

TDR risk management report 2018

Agenda item: 4.4

Action / Information: JCB is invited to review and endorse the report

Purpose: This document presents an updated management report for risk. It outlines how risk management is developed and followed up at the programme level.

Introduction

In 2012 TDR institutionalized the process of risk management across the Programme. Since then risks have been mitigated, plans have been monitored twice a year and a progress report is presented to TDR's governing bodies annually. New risks are identified and reviewed as necessary. In 2014 WHO introduced risk management across the Organization. TDR's risk management activities have therefore also been embedded and reported in the Organization's system and TDR is part of WHO's risk registry. TDR's risk management system was audited by WHO external auditors in 2018, and their improvement recommendations have been implemented.

TDR risk management brings together the culture, processes and tools required to effectively identify and manage potential adverse situations, as well as opportunities, in order to strengthen the Programme's efficiency and competitive position.

Embedding effective risk management as a programme-wide system enables TDR to systematically identify, prioritize, analyse and treat significant risks related to its corporate work. This will help to:

- anticipate future events: enhance planning to reduce unwanted surprises, turning risks into opportunities;
- facilitate prioritization and inform decision-making, ensuring proper attention is given to high-risk / vulnerable areas; and
- identify cost-efficient value-adding measures to address the root cause of significant risks, thus reducing failures, delays and budget overruns.

Risk management is implemented at both programme and project levels. Some elements have been key in introducing risk management practices in TDR. These include: (i) development of a culture of risk management across the Programme; (ii) training of staff in risk management; and (iii) implementation of all risk management steps, ensuring a continuous process that is sustained.

Progress overview

At the beginning of 2018, there were twelve active TDR significant risks. Three risks (#11, #13 and #15) were closed out following approval by TDR's governing bodies, since they were no longer relevant.

Risks are monitored as part of the internal TDR progress review process, in alignment with the TDR Performance Assessment Framework. Discussions occur within relevant teams, scientific working groups, at management and staff meetings, as well as with the TDR Scientific and Technical Advisory Committee (STAC), the Standing Committee and the Joint Coordinating Board (JCB).

Progress on risk mitigation has been reported as follows:



Fully mitigated and closed out



Some minor issues












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Major issues

Six significant risks were closed between 2013 and 2018 (three in 2018) (see Annex 1). **Nine significant risks are actively being mitigated:**

Risk 1	TDR's portfolio not kept streamlined with its strategy and proposed direction	
Risk 2	TDR's income level not sustained	
Risk 8	TDR information management systems not adequate anymore	
Risk 9	Poor communication of TDR's unique value and contribution	
Risk 10	Research results not translated to policy and practice	
Risk 12	Impact of WHO transformation on WHO Special Programmes	
Risk 16	Impact of WHO staff mobility policy on TDR operations	
Risk 17	TDR 2018-2023 strategy does not leverage on existing TDR success and added values	
Risk 18	TDR's lack of visibility within collaborations and partnerships	



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Major issues

Progress on risk mitigation and related actions

Table 1 below lists all key actions identified to mitigate TDR significant risks, including an update of their status. In addition, it includes a risk trend (stable, increased or decreased) to signal the direction the risk level moved compared to the previous report.

Table 1: Progress status on TDR significant risks mitigation

Risk title and related mitigation actions		Status	Risk trend
Risk 1	If TDR's portfolio is not kept aligned with its strategy, there is a risk that TDR will not be able to meet its commitments, resulting in a loss of credibility with stakeholders.		Decreased
	Strategy passed through JCB and launched as scheduled. Draft structure passed by JCB and initial discussions held with staff and HRD; structure to be completed in 2019, pending the rollout of WHO's new structure. Portfolio alignment monitored by SWGs and STAC. 2018-2019 TDR Programme Budget and Workplan developed and approved by JCB.		
	1.1 Launch TDR 2012-2017 strategy.	Completed	
	1.2 Implement TDR reorganization.	Completed	
	1.3 Develop TDR budget and workplans for 2014-2015 and 2016-2017 with clear prioritization.	Completed	
	1.4 Operationalize the strategy (implementation and monitoring of the TDR workplan, financial recovery plan, R&D transition plan, management plan and risk management plans).	On track	
	1.5 Organize regular review of progress of TDR activities looking at technical and financial aspects (portfolio reviews, fortnightly team leaders' meetings, monthly staff meetings).	On track	
	1.6 Develop a ONE TDR culture (retreats, working groups, staff meetings, staff development, etc.).	On track	
	1.7 Launch 2018-2023 strategy	Completed	
	1.8 Align TDR's structure with 2018-2023 strategy	On track	
	1.9 Develop and get STAC & JCB endorsement on the 2018-2019 Programme Budget and Workplan	Completed	
	1.10 Develop and get STAC & JCB endorsement of the 2020-2021 Programme Budget and Workplan	On track	



