmes allocate the international best practice level of 5-10% of grant budgets to M&E systems, thereby limiting their ability to measure success, improve delivery and achieve value for money.

Programmatic risks (Cont'd)	
Political Risk	**Political and/or regulatory instability** Influence by volatile political decision makers and unpredictable regulatory changes can disrupt plans and budgets made by donors, bureaucrats, and implementers, and can delay implementation and increase transaction costs.
	Cultural barriers to implementation Culturally-driven laws, policies, lifestyles and practices may reduce support for evidence-based interventions, actively hinder implementation (including open hostility from the government), and/or limit the public's will to participate. Where programmes cannot be designed freely to address specific problems, they will be inefficient and less effective.
	Limited health funding available from national budgets Heavy dependence on donor funding limits sustainability of health interventions, especially where donor withdrawal would lead to collapse of the sector. Unpredictable government funding can limit planning for long-term projects, limit investment in national health systems and primary care, lead to service disruptions and set back disease eradication. Limited resources also generally limit programming potential.

Fiduciary risks	
Wilful misuse or mis-appropriation of funds, assets or health commodities	**Fraud, corruption** Rapid scale up of health programmes means that resources must be spent quickly, and often through weak systems, leading to heightened risk of corruption and fraud – especially through the procurement process. Corruption can reduce available resources, prevent equitable access, affect intervention quality, limit service delivery, damage programme reputations, and discourage healthy private sector service provision.
	Unreliable government systems Public sector corruption may lead donors to withdraw direct funding for government-run health programmes in favour of implementation through other actors and/or with added scrutiny by independent financial management agents, increasing the cost of health programming and reducing investment in national health systems.
	Poor asset management and theft Inadequate management of fixed assets or health commodities, or diversion of assets for unintended use can result in resource loss, service disruptions, reputational risks, reduced intervention quality and less value for money. Conflict-affected areas present especially high risk of misappropriation of valuable assets.
Limited staff capacity	**Financial non-compliance** Limited staff capacity can lead to poor financial management, including non-fulfilment of audit requirements, no use of templates, or robust financial information not being provided. This can cause delayed disbursements, service interruptions, penalties for implementers, and withdrawal or suspension of funding.
	Poor budgeting Improper budgeting, including especially budget assumptions or inadequate monitoring and forecasting, can mean that activities are not well-costed or budgeted for and may fall short of desired results. Opaque budgeting also risks capture by vested interests and diversion of health funds for political or financial profit.
	Inadequate control framework If staff are unable to put in place and properly execute a rigorous control framework, the programme will be at heightened risk of fraud and mismanagement of health assets.
Macro-economic shocks	**Fluctuations in exchange rates and inflation, raising the cost of health products** Frequent and significant shifts in currency exchange rates and inflation rates can lead to sudden increases in transaction costs and reduction in resources available to purchase health commodities and provide health services.
	Unpredictable environment makes business continuity planning difficult Operating in an unpredictable economic environment makes it difficult for health programmes to plan and budget appropriately for the future, leading potentially to missed targets or less ambitious programming.

Risks to quality of health products and services	
Substandard health products	**Lack of temperature control, appropriate storage conditions and/or electricity** Inadequate storage conditions lead to poor quality of health products and pharmaceuticals that are less effective in treating health conditions.
	Market exposure to counterfeit pharmaceutical products Programme effectiveness may be limited in markets plagued by prevalent counterfeit medicines, leading to serious consequences including patient deaths, spread of disease and distrust for health systems and programmes.
	Procurement and supply chain mismanagement Delays in procurement, inadequate stock management (forecasting and inventory), lack of quality data on consumption and expirations, and/or poor distribution can lead to drug stock outs resulting in deaths, drug resistance, waste, expiration of commodities, reduced value for money, and worsened outcomes for health programmes.
Poor service delivery	**Irrational use of medicines and health products** Lack of education and treatment literacy can lead to self-diagnosis and misuse of medicines, leading to drug resistance and other poor health outcomes.
	Low staff capacity High staff turnover (due to bad incentives to stay on following training, inadequate succession policies or poaching) can reduce capacity and lead to poor service delivery, service disruptions, and higher costs due to over-training.
	Poor staff supervision or support Without proper supervision and support systems, staff may not provide services efficiently, adhere to best practice or follow national guidelines, leading to poor service delivery and missed targets.
	Inequitable access for marginalised groups Cultural and/or legal issues can prohibit access to health services for marginalised groups including women, men who have sex with men, sex workers, or drug users. Groups may also be marginalise by remote geography that makes it costly to serve them where they live, or by lifestyle – e.g. pastoralists may find it difficult to access static health services.
Physical Insecurity	**Inaccessibility of projects and patients, poor infrastructure** Insecurity and dilapidated infrastructure (especially in fragile states) can limit the distribution of health products, prevent delivery of and access to health services, and may affect data flow and reporting.
	Dangers to occupational health and safety Dangerous working environments can lead to frequent staff turnover that disrupts service provision. Dangers arise from e.g. working in insecure areas, or heightened risk of infection through non-provision of protective gear, or inadequate supervision or enforcement of safety standards.

