

UNHCR/HCP/2020/02/Rev.2

Policy on Enterprise Risk Management in UNHCR

Please note that revision 2 updates the risk categories and sub-categories (see Annex 1) to align them with latest terminology. Terminology throughout the rest of the policy is also lightly revised to align with other policy developments. No additional requirements are introduced.

Approved by: Kelly Clements, Deputy United Nations High Commissioner for Refugees

Signature:

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Contact: Chief Risk Officer

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This and other official UNHCR Guidance is available on the [Policy and Guidance Page](#) of the UNHCR-net

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1. Introduction

In fulfilling its mandate, UNHCR operates in a variety of complex, uncertain and volatile environments. This gives rise to multiple risks that need to be effectively managed if UNHCR is to deliver protection, assistance and solutions to forcibly displaced and stateless people. UNHCR could not possibly achieve its mandate without continuously taking calculated risks. The overall purpose of the UNHCR Enterprise Risk Management (ERM) framework, of which this policy is a key part, is to enable UNHCR to manage these risks consistently and effectively at the country, regional and headquarters levels in order to successfully deliver its mandate and maximize the likelihood and extent of success.

This document sets out the revised and updated ERM policy. This policy is based on the 2018 edition of the international standard for risk management, ISO 31000 “Risk management – Principles and guidelines”. This standard defines risk as the effect of uncertainty on objectives. The effects of uncertainty may have a negative impact on objectives but may equally also have a positive impact on objectives (i.e. be an opportunity).

This updated organization-wide approach to risk management defines a systematic risk management process, developed in line with risk management best practices in the public and private sectors and adapted to UNHCR’s needs.

2. Scope

The scope of this policy is the management of all key risks and opportunities that may significantly affect the achievement of UNHCR objectives. It therefore applies to entities at the country, regional and headquarters levels and applies comprehensively to objectives related to all population types.

Risks should be assessed relative to objectives in the operation, bureau or headquarters entity’s current planning cycle. Regardless of the length of the planning cycle, risks should nevertheless be reviewed at least annually at a minimum.

The ERM framework is an umbrella framework for risk management that covers all types of risks and opportunities. Multiple other risk management frameworks, or policies with risk management elements, exist in UNHCR. These include, but are not limited to the following:

- the UN and UNHCR Security Risk Management Policy;
- the UN-wide Programme Criticality Framework;
- the Policy on Managing Occupational Health and Safety in UNHCR;
- the UN-wide policy on Organizational Resilience Management Systems, including Business Continuity Planning;
- the Strategic Framework for the Prevention of Fraud and Corruption;
- the UNHCR policy and procedures on anti-money laundering;
- the Operational Guidelines on Emergency Preparedness;
- the Administrative Instruction on Procedures for Partnership Management;
- the Policy and Procedures on Addressing Fraud Committed by Forcibly Displaced and Stateless Persons;
- the General Policy on Personal Data Protection and Privacy;
- the Policy on Information Security;
- the Administrative Instruction on Financial Procedures for Cash-Based Interventions;
- the Framework for Accountability in UNHCR;

- Risks documented in Standard Operating Procedures for other programmatic areas.

ERM is not intended to replace or duplicate these other existing policies or frameworks. However, ERM risk registers should provide a holistic view of the key risks and opportunities to the achievement of (or progress towards) objectives. Therefore, high level risks and opportunities in the above-mentioned areas should be included in risk registers under the ERM framework where they are relevant and significant.

