

MALI TEAMS SEE POLITICAL INSTABILITY AND INSECURITY AS MAJOR RISKS AHEAD

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The Global Fund's Mali Country Team, accompanied by risk specialists Marianne Tellier and Monique Ouffoue, and high-impact country manager Maria Kirova, organized a workshop on risk management for grant implementers from Mali on 3 October earlier this year. Together with the Local Fund Agent (LFA) team and the fiscal agent, the Principal Recipient (PR) representatives spent a day reflecting on the types of risks they face in their country and how to anticipate and mitigate them. This first step was a great success, and many participants expressed their expectations for the next steps.

This article summarizes some of the discussions and analyzes the participants' perceptions and recommendations.

Perception of risk

When talking about risk, implementing partners think primarily about financial risk. Workshop participants were no exception, and when asked what words they associated with risk, fraud came to mind first. This can be seen from the 'cloud' in Figure 1 below, with the concepts of fraud, corruption, embezzlement, theft, and accident being the most commonly cited by participants. Political risk, programmatic underperformance, and physical threat were far behind.

Figure 1. Menti survey results on words participants associate with risk

In contrast, when asked what the most common risks to Mali's portfolio are, participants identify security risk, political instability, and leadership conflict as the top threats. There is a dichotomy between what is spontaneously cited as a risk, and what emerges when people reflect on their own situation. All of this is corroborated by the question below on the risks to be taken into account in the coming years, and on which the Global Fund must focus. The diagnosis is clear: security, governance and operational risks come first, ahead of financial risk.

Figure 2. In Mali's changing context, what risks should we consider in the future for Mali's portfolio?

How can we explain this paradox, between a perception of risk that sees political instability and conflict as the main risks that would limit the successful implementation of grants, and especially the achievement of the desired impact, and the over-investment in financial risks?

Malian colleagues sought answers to this question: for some, the Global Fund has provided many tools to anticipate and manage financial risk, and the mechanisms are in place: procedures manuals, internal audit, fiscal agent, LFA.... Financial risk remains an issue without a doubt, but it is the subject which the teams are best equipped to deal with and where they have made the most progress over time and in their partnership with the Global Fund. Conversely, the tools for analyzing operational risks and solutions for improving governance are complex, and the Global Fund has not developed these as much. And it is these risks that implementing partners want to work on, especially as the security situation worsens and political instability in the region increases.

What are the needs for Malian teams and what role do they want to play?

The Global Fund asked its implementing partners what they would like to see on offer to enable them to better address operational and governance risk management. Not surprisingly, the Malian teams asked to be trained on the tools used by the Global Fund, which are currently used more for internal management. 62% of participants said they were aware of the risk matrix developed and used by the risk teams. It is true that the matrix is not systematically shared with PRs or the Country Coordinating Mechanisms (CCMs), even though it is an interesting analytical tool and, once consolidated, is presented to the Board of Directors to feed into

discussions on the risk framework. Malian stakeholders acknowledge that they are not familiar with other tools, and the liveliness of the discussions showed their appetite for training and involvement in these topics.

Figure 3: What risk management tools do you know about?

To address this lack of awareness, participants mentioned some ideas, such as training on Global Fund risk management tools and on risk. A third of them expect the Global Fund's risk teams to support them in their daily work in order to better take risk into account at all stages (in planning activities, their implementation, financial management, and beyond that, in implementation modalities with the Ministry of Health).

Figure 4. What do you need to better integrate risk into your business?

How do you spread the risk culture?

Malian partners and implementers are fully aware of the risks faced by their teams and by the Global Fund at this moment in time. They are confronted with issues that go beyond their capacity and remit, particularly in the governance challenges that the country is currently facing which are affecting political stability (two coups d'état in 18 months) and territorial security (with the development of terrorism and banditry). This is also manifested in the beneficiaries' dissatisfaction of basic services which are no longer available in many regions in the center and the north no longer have.

How can the country and the Global Fund address these issues? The answer is complex, as risk analysis leads to questions at all levels, from regional risks (the impact of events in Burkina Faso on neighboring countries, particularly in the tri-border region) to the micro level (security in the areas where implementing partners operate) to the national level.

The good news is that the Global Fund Mali teams want stakeholders involved in these discussions; they want to move beyond the current situation, where risk management is discussed in Geneva in the various bodies of the Board of Directors, committees and the Secretariat, and then relayed to the field by the fiscal agent and the LFA, but rarely by the teams themselves. Yet the latter are exposed to risk, and their insight, their acute understanding of the context, and their inventiveness are precious assets when it comes to risk mitigation. Because risk is shared, it is everyone's business, and it must be cross-cutting, both in Geneva (it is the business of all departments and must be treated under the financial, security, operational and programmatic aspects) and in Bamako, Gao, Kayes, or Mopti.

Figure 5: What role could you play in risk management?

Conclusion

These types of workshops do not seem to be held very frequently, and we should therefore be pleased with the initiative taken by the Global Fund teams. The interest that it aroused among the participants seems to indicate that this approach should be encouraged and 'normalized' among countries that wish to hold these discussions, particularly those that are under the threat of several financial, security and governance risks.

For Mali, this was a first step which will be followed by other strong actions that will allow the teams in Bamako to better train themselves in risk management and actively participate in the annual discussions on the update of the risk framework. At the same time it also gives them the initiative of requesting flexibilities to counterbalance the risk, and which the policy on fragile states allows.