Management risks	
Weak governance	**Donor misalignment** Where donors are not aligned in their strategy for and governance of health programmes, lack of harmonization can lead to duplicate efforts and stress on implementers who struggle to manage their programmes because they are bogged down in donor management. Programme effectiveness may also suffer from convoluted governance structures, lack of effective communication, and where donor strategy and priorities are not aligned with local, national and international layers of health sector management.
Poor grant or project management	**Poor system-wide management by national health authorities** Especially where national coordinating bodies are weak, poor management of national health systems – including ineffective bureaucracy, poor communication and delegation, weak grant management, inability to coordinate donor finance, lack of consultation with the private sector, etc. – can lead to poor health outcomes through bottlenecks that reduce service quality and failure to address national health priorities.
	Inadequate programme and/or project management by implementers Poor management at the project level can prevent achievement of health outcomes in a variety of ways: through poor project design, lack of management capacity to absorb large financial resources coming from donors, inadequate salaries, high staff turnover, increased risk of fraud and corruption, etc. In cases of on-lending, insufficient oversight of secondary grant recipients can also increase risk of fraud and mismanagement of resources.

How can we mitigate these risks in practice?

Programmatic Risks: Programme relevance and data

Where programme implementation strategy is not relevant to the current context, programmes will be less effective. Irrelevant strategy often arises where arbitrary international targets or favourite intervention types outweigh analysis of the local context (Wilson and Halperin 2008). Where data collection or M&E systems are weak, programmes will also not have the information they need to ensure efficient and effective programming. The critical need to guide available resources to achieve maximum impact places unprecedented responsibility on information systems. Evidence-based decision making is often undermined by factors relating to how information flows to decision makers, how they make their decisions, the context in which information is collected and decisions are made, and the organizational infrastructure and technical capacity of those that generate and use data.

Mitigation tools

Inculcating a culture of data utilisation and better programme design requires a strong commitment to:

- Staff training
- Clear communication channels
- Appropriate forums established in country through which data is routinely interrogated
- Coordination across programmes
- Sharing of research findings and lessons widely and quickly

Success Stories

- In Thailand, a well-designed, targeted condom programme was implemented based on a good understanding of the epidemic and current challenges. As a result, HIV has been contained in a country that formerly represented one of Asia's three main sex-driven epidemics (Harvard 2011).
- Sudan is on its way to eliminating malaria thanks to effective use of malaria indicators, a routine health information system, and a strong team of health practitioners with data analysis capacity. The result was an appropriate intervention that has improved utilisation of bed nets, and targeted in-door residual spraying.
- Effective data analysis has led to replication of successful interventions in similar contexts: e.g. where HIV epidemics are concentrated and fuelled by sex workers, targeted education about condoms, sexual health, empowerment and rights for sex workers have worked very well across Asia (Wilson and Halperin 2008).

Political and structural risks to programme relevance

The global health sector is dominated by a 'vertical' focus on three pandemics: HIV/AIDS, TB and malaria. However, evidence suggests an equally pressing need for 'horizontal' focus on primary care and strengthening national health systems (KPMG 2013b). Horizontal investments can be limited by non-committal national governments, corruption, decisions by NGOs and donors that overlook local priorities, and competition for scarce resources – especially in fragile states trying to balance the urgent need to save lives with rebuilding state institutions.

Programmatic Risks: Political risk

Volatile political decision-making presents risks to health programmes in many developing countries. Because most developing countries lack adequate resources to fund health care, limited or erratic allocation of national budgets to health, and dependence on unreliable donor funding are also common.

