

Chapter 2: Country Programme Approach

Section 2.2: Programmes of Cooperation

2.2.5 Managing Risks

2.14. Development and humanitarian endeavors are fraught with risks. When risks are well managed, extraordinary results can be achieved; inadequate management of risks can jeopardize the achievement of results. The [2009 Risk Management Policy](#) crystallizes the accountabilities across different levels of the organization in incorporating a systematic and consistent approach to identifying, assessing, and managing risks and opportunities and reporting on risks. The policy paper together with the UNICEF Risk Management Guide and the UNICEF Risk Reference Guide constitute the [UNICEF Risk Management Framework](#). They present the 2008 UNICEF Risk Profile, general expectations on how to manage risks in 26 key risk areas, and include a Risk and Control Library to be used as reference. The Risk Management Framework builds upon and integrates UNICEF's established risk management activities into a consistent set of practices. The framework also reflects leading practices observed in other organizations, including other UN agencies. This consistency is intended to harmonize UN operations and to provide opportunities to integrate activities such as risk assessments.

2.15. Country offices are required to use emergency risk-informed approaches to address vulnerabilities of children and women within development programming and humanitarian action. The development of national capacities for emergency preparedness, mitigation and response to disasters should be prioritized, alongside building the capacities of families and communities to cope with humanitarian crises. Early recovery should be promoted during an emergency response. The [Core Commitments for Children in Humanitarian Action 2010](#) reflects this vision of an integrated humanitarian and development approach and is consistent with UNICEF's Enterprise Risk Management approaches.

2.16. UNICEF engagement in advocacy on sensitive issues can also represent a source of risk. As with all areas of risk, such considerations require careful risk/reward analysis. Advocacy is an important aspect of UNICEF's work, sometimes offering long-term results that can go beyond the impact UNICEF can have through service-oriented or technical cooperation alone. As a result, the risk inherent in certain contexts should not necessarily be a constraint on advocacy, but rather a consideration in the approach adopted.

Principles in Risk Management

- *Risk management is everyone's business:* All staff members are expected to identify, assess and manage risks related to their area of work;
- *Accept no unnecessary risk:* There is no benefit in accepting any risk if it does not help to advance towards UNICEF's objectives;
- *Accept risk when benefits outweigh costs:* The aim is not always to eliminate risk; total risk elimination would involve extensive controls and is costly; walking away from risky situations would often be impractical and may not serve UNICEF's strategy and objectives;
- *Anticipate and manage risk by planning:* When developing strategies and office work plans, designing or reviewing programmes, or preparing for emergencies, consider risks to the achievement of expected result; risks are more easily mitigated when they are identified during planning;
- *Recognize opportunities:* Explore opportunities that may arise in support of the expected results and assess the risks related to such new interventions;
- *Take decisions promptly:* Avoiding or delaying decisions may exacerbate the problem or miss an opportunity, and in humanitarian situations may even lead to loss of lives; taking no decisions is a decision to default to the status quo; affirmative management of risks is critical to success;
- *Consider risks individually and in the aggregate:* Each risk should be evaluated on its own and in combination with other risks related to the same overall objective; the best strategy for the achievement of a major objective may involve a combination of different responses to risks related to contributing objectives;
- *Make risk management decisions at the right level:* Decisions on risks should be taken at the level of delegated authority; risks should not be assumed for which authority has not been received;
- *Embed risk management:* Risk management is a discipline that should be embedded into existing business processes.

2.18. Taking calculated risks and pursuing innovation are not contradicted by control measures or compliance requirements. To advance the organization's strategy and objectives, management and staff are encouraged to explore and take actions that are innovative while using sound management practices. This requires the identification and assessment of risks that may be associated with innovative approaches.

2.19. Management and staff are required to apply the Risk Management policy in their work. Risk and Control Self-Assessments (RCSA) must be conducted annually at Country, Regional and Headquarter levels. Decisions should be made upon consideration of the risks and their significance in relation to the expected results and the context of the particular situation. Risk identification and management is an integral component of programme formulation and implementation. Additional information on the identification of risks during the process of programme formulation can be found in Chapter 3 Section 2.3.

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