

2017 Global Fund Annual Report

Risk Management Section

Several years of civil unrest in South Sudan has caused a lot of operational challenges which have negatively impacted the health system and delivery of programmatic activities under the Global Fund project. In 2017, the operational environment was still volatile and recovering from the July 2016 crisis. Project delivery was affected by security challenges, deteriorated economy, inaccessibility to some facilities and monitoring and supervision exercises. UNDP, in collaboration with the Ministry of Health and other cooperating partners, worked together to ensure that measures were in place to mitigate the various risks so that negative impact on the project is minimised. Below is a summary of some major risks that the project was exposed to during the year and mitigating measures instituted;

SN	Risk Area	Risks identified	Mitigation Measures
1	Financial Management	Loss of funds due to lack of skilled staff to implement operating and financial management rules and regulations stipulated by the project and the donor	Project activities were implemented using the zero-cash modality for government entities orientation sessions were held for sub-recipients in financial management and programmes implementation
2	Financial Management	Theft and diversion of project assets due to insecurity, looting and tracking and monitoring systems	Regular physical verification exercises were conducted on a quarterly and bi-annual basis to ensure that assets distributed to various facilities were accounted for. In addition, dedicated staff were appointed as Assets Focal Persons both at the PR and SR levels. In addition, tracking devices were installed in motor vehicles and insurance costs incorporated in the budgets for 2018-2020
4	Operations management – procurement and supply chain management	Treatment disruptions as a result of warehousing and distribution challenges	The central warehouse at riverside was renovated and expanded thereby streamlining distribution and reducing stock management costs for UNDP. The single CMS provides better visibility on stock levels and makes planning and coordination easier. In addition, regional warehouses have been constructed in strategic locations.