Mitigation tools

- Political volatility is best contained by clear governance and accountability structures between the national and local levels, which health implementers can help to lobby for alongside active community participation.
- Political economy analysis can map risks and support effective mitigation strategies based on identification of relevant influence and motivations amongst key actors.
- Increasing focus on corporate social responsibility, impact investing and double bottom lines in the private sector also presents an encouraging avenue for increased private funding for health that can fill financing gaps where government support is unpredictable. (KPMG 2013 State of Africa)

Success Stories

- Some African countries have developed innovative ways of increasing tax revenue to decrease dependence on donor funding for health: examples include funding for medicine purchasing by UNITAID through a 'solidarity levy' on airfare, and special taxes on telecoms in Gabon.
- The most successful government approaches to health financing have combined direct expenditure, usually on administration and health systems, with investment in insurance schemes to pay for primary care, coordination with donors and NGO projects targeting epidemics, and support for more service provision by the private sector (Ibid).
- Through its "AIDS levy" – a 3% tax on income –, Zimbabwe collected $25m in 2011 and another $30m in 2012. The levy was introduced in 1999 to make up for declining donor support and is now finally returning significant revenue thanks to increased stability and economic growth in the country.

Devolution in Kenya
In Kenya, for example, the new constitution provides for devolution of health services to the local level. Donors, health civil servants and other concerned actors have worked together to develop a step-wise transition to the new system. However, this careful planning has been interrupted by interference from local politicians fighting for access to national resources who want services be devolved immediately – without regard to local capacity to implement them (KPMG 2013b).

Programmatic Risks: Cultural barriers

Effective programme design and implementation can be limited by cultural stigma. In many African countries, it is difficult to work with most-at-risk groups such as sex workers and men-who-have-sex-with-men (MSM), who may be targeted for arrest. Countries have ignored consistent data showing that HIV epidemics are concentrated within these groups, and instead implemented an inefficient programme based on a generalized epidemic. Security and correctional services are also frequently excluded from national HIV dialogues, despite the high vulnerability of prisoners and military personnel and the ease of reaching them.

Mitigation tools

- Advocacy by peer opinion leaders
- Artful packaging of interventions
- Sustained, strong political commitment
- Effective multi-sectoral efforts
- Broad community engagement

Success stories

- Although Zimbabwe struggles with strong prejudice against MSM programmes amongst its leadership, the government was persuaded to fund a national HIV strategy with MSM provisions through an economic argument: practitioners showed that it would cost the country tens of thousands of dollars for every person who contracted HIV – money that could otherwise be used for investment.
- In countries such as Mauritania, Senegal, Morocco, Sudan, Egypt and Bangladesh, imams have been enlisted to teach their communities about the dangers of HIV, thereby reducing cultural stigmas and facilitating the uptake of HIV services.

Cultural Stigma and HIV in Sudan

Despite its success in battling malaria and TB, Sudan still struggles with HIV because of its conservative Muslim culture. Although not legally prohibited, distribution of condoms there has been almost entirely stymied by stigma. "In a study of policemen in Khartoum state in 2005, only 1.9% of those interviewed knew that a condom could protect them against HIV. In a survey of the country's imams, 27.5% thought that mosquitoes could transmit HIV." (The Economist 2009)

Fiduciary Risks: Fighting corruption

Health sector corruption is driven by diverse factors with consequences for a variety of health processes:

Causes of corruption in the health sector	Health processes most susceptible to corruption
• Insufficient project budgets leading to staff shortages and inadequate salaries • Information asymmetries favouring health providers at patients' expense • Public monopoly on services and opaque government systems • Decentralised and individualised services hard to standardise and monitor • Social norms supporting corrupt practices • Inadequate oversight, supervision, or control systems in place	• Discretionary service provision and payment collection by medical staff • Human resources management • Procurement of drugs and medical equipment (with pharmaceuticals as one of the highest expenses for health programmes) • Registration, selection, distribution, storage, sale and use of drugs • Budgeting and pricing • Asset management and transfer amongst implementing partners

Adapted from U4 2008, Transparency International, Vian 2008

Understanding the Local Context

Corruption mitigation efforts can have different effects in different markets. Official user fees led to reduction in use of services and less equitable access in some countries because informal payments were incentivizing better services. In other markets, official fees and reduced informal payments led to better user access and efficiency (U4 2008a). Decentralisation also has a mixed track record. Some studies have found that especially in poor countries and high-corruption environments, devolution of health services to the local level has improved health outcomes by encouraging public demand for local accountability (Robalino et al 2005, U4 2008a). However, decentralization can also easily lead to localized corruption, elite capture of resources, and geographical disparity (Hofbauer 2006, Das Gupta and Khaleghian 2004).

Mitigation tools

Given this diversity and complexity, an effective mitigation plan requires a holistic approach that combines different tools such as technical control system strengthening alongside political economy analysis to address the vested interests that drive corrupt practices.

