

# UPDATE ON ENTERPRISE RISK MANAGEMENT

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Item 9: Update on the development of an overarching system for enterprise risk management

Reference document: [E/ICEF/2024/8](#)



# The need for risk management: anticipating what might happen

- **Scale, range and complexity** of UNICEF programmes and operations have increased with ambitious SDGs and surge in humanitarian needs
- **Unpredictable and volatile world** increasingly facing (geo)political divides, conflict, natural disasters and economic uncertainty
- UNICEF needs to be able to **safely face risks** and **confidently take risks** to achieve its mission and deliver results for children



# Various approaches exist, but are often fragmented across risk areas and business owners

## Enterprise risk assessments

**UNICEF POLICY ON ENTERPRISE RISK MANAGEMENT**  
Document Number: PE  
Effective Date: 12 Nov

**Mandatory Assessment by offices**

Risk Category	Risk Areas
Institutional Risks	Fraud, Waste and Misuse of Resources Misconduct, Wrong Toward Others (Child Safeguarding) Funding and External Failure to meet target
Operational Risks	ICT Systems and Info (Cyber Security risks)
Contextual Risks	Organizational Resilience (Business continuity risks)

**Natural Disasters and Anthropogenic Hazards**

Strategic Pillar	Strategic Objective	Operational Objective	Outcome
Leadership and Governance	Sound Vision and Mission of UNICEF (mandated 2021)	Service and Client Health and Wellbeing	Operational Excellence (mandated)
Delivery and External Relations	Quality Education	Human Dignity	Environmental and Social Sustainability
Governance and Accountability	Protection from Violence and Exploitation, Child Protection	Health and Wellbeing	Natural and Anthropogenic Hazards
Operational Strategy	Safe and Clean Environment, WASH	ICT Systems and Information Security	
Misconduct, Misreport and Inefficiency, External, Sexual, Gender	Available Choice in Life, Equity	Results Based Management and Reporting	

## Implementing partner risk management

**The Harmonized Approach to Cash Transfers (HACT)**

**RISK ASSESSMENTS**

All civil society partners engaged in programme implementation are subject to due diligence verification and a prevention of sexual exploitation and abuse

- Assessment:** We assess PSEA capacities
- Capacity Strengthening:** We support capacity strengthening based on the gaps identified
- Monitoring:** We monitor capacities to ensure PSEA systems are utilized in practice
- Partnership Response:** We take actions on the partnership if/when an allegation occurs

undertake financial risk assessment

**THE EMERGENCY PROCEDURES**

**3. Humanitarian Risk Management**

The principal risk for UNICEF in all humanitarian responses is any action or inaction which results in a failure or delay in saving lives, alleviating suffering, maintaining human dignity and protecting rights of children and their families affected by humanitarian crises.

The principal risk is inseparable from two related risks: any action or reaction that contravenes the Humanitarian Principles of humanity, impartiality, neutrality and independence or international humanitarian law and any action or reaction which puts the affected population at risk (the principle of "do no harm").

Action	Accountable	Responsible
Risk of inaction: In line with the principal risk stated above, and in line with the CCCU, explicitly define and demonstrate the full risk to the UNICEF operations across...	Representative, RO	Director of EMOP



**Risk embedded in the programme cycle**

Risk sensitive monitoring & evaluation of outcomes including humanitarian action

Situation Analysis (SA) informed by risk conflict and humanitarian needs analysis

Country Programme Evaluation (CPE)

Country Programme Document (CPD)

Annual Risk Assessment & EPP (Annual Review)

Annual Review provides opportunities for changes in plans, strategies, indicators, and budgets

Information and data for strategy

**Risk management in country programmes**

## Humanitarian cash programming risk management

**hope**  
Humanitarian Cash Operations & Programme Ecosystem

- Targeting:** The Targeting module allows querying households based on programme's criteria and defining entitled households to be included. In this regard HOPE can perform complex computation analysis resulting in composite vulnerability scores.
- Reporting:** The Reporting module provides downloadable excel files with anonymised data for analysis of process and output indicators at country level.
- Payment Verification:** The Payment Verification module allows UNICEF to check that beneficiaries have received the correct amounts in the correct timeframe by providing tools for sampling and matching data from financial reconciliation beneficiaries for each payment cycle and verify received amounts with households.
- Grievance and Feedback:** This module enables UNICEF to aggregate grievances and feedback received from a variety of sources to systematically categorise, address and refer beneficiaries and non-beneficiaries' complaints in a timely and traceable manner. This function supports in detecting and mitigating risks of unfair selection, treatment and exclusion of vulnerable groups and was designed to improve the protection from and prevention of sexual exploitation and abuse (PSEA) by enabling people, regardless of their beneficiary status to submit confidential sensitive grievances, as well as for UNICEF to resolve these types of grievances in an effective and confidential manner. This module represents a major tool in UNICEF's effort to advance on its commitment to Accountability to Affected Populations.

## Emergency preparedness and response



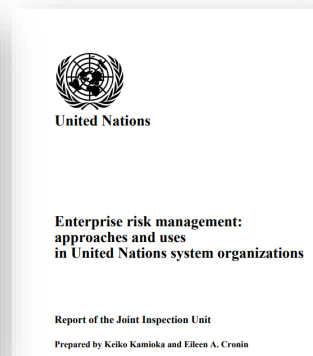
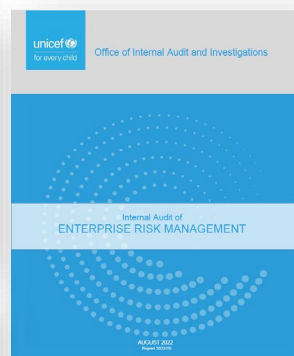
# Assessment of current state and progress made

## 01. Enterprise risk management policy framework

- Making it less complex and compliance-oriented, more centred around results for children

## 02. Organizational structure and governance

- Chief Risk Officer in Office of the Executive Director
- Clarification of roles, governance and capacity needs across the organization



## 03. Risk culture and capabilities

- Culture of risk aversion and bold risk-taking
- Senior Management Risk Committee reconstituted
- Training, communication and engagement to target risk awareness and calculated risk-taking

## 04. Tools, processes, and integration

- Fragmented risk management practices and unwieldy tools require simplification and harmonization

## 05. Risk sharing and collaboration

- HLCM Risk Management Forum and inter-agency risk management coordination committees
- Risk Sharing Platform by signatories to the Grand Bargain



# Towards a more integrated and overarching approach

- Based on a revamped vision and implementation plan, an evolved enterprise risk management (ERM) framework will be launched in early 2024.
- The multi-year plan will guide an incremental evolution in risk management maturity and address various recommendations comprehensively.
- The Chief Risk Officer will drive the ERM agenda, working with risk owners and risk-related functions, and will be a clear overarching point of contact on risk for internal and external stakeholders.







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Thank you.

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