3. Rationale

The update of this policy reflects internal changes within UNHCR, including its increased risk maturity since the approval of the first ERM policy in 2014, as well as external changes, including the revised international standard and the changing environment in which we operate. Implementing this policy as part of the wider ERM framework is expected to help UNHCR achieve its objectives. More specifically, implementing this policy is intended to support the following outcomes:

- **Enhanced risk culture:** where the system of values and behaviours present in UNHCR that shape risk decisions are aligned with overall organizational values and objectives and supported by risk management skills and awareness among all personnel;
- **Improved decision-making:** through the consideration of risks and opportunities and their potential impact on programmes, projects and budget allocations, as well as the ethical considerations of different options, risk management should facilitate improved decision-making at the strategic and operational level. Improved decision-making should also enable innovation and action to seize opportunities in order to transform the lives of forcibly displaced and stateless people;
- **Effective internal control:** risk management is an important component of effective internal control and equally internal control activities are key to effectively managing risks; it is therefore essential to build and maintain internal controls with a knowledge and understanding of the risk environment and vice-versa.¹ Risk management also helps and informs internal and external oversight bodies in planning their activities, directing them to high risk areas;
- **Protection of reputation:** anticipation and effective management of risks which could negatively affect UNHCR's reputation, impacting its ability to raise funds, and to carry out its mission;
- **Strengthened accountability:** enhanced management accountability and performance management, as well as accountability to forcibly displaced and stateless people, other affected people, member States, donors and partners, through the definition of clear risk management roles and responsibilities and enhanced monitoring and reporting of risk information.²

4. Risk Management Principles

4.1 Guiding considerations

In applying ERM, UNHCR adheres to the following guiding considerations:

¹ While UNHCR has adopted COSO framework for internal control, the latter does not preclude the use of non-COSO ERM frameworks for risk management.

COSO stands for Committee of Sponsoring Organizations of the Treadway Commission, “*Internal Control – Integrated Framework*, May 2013”, “*Enterprise Risk Management – Integrated Framework*, September 2004”.

² The risk categories outlined in this policy (Annex 3) are also used in the Framework for Accountability in UNHCR to categorize the main systems the organization uses to hold itself to account.

- **Risk management facilitates action:** UNHCR recognizes that objectives can only be achieved by taking calculated, well-managed risks and seizing opportunities, including through innovation and exploring new ways of working. UNHCR needs to be risk aware but not unduly risk averse as sometimes the greatest risk is inaction. The risk management process supports managers in taking effective decisions in pursuit of objectives through: collecting the best available information; carefully assessing the risks and rewards of different options with due diligence; and considering what can be done to manage these uncertainties.
- **Risk is everyone's responsibility:** anticipating, identifying and responding to risks and opportunities at different levels is an integral part of everything UNHCR does. All UNHCR personnel should have a 'risk reflex' and are expected to proactively identify, assess and manage risks during their day-to-day work.
- **Risk management is integrated** across all organizational activities and is fully embedded throughout the entire multi-year programme cycle and day-to-day activities, guiding both strategic and operational decision-making.

4.2 Principles for implementing a risk management framework

In addition to these three guiding considerations, the Enterprise Risk Management framework in UNHCR adheres to the following principles contained in the ISO31000 international standard for risk management and adapted to UNHCR. These are:

- **Risk management is structured and comprehensive**, contributing to consistent and comparable results across geographic locations and functional areas;
- **Risk management is customized** and proportionate to the internal and external context of UNHCR;
- **Risk management is inclusive**, with appropriate and timely involvement of key internal and external stakeholders to enable their knowledge, views and perceptions to be considered;
- **Risk management is dynamic**, recognizing that risks can emerge, change or disappear over time; risk management anticipates, detects, acknowledges and responds to those changes in a timely manner;
- **Risk management is based on the best information available** such as historical data, experience, stakeholder feedback, audit findings, forecasts and future expectations. Risk management aims to base decisions on accurate, timely and clear information but also explicitly considers any limitations and uncertainties associated with such information;
- **Risk management takes human and cultural factors into account** and recognizes that for an international, multi-cultural organization such as UNHCR, human behaviour and culture influence all aspects of risk management at each level and stage; and
- **Risk management facilitates continual improvement of the organization** through supporting a culture of openness, collaboration and learning that encourages personnel and stakeholders to collaborate and to be risk-aware in delivering our mission. UNHCR accepts that success will not always be achieved but learns from both positive and negative results.