- Control systems such as financial management systems, reporting systems, procurement policies, etc. that are clearly defined, well managed, internally audited and verified by independent agents
- Outsourcing financial management to other fiscal agents
- Political economy analysis to identify informal power structures that facilitate corruption
- Human resource capacity building through training, oversight and knowledge transfer – especially in local government to strengthen national health systems and programmes
- Public access to information about health budgets, policies, disbursements, standard pricing, patient rights and health worker responsibilities, to promote accountability and reduce culture of impunity
- Transparency in drug procurement and management, including: public reporting on procurement, data quality improvement, broad data dissemination, country benchmarking, standard lists of essential medicines, and evidence-based treatment guidelines (U4 2008b)
- Community participation in decision-making and monitoring activities including: establishment of local health boards with representation for civil society, and participatory budget initiatives.
- Raising staff salaries (but only when done in conjunction with strong monitoring and control systems, capacity building, and/or public information campaigns)
- Decentralisation of health funding and services to the local level

Success stories

Following public outrage in 2009 over widespread stockouts of essential drugs in Uganda, a power and influence analysis was able to pinpoint major corruption risks along the country's drug supply chain. The study showed how specific vested interests, a mismatch between formal and informal power structures, and patronage networks were driving corruption. Most importantly, it also identified actors with decision-making power who were essential to engage in anti-corruption efforts.

Independent financial management agents have been effective in checking and strengthening control systems and building local capacity in many countries: the Global Fund has successfully used agents in Niger, Malawi, Guatemala, and Zimbabwe. The World Bank's results based financing for maternal and child health interventions in Zimbabwe, Kenya, and Uganda also rely on agent support. Although, hiring foreign independent financial management and verification agents is expensive, accounting for up to 20-30% of programme costs. This presents both a mitigation tool against corruption and slight risk to health programmes because of the extra costs born.

Fiduciary Risks: Macroeconomic shocks

Related to political risks, volatile macroeconomic shifts can be equally detrimental to health programming. Swift and significant appreciation of the South African rand in 2006/07, for example, led to a drastic reduction in resources available to deliver health services in Namibia, Botswana, Lesotho, and Swaziland, which all rely heavily on imported pharmaceuticals and health products. These changes seriously affected the quality of health services in those countries. High inflation can also easily erode the value of investments available to achieve health objectives.

Success stories

Hedging against macroeconomic shocks such as inflation and currency volatility has now become standard practice across health programmes in developing countries. Readily available hedging tools make this a relatively easy risk to mitigate.

Mitigation tools

- Hedging currency rates
- Procuring and budgeting in hard currency instead of local currency

Risks to quality of health services and products

Effective procurement and supply chain management lie at the heart of ensuring that high-quality medicines are available to treat patients. Drug stockouts can delay or prevent treatments, leading to deaths or drug resistance. Inefficient or corrupt procurement systems can raise costs and prevent equitable access. Quality health service provision also requires a unique skill set that includes the ability to navigate social sensitivities, political motivations, and technical applications. Many teams working in volatile emerging markets struggle to get every element right.

Mitigation tools

A comprehensive approach is necessary to improve supply chain management, raise drug quality and lower costs. Tools include:

- State drug policies
- Essential Drugs Lists
- Quality assurance systems
- Pooled procurement systems
- Standard treatment guidelines
- Technical training and staff capacity building, including e.g. rational prescribing and use
- Drug information provision
- Guidelines for drug advertising and promotion
- Competitive bidding (including online systems)
- Prequalification of suppliers
- Other tender process transparency measures
- Integration of civil society representatives to government procurement processes
- Change leadership by powerful elites
- Stakeholder dialogue
- Division of procurement functions amongst relevant experts

Tools to support implementers in quality service delivery include:

- Robust training, access to information, supervision, guidelines and job aids
- Clearly defined roles and performance expectations
- Transparent and enforced rules and behaviour standards
- Contracting and accreditation
- Good staff wages, merit-based promotion policies and other performance incentives
- Quality performance improvement systems
- External audits, client evaluations, and announced visits to health facilities
- Coordination across countries and programmes
- Use of community health workers
- Hospital service organisation and management
- Delegation to and capacity building for local health authorities
- Health information systems
- Equitable health financing structures

Source: Chaudhury et al 2005, WHO 1999, U4 2008

Success stories

- In Asia, private sector health groups are linking with research and academic centres across countries to build up their specialist expertise, looking to mobilise large databases through which to study complex health factors in big populations (KPMG 2013c).
- In Africa, cooperation between the African Union and the Indian government has allowed doctors in India to remotely diagnose patients in 53 African hospitals via telecommunications, and allowed African medical students to engage remotely with Indian universities (KPMG 2013d).
- In Africa and India, an SMS service developed by US-based company, Sproxil, has allowed millions of consumers to verify the authenticity of pharmaceutical products.
- More health facilities are now using day-to-day management concepts that can make a significant impact on long-term performance, such as: 'standard work', which sets a clear baseline for the current best way of doing things backed by internal audits; or daily 'huddle' meetings, where frontline staff flag and prioritise implementation improvement ideas (KPMG 2013a).