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Risk title and related mitigation actions		Status	Risk trend
Risk 2	If donor contributions decrease as a result of changes in donor policies / priorities, or WHO changing their fundraising model, or adverse exchange rates, there is a risk that TDR's income level is not sustained, resulting in an inability to deliver on planned activities.		Decreased
	The status of this risk remains the same. The undesignated funds income trend stabilizes in 2018-2019 but still points downwards beyond 2020. TDR's contingency plan, developed in October 2018 secured donor support and maintained the undesignated funding at expected levels for 2018-2019. Fluctuations in contributions against anticipated levels remain an issue with several donors and seem to carry forward to 2020-2021. The fact that half of TDR's UD budget comes from only two major donors compounds the risk in case of losing one of them. The project designated funding strategy and activities have led to a good amount being secured (UK DHSC, BMGF), and a new major donor (UK DHSC).		
	2.1 Contact new donors in order to broaden the donor base and have more donors become major contributors.	On track	
	2.2 Make particular efforts to retain contribution levels of TDR's main donors (including regular visits to key donors).	On track	
	2.3 Improve communication and reporting on outcomes and deliverables, demonstrate value for money, relevance and ability to perform.	On track	
	2.4 Develop and implement sustainable fundraising strategy and practices.	Completed	
	2.5 Establish and/or strengthen connections with fundraising networks.	On track	
	2.6 Monitor closely income forecast (considering exchange rate, BREXIT, other uncertainties).	On track	
	2.7 Develop contingency plans for 2018-2019 budget and workplan and gather increased support from undesignated funds donors	Completed	
	2.8 Use conservative estimates when forecasting income for 2020-2021	On track	
Risk 8	If there is no improvement in WHO's IT systems in terms of project management, there is a risk of poor control of TDR information, resulting in delays, poor analysis and impacting monitoring and reporting of TDR activities		Increased
	The system requirements for eTDR, the new project and grant management system, were developed in consultation with TDR staff and WHO's IT department. A call for interest was launched and six firms responded with applications. The selection, negotiation and contracting are planned for 2019. In the meanwhile, temporary solutions are being used. The cost of eTDR might end up being significantly higher than previously estimated by WHO, which will require negotiation and narrowing its scope.		



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Risk title and related mitigation actions		Status	Risk trend
	8.1 Build a solid case to request permission from WHO management to link CONNECT to the next version of WHO management system in 2013.	Completed	
	8.2 Go, no go decision from WHO to move forward.	No go	
	8.3 Identify alternative options to TIMS and CONNECT in order to manage TDR information and grants management system.	Completed	
	8.4 TDR developing a new IT system for portfolio and project management, to address the requirements that are not met by WHO systems (eTDR)	On track	
Risk 9	If TDR is not able to clearly articulate and communicate its unique value and contribution to global health there is a risk that it becomes less attractive to funders and partners, and as a result will not be able to provide a meaningful contribution.		Stable
	Communication plan is being implemented. Annual Reports are being published highlighting TDR's main achievements within a year. TDR Global was developed to capitalize on the wealth of human resources supported by TDR in countries over the year and to showcase TDR's impact.		
	9.1 Update communications policies and ensure that all staff are aware of them and have access to them.	Completed	
	9.2 Identify M&E framework elements and tangible outputs and outcomes for annual/biennial report.	Completed	
	9.3 Investigate the impact of expanded news stories and videos to increase time on website.	Completed	
	9.4 Identify a vendor to work with to develop a baseline TDR perception audit and the process for ongoing monitoring of this.	Completed	
	9.5 Analyse the findings from the TDR stakeholder survey.	Completed	
	9.6 Develop an updated TDR communications plan based on the stakeholder survey and analysis.	On track	
	9.7 Analyse the necessary tasks needed coming out of the TDR stakeholder survey and assign responsibility across TDR.	On track	
	9.8 Initiate a new round of communication training to staff following reorganization.	Completed	
	9.9 Implement the TDR communications plan.	Completed	
	9.10 Develop the TDR Global to track grantees careers, map expertise and foster collaborations.	Completed	
	9.11 Monitor communication effectiveness and implement novel measures to improve reach-out and impact.	On track	