5. The Risk Management Process

UNHCR recognizes risk management as an integral part of the programme cycle, as reflected in the Policy on Planning for, Getting and Showing Results³. The graphic below schematically represents the risk management process as per the ISO 31000 standard. [Annex 3](#) to this policy sets out in detail how each step in this process is applied in UNHCR.

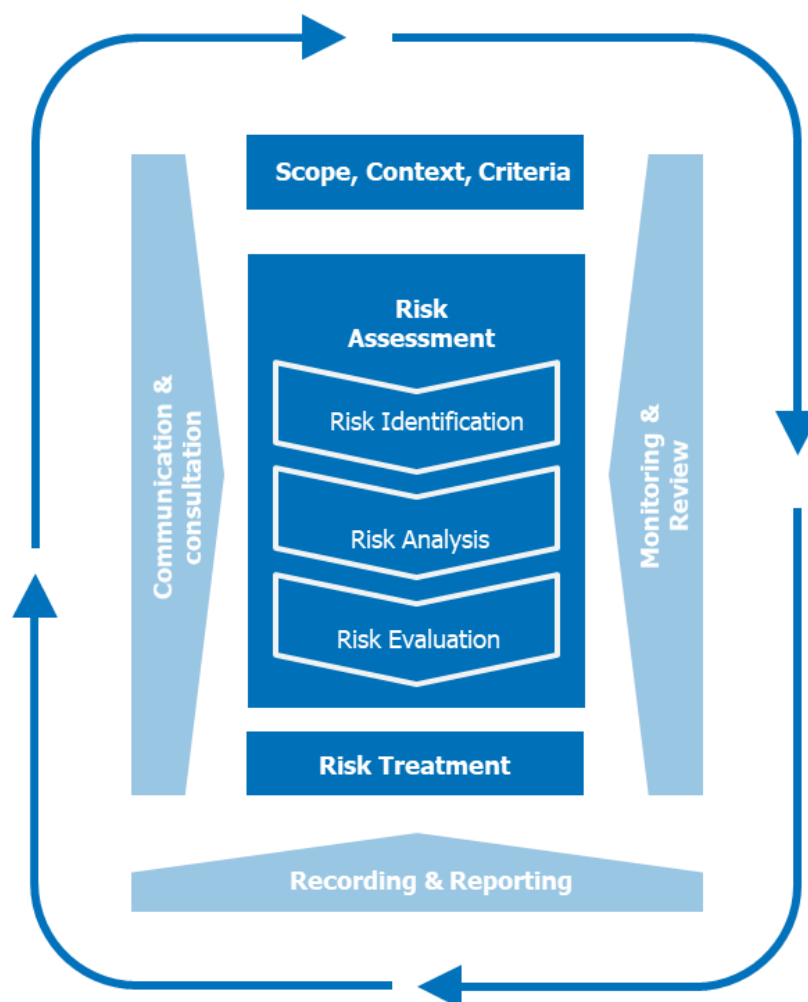


Figure 1:
The ISO 31000 Risk Management Process

At a high level, the stages in the ISO 31000 process have the following purposes:

- **Scope, context and criteria:** to customize risk management to the organization, determining the level at which risk management will be applied, understanding the internal and external contexts in which risks need to be managed, and setting the criteria by which risks will be evaluated (such as likelihood and impact) in support of the decision-making process.
- **Risk assessment:** to identify risks, analyse and assess them against the risk criteria, and then evaluate how best to respond to them. Risk assessment should be conducted systematically,

³ See UNHCR/HCP/2023/05 Policy on Planning for, Getting and Showing Results

iteratively and collaboratively, drawing on the knowledge and views of stakeholders. It should use the best available information, supplemented by further enquiry as necessary.

- **Risk treatment:** to select and implement options for addressing risks so that they can be managed to acceptable levels within the appetite for that type of risk.
- **Recording and reporting:** to document the risk management process and its outcomes to facilitate communication, inform decision-making, improve risk management processes, and support interactions with stakeholders.
- **Communication and consultation:** to assist relevant stakeholders in understanding risk, the basis on which decisions are made and the reasons why particular actions are required. Communication seeks to promote awareness and understanding of risk, whereas consultation involves obtaining feedback and information to support decision-making.
- **Monitoring and review:** to assure and improve the quality and effectiveness of process design, implementation and outcomes. Ongoing monitoring and periodic review of the risk management process and its outcomes should be a planned part of the risk management process, with responsibilities clearly defined.

6. Risk Registers

UNHCR maintains and regularly updates two types of risk registers, the Operational Risk Register and the Strategic Risk Register, which capture the results of the risk assessment and track the status of risk treatments. Both these documents are internal to UNHCR and are not to be shared outside of the organization in their full form.

In addition to these two primary risk registers, Risk Owners may elect to apply risk management principles in developing other risk registers, as required. These other risk registers may include situation or project-specific risk registers, inter-agency risk registers developed in collaboration with partners at the country level, and joint project risk registers with implementing partners.

6.1 Operational Risk Register

The Operational Risk Register consists of country operation, regional bureau, and headquarters entity risk registers. This risk register was previously known as the *Corporate Risk Register* but is now renamed as the *Operational Risk Register* to more clearly distinguish it from the *Strategic Risk Register*. The Operational Risk Register is intended to capture a strategic, prioritized set of risks and opportunities that require the active attention and management of the Risk Owner and his / her management team. It is not intended to be an exhaustive list of the risks and opportunities facing the Risk Owner. Risk registers for country operations, regional bureaux, and headquarters entities are maintained in an online Risk Register Tool provided and maintained by the ERM Service. [Annex 1](#) to this policy lists risk categories to be used in the Operational Risk Register.

To ensure a comprehensive and up-to-date Operational Risk Register, risk registers shall be maintained and regularly updated at three levels (country operation, regional bureau and headquarters division/entity) as detailed below. At all three levels, risk registers should be updated throughout the programme cycle. At a minimum, a risk review shall be completed annually, and the Risk Owner shall formally certify that the review has been completed and that the risk register is up to date through the Risk Register Tool. Larger, high risk operations, regional bureaux, and headquarters divisions are strongly encouraged to update their risk registers regularly throughout the year. For smaller, lower risk operations and headquarters entities, updates may be required less frequently.

On an annual basis, the ERM Service shall issue instructions for each year's risk review. Dates and timings of the reviews shall be aligned with the programme cycle. In addition to the annual review, at all three levels of the Operational Risk Register, Risk Owners are also expected to update the risk register in response to the following triggers:

- significant new emerging risks coming to light;
- significant changes in operational context;
- changes to objectives;
- the materialization of a risk event;
- significant findings from an independent oversight function, or other source providing additional risk information; or
- developments or delays in the implementation of risk treatments.

Country operation level

Each country or multi-country office shall maintain a risk register. In general, multi-country offices should maintain a single risk register. However, at the request of the Representative, additional risk registers can be created for specific countries covered under a multi-country office where their operational context and UNHCR footprint would warrant a separate risk register. Risk at the sub-office level shall be reflected as part of the overall country operation risk register. At the country operation level, the Representative, or Chief of Mission, is the Risk Owner of their respective risk register.

Regional bureau level

Regional bureaux shall each maintain a risk register in the same format as country operations. The deadline for regional level risk reviews shall be set after that of country level risk reviews. This will allow regional bureaux to consider the outputs of risks registers from country operations under their purview in conducting their own risk review. At the regional level, the Bureau Director is the Risk Owner of their respective risk register.

Headquarters level

Headquarters divisions and entities shall maintain a risk register in the same format as country operations. The deadline for headquarters level risk reviews shall be the same as for regional level risk reviews. This will allow headquarters entities to consider the outputs of risks registers from country operations that relate to functional areas under their purview in conducting their own risk review. At the headquarters level, division directors and the heads of other headquarters entities reporting directly to a Senior Executive Team member are the Risk Owners of their respective risk register.

6.2 Strategic Risk Register

The Strategic Risk Register identifies significant organization-wide risks. Its content will be informed by the dominant risk areas captured in the Operational Risk Register, with a focus on common risk themes identified at the regional and headquarters levels, as well as risk areas deemed critical at the organizational level. This register has a different structure to the Operational Risk Register, and it is coordinated and maintained by the Chief Risk Officer. The High Commissioner, as the Risk Owner, approves the Strategic Risk Register.

The Strategic Risk Register shall be regularly reviewed by senior management and formally updated at least once a year. On an annual basis, a summary list of the strategic risks shall be shared with all

personnel and member States, and the full version of the document shall be shared with all Risk Owners and Risk Focal Points.

7. Roles and Responsibilities

Establishing clear roles and responsibilities for risk management across the organization is a critical component of an effective ERM framework. The key functional roles and responsibilities related to this policy are summarized below.

7.1 Managing risks

In UNHCR, risks are directly managed by managers at country, regional and headquarters levels. Specific roles in relation to the management of risks at all levels are as follows:

Risk Owners

Risk Owners are representatives or chiefs-of-mission in country operations, bureau directors in the regional bureaux, and directors or heads of services/units in headquarters divisions or other entities. Risk Owners are responsible for identifying and managing risks within their purview as defined in this policy. This includes:

- i) Reviewing risks related to all areas within their purview;
- ii) Coordinating the development of risk treatment plans and monitoring their implementation, ensuring that risks are managed to acceptable levels;
- iii) Allocating resources for planned risk treatments with resource requirements in multi-year strategies and as part of annual implementation plans;
- iv) Deciding on when to escalate risks;⁴
- v) Designating the Risk Focal Point in their respective office (see below); and
- vi) Approving their respective, updated risk register on at least an annual basis.

Risk Owners are assisted by *Risk Focal Points*. In addition, in selected high-risk operations, Risk Owners may also be assisted by in-situ Risk Management and Compliance Advisers.

Risk Focal Points

Risk Focal Points are staff members responsible for assisting the Risk Owners in discharging their responsibilities. They are the contact for risk management issues, facilitate risk assessments, maintain risk registers and handle risk reporting. Risk Focal Points should be senior enough to have convening power within their entity and to have a functional overview of all risks facing the country operation, regional bureau, or headquarters entity.

Risk Focal Points are designated by the Risk Owners. In country operations:

- i) These focal points shall be the deputy or assistant representative, or other senior staff with direct planning and programme execution responsibilities;
- ii) In particularly large operations, it may be warranted to have Risk Focal Points also at sub-office level, supporting the Risk Focal Point at the country level; and

⁴ In situations when Risk Owners are unable to manage a particular risk to acceptable levels, they can escalate the risk to the next level. For example, in case of a country operation this would be escalating the risk to the respective Bureau Director.

- iii) For small country operations covered by a multi-country office, it is left to the discretion of the Risk Owner to decide whether to appoint one Risk Focal Point at the Multi-Country Office level or multiple Risk Focal Points across the different countries.

At the regional level, regional Risk Management and Compliance Advisers would be expected to also function as Risk Focal Points.

In Divisions at the headquarters level, Risk Focal Points should generally be senior staff reporting directly to the Director who has an overview of all the division's activities. In smaller headquarters entities, the Risk Focal Point should generally be a staff member reporting directly to the Risk Owner.

Risk Treatment Owners

Risk Treatment Owners are responsible for implementing the treatments assigned to them by the Risk Owner and ensuring that the status of the treatment is kept up to date in the Operational Risk Register. Risk Treatment Owners would typically be heads of units or offices.

7.2 Supporting risk management processes

Whilst Risk Owners at all levels are directly responsible for managing risks to their objectives, other functions in UNHCR have responsibilities to support them in this work.

Regional bureaux

In addition to managing their own risks, regional bureaux have overall quality assurance, risk management and compliance roles with regards to the operations under their purview that apply equally to the implementation of this policy and the ERM framework. Each regional bureau has a Risk Management and Compliance Advisor, reporting directly to the Bureau Director, to assist them in their duties as Risk Owners. Regional bureaux have a role to ensure the timely and effective implementation of UNHCR's ERM policy in the regional bureau and oversee and monitor the implementation of the ERM process in the country operations in the region, elevating significant and emerging regional risks to the attention of the SET.

Headquarters divisions and entities

At headquarters, in addition to managing their own risks, divisions and headquarters entities should analyse overall risk levels and trends in the thematic areas under their purview and reflect the insights of this analysis in their policy setting, normative and technical work.

The Chief Risk Officer

The Chief Risk Officer (CRO), directly reporting to the Deputy High Commissioner, heads the ERM Service. The CRO is responsible for:

- i) Facilitating the risk management process and acting as the custodian of *Operational Risk Register* as a central repository of risk information;
- ii) Coordinating and maintaining the *Strategic Risk Register*;
- iii) Ensuring capacity building and learning on risk management, in coordination with the Global Learning and Development Centre, as appropriate;
- iv) Maintaining a reporting framework to analyse the risk management process and outputs;
- v) Ensuring that the risk management framework and policy of UNHCR remain up to date and fit for purpose; and,

- vi) Ensuring guidance and support to headquarters divisions/entities, regional bureaux and country operations on risk management.

7.3 Independently assuring risk management

In the context of UNHCR, the UNHCR Internal Audit Service, the Inspector General's Office and the Evaluation Service all provide independent assurance over risk management, among other areas. In relation to risk management, the Independent Audit and Oversight Committee provides expert advice to the High Commissioner and the Executive Committee on the overall effectiveness of UNHCR's risk management framework. The roles and responsibilities of these entities are set out in the Policy on Independent Oversight (UNHCR/HCP/2019/2). Collectively, these entities provide independent oversight and assurance over the implementation and effectiveness of this policy and the ERM framework more broadly.

7.4 Internal governance

The High Commissioner

The High Commissioner is ultimately responsible for the effective management of risks in pursuit of UNHCR's global strategic objectives. The High Commissioner is the Risk Owner for all strategic risks.

The Deputy High Commissioner

The Deputy High Commissioner (DHC) is responsible for:

- i) Ensuring the effective functioning of the ERM system in UNHCR;
- ii) Ensuring that risk management is embedded in senior management activities and informs major decisions;
- iii) Monitoring the development and maintenance of the Strategic Risk Register;
- iv) Ensuring that the Senior Executive Team (SET) as well as the Senior Management Committee (SMC) are regularly updated on the implementation of the ERM system, and, in particular, drawing attention to shortcomings and challenges encountered. This shall be done at least annually, and more often as required;
- v) Ensuring, also in the capacity of Chair of the Resource Planning and Management Board, that the approval of plans, budgets, and resource allocation are risk-based; and
- vi) Reporting on ERM matters to member States and other external stakeholders, as required.

The DHC will be supported by the ERM Service, headed by the Chief Risk Officer.

Senior Executive Team (SET)

In its role as an advisory body to the High Commissioner on matters of strategic importance, the SET is responsible for advising the High Commissioner on the overall effectiveness of the UNHCR ERM framework.

In their role in implementing the decisions of the High Commissioner, SET members shall also review and discuss the Strategic Risk Register and progress on treatments highlighted in it at least once a year, or more regularly, as required. Following these reviews of key risk information, SET members should take appropriate action to ensure that treatments in the Strategic Risk Register are implemented, including, as required, by intervening with senior managers to address shortcomings and challenges.

7.5 All personnel

Risk management is an integral part of UNHCR's operations. Consistent with the guiding consideration that risk management is everyone's responsibility, all UNHCR personnel are expected to proactively identify, assess and manage risks. Specifically, all UNHCR personnel are required to:

- Support the identification and management of risks in their area of responsibility;
- Balance risk avoidance with seizing opportunities, while remaining within their delegated authority; and
- Raise risks, issues and concerns beyond their own authority or ability to resolve to their