Management Risks

Global health presents a complex conglomeration of management layers that bring together international donors, global health institutions, national and local governments, INGOs, NGOs, CSOs and the private sector. In theory, management of financial flows and strategy between these actors should come together under a national health system overseen by a competent national health ministry. This requires coordination across government agencies on issues such as budgeting, poverty reduction strategies, labour, education, civil service, trade and industry; stakeholder consultation; management of political and social competition for scarce resources, and consideration of international best practice and the public good. Donors must also coordinate their financing efforts from the top down while national authorities are expected to harmonize multiple sources of financing from the bottom up. Where public institutions are corrupt or weak, effective coordination, system management and channelling of resources to priority health areas becomes quite difficult; often projects are carried out in isolation, limiting their efficiency and effectiveness.

Management may also break down at the project level, if resources are not invested to ensure capacity amongst implementers to manage large budgets. Effective management of health workers is essential at all levels. Simple imposition of standards such as performance-based funding, popular amongst many health donors, may not be enough to improve outcomes. Managers who do not also receive training support, clear guidelines, adequate salaries and other incentives for their staff may simply falsify health records to meet unrealistic expectations.

Mitigation tools

- Establishment of joint government-donor collaboration and coordination mechanisms such as joint annual programme reviews, and development of joint donor working groups
- Establishing a healthy balance between delegation and accountability: delegation and clear communication facilitate timely decisions that prevent service disruptions, and provide autonomy to encourage innovation; accountability prevents corruption and waste
- For management by and amongst implementers, adequate support for overhead costs and investment in technical capacity building
- At the programme, project and facility level, effective management must focus on a balance between strict accountability systems and performance incentives for health workers; see mitigation tools listed under the Quality Health Services section above.

Success stories

- Ethiopia has experienced sustained improvements in health outcomes over the last 20 years thanks to improvement of its national health system administration. This involved reorganising health bureaucracy, better delegation of decision-making power between management levels, simplified standard operating procedures, and clear communication channels. Success also depended on staunch negotiation with donors to channel funds away from major epidemics, into primary care and other areas (KPMG 2013d).
- Three key entities financing global health – the Global Fund, World Bank and European Union – have invested in capacity building and increased overheads to improve management and service delivery. The success of these measures is evidenced by the increasing transition of management contracts from international organisations to local CSOs, with these local organisations now taking the lead in managing health funding from various sources.
- The Wold Bank and other key health sector donors have also committed to joint annual programme reviews; the Kenya Health Donor Group is one good example of donors effectively speaking as one.

Conclusion

Investing in effective risk management

Effective management of risks can result in significant improvements to health outcomes. Where health programmes are relevant and based on sound data analysis, they will make more efficient use of available resources and lead to better value for money and stronger results. Initiatives implemented by capable staff using robust accountability systems will also gain a reputation for good risk management and be able to attract additional resources from donors over time. And programmes that effectively engage with local, national and international stakeholders will build a positive reputation and result in more sustainable impact over time.

Given the many typologies of risk and their potential impact in the health sector, it is clear that more resources must be dedicated to understanding these risks. Increasingly, many donors have begun to address risks and are providing an impetus for increased investment in risk management for global health. In 2012, the Global Fund rolled out its new Qualitative Risk Assessment Tool (QUART), which is now used by Secretariat teams to identify, assess and manage risks relating to all of its in-country grants for HIV, TB and malaria programmes. Similarly, as part of its project appraisal, the Fund has made it compulsory for those involved in designing programmes to develop risk management plans up front. Many donors as part of their due diligence process now require that implementers have arrangements in place to identify, monitor and mitigate risks. This positive trend is now leading many institutions to increase their own investments in procuring appropriate expertise to manage their risks.

Establishing a Risk Management Plan: KPMG Services

While many health programmes face similar risks, each intervention is to some extent unique and will require a tailored risk management plan, including steps to establish context and structure, develop criteria, identify, analyse, evaluate and treat risks, and with communication, consultation, monitoring and reviewing throughout.

KPMG has diverse experience in helping both corporate and non-profit clients manage risk in the global health sector. We have developed risk management and mitigation plans for various health sector clients. Our International Development Advisory Services (IDAS) arm in Africa, which acts as a local fund agent to the Global Fund, is an excellent resource for health programmes seeking to develop risk management plans and to comply with donor standards on risk.

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