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Risk 10	If TDR is not able to engage communities, researchers and policy makers into innovative approaches in research and knowledge management, there is risk of a lack of appropriate and timely translation of research evidence to inform policy and practice, resulting in reduced health impact and loss of credibility.		Stable
	Implementation of the 2018-2019 workplan is taking into consideration uptake and impact. TDR new structure includes a Research Policy Manager.		
	10.1 Ensure that all TDR projects have a strategy to enhance uptake of research outputs.	Completed	
	10.2 Identify further activities to enhance research translation.	On track	
	10.3 Creation of a Research Policy Manager position in TDR's new structure.	On hold	
Risk 12	If WHO transformation leads to a change in the funding model of WHO, this may put pressure on donors to shift their contributions from TDR to WHO, which will negatively impact TDR's finances		Stable
	With the new WHO transformation initiative, there is a risk that TDR, like other special programmes and partnerships, may suffer from a change in WHO's funding model. This presents opportunities for us to work more closely with other programmes on joint thematic platforms. The external audit of TDR in 2018 resulted in a recommendation to take the lead on TDR resource mobilization to oversee our interest in funding our operations and not rely on CRM alone to redesign the fundraising process.		
	12.1 Discuss on a regular basis with the Assistant Director-General Office, WHO management and TDR Standing Committee.	Completed	
	12.2 Liaise with other Special Programmes and partnerships as relevant.	Completed	
	12.3 Develop a back-up plan for possible financial implications of the change in the calculation of administrative charges.	Completed	
	12.4 Develop a back-up plan for potential impact on TDR income following WHO possibly changing its funding model.	On track	
	12.5 Address the recommendation of the external auditors and keep sending a representative to the CRM meetings until mechanisms are established to gradually harmonize and integrate the resource mobilization activities of TDR in the redesigned corporate resource mobilization process.	On track	



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Risk 16	If WHO applies its staff mobility policy indiscriminately to TDR, there is a risk that unique skills and expertise will be lost and replaced with generic qualifications, which will negatively impact on TDR's operations.		Increased
	All mitigating activities are on track (activities under TDR control). However these have not yet influenced the risk (outcome not under TDR control). As implementation time is getting closer the risk status is considered under 'major issues'. The policy is expected to be implementing starting with 2019.		
	16.1 Liaise with WHO management, follow the development of this policy and, if appropriate, develop scenarios and their implications.	On hold	
Risk 17	If TDR's strategy for 2018-2023 does not leverage on existing TDR successes and the added value of the Programme, there is a risk that the strategy does not appear relevant to the stakeholders and does not serve TDR's mission.		Decreased
	TDR gave careful consideration when reviewing recommendations and wide consultation with stakeholders in creating the 2018-23 Strategy.		
	17.1 Effectively learn and benefit from TDR's 6 th External Review.	Completed	
	17.2 Effectively consult with stakeholders when developing the next six year strategy 2018-2023.	Completed	
	17.3 Monitor the operationalization of the strategy	On track	
Risk 18	If TDR lacks visibility within collaborations and partnerships, there is a risk that TDR's strategic interests are not addressed, which may lead to poor implementation of joint projects and poor visibility of TDR's contribution.		Decreased
	The partnership criteria have now been clearly included in TDR's strategy. Fulfilment of these criteria has been included in each expected result's strategic plan, and is being monitored and reported. This is being used for existing collaborations and partnerships as well as for new opportunities. Work is under way to harmonize the way this is addressed across all work areas.		
	18.1 Effective implementation of TDR partnership criteria with all new and existing collaborations and partnerships.	On track	
	18.2 Ensure agreed upon plans are developed with partners of all collaborations and partnerships.	On track	



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Major issues

Annex 1 – Fully closed out risks

Six significant risks identified have been fully addressed and closed out (2013-2016):

Risk 3	TDR's governance structure inappropriate to the needs and size of the Programme	✓
Risk 4	Roles and responsibilities of co-sponsors not clearly defined	✓
Risk 5	TDR's transition to the 2012-2017 strategy not successfully managed	✓
Risk 6	Financial instability due to weak financial management processes/policies	✓
Risk 7	Missed opportunities of learning from experience (including governing bodies advice and analysis of processes)	✓
Risk 11	Process for selection of TDR's grantees and monitoring of their work not adequate anymore	✓
Risk 13	Implementation of TDR strategy 2012-2017 and workplan not effective	✓
Risk 14	WHO budget ceiling is set low for TDR 2014-2015 biennium budget approved by JCB	✓
Risk 15	World Health Assembly requested TDR to consider hosting a pooled funding mechanism for R&D for neglected diseases to be operational by 2016	✓

Risk title and related mitigation actions		Status	Risk trend
Risk 3	TDR's governance structure inappropriate to the needs and size of the Programme	✓	Not applicable
	3.1 Implement JCB decisions on TDR governance.	Completed	
	3.2 Amend the MOU, following recommendations of JCB.	Completed	
	3.3 Endorsement of the revised MOU by the TDR Co-sponsors.	Completed	
	3.4 Notify the changes to the WHO Regional Offices and the STAC.	Completed	
	3.5 Develop standard operating procedures for TDR Standing Committee and STAC.	Completed	
	3.6 Review process for the management of the governing bodies and simplify then when possible.	Completed	
Risk 4	Roles and responsibilities of co-sponsors not clearly defined	✓	Not applicable
	4.1 Strengthen TDR's bilateral relations with all of its co-sponsors and further explore operational collaboration.	Completed	
	4.2 Meet and share 2012-2017 strategy with co-sponsors.	Completed	



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Major issues

Risk title and related mitigation actions		Status	Risk trend
Risk 5	TDR's transition to the 2012-2017 strategy not successfully managed	✓	Not applicable
	5.1 Effectively implement financial recovery plan.	Completed	
	5.2 Develop and implement the transition plan for existing pharmaceutical product R&D projects.	Completed	
	5.3 Support unmatched staff and carefully manage changes at TDR.	Completed	
Risk 6	Financial instability due to weak financial management processes/policies	✓	Not applicable
	6.1 Optimize the use of WHO's Global Management System (GSM) for TDR financial management.	Completed	
	6.2 Establish realistic and results based budgeting processes and systems with clear prioritization criteria and processes.	Completed	
	6.3 Develop and implement systematic financial monitoring processes and systems (at programme, team and project levels).	Completed	
	6.4 Manage new designated funds in separate awards.	Completed	
	6.5 Develop a new policy for management of designated funds.	Completed	
	6.6 Develop a costing model and policy.	Completed	
	6.7 Develop TDR workplans 2014-2015 and 2016-2017 based on detailed planning of activities, resources and timelines.	Completed	
	6.8 Establish a system to continue maintaining and improving as relevant financial management processes and systems.	Completed	
	6.9 Develop financial working capital to enhance cash management and flexibility in case of unexpected events (e.g. fluctuation in exchange rate).	Completed	
Risk 7	Missed opportunities of learning from experience (including governing bodies advice and analysis of processes)	✓	Not applicable
	7.1 Conduct an extensive review/optimization of all TDR specific administrative processes.	Completed	
	7.2 Optimize/test financial management processes and systems.	Completed	
	7.3 Further enhance and document TDR management processes after the TDR reorganization (including portfolio monitoring and evaluation).	Completed	
	7.4 Establish a system to ensure systematic review of all processes and implementation of agreed improvements.	Completed	



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Major issues

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	7.5 Continue presenting systematically to TDR's governing bodies reports on the implementation of their recommendations.	On track	
	7.6 Place status and progress of implementation of recommendations on the TDR shared drive accessible to all staff.	Completed	
Risk 11	Process for selection of TDR's grantees and monitoring of their work no longer adequate	✓	Closed out
	Forms and templates for grant proposal review, for progress reporting and final reporting are being revised. In the strategic planning of TDR expected results and projects, and in the templates used for external proposals, there is a section on risk management, which is reviewed as part of the project review.		
	11.1 Develop standard operating procedures for portfolio prioritization.	Completed	
	11.2 Review/improve TDR forms for grant applications, progress and final reports.	Completed	
	11.3 Develop standard operating procedures for the operationalization of Scientific Working Group.	Completed	
	11.4 Introduce a requirement to include a risk management component in each proposal/contract to be supported.	Completed	
Risk 13	TDR strategy and workplan not effectively implemented	✓	Closed out
	This risk can now be closed as the TDR strategy 2012-2017 has been successfully implemented.		
	13.1 Conduct a workshop for all TDR staff on project management.	Completed	
	13.2 Develop a detailed operational plan with activities, timelines and resources for each TDR project.	Completed	
	13.3 Conduct training sessions in financial management for each team and identify a project management assistant to support team leaders in planning, monitoring and reporting the work of the team.	Completed	
	13.4 Closely monitor implementation at all levels of the Programme and take action as necessary.	Completed	
Risk 14	WHO budget ceiling is set low for TDR 2014-2015 biennium budget approved by JCB	✓	Not applicable
	14.1 Discuss with HTM/ADGO the possibility of increasing TDR's budget ceiling in order to match implementation as relevant.	Completed	



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Major issues

Risk title and related mitigation actions		Status	Risk trend
Risk 15	World Health Assembly's request that TDR consider hosting a pooled funding mechanism for R&D for neglected diseases negatively impacts the Programme's operations	✓	Closed out
	This risk should now be closed as the WHA no longer plans to establish a Global R&D Fund. The JCB's oversight and advice on this helped to maintain the key role that TDR played in technical support to the process.		
	15.1 Ensure TDR has a role in the implementation of the Member State selected demonstration projects to ensure learning from this process informs future R&D pooled fund.	Completed	
	15.2 Ensure planning includes TDR governing bodies and other stakeholders, to have a clear understanding of how it fits and complements TDR Strategy.	Completed	
	15.3 Ensure timely communication with TDR core funders in order to continue to provide undesignated funding to TDR while supporting the R&D pooled fund.	Completed	
	15.4 Ensure WHA through WHO continues to be in charge of raising and replenishing funds for the R&D pooled fund.	Completed	



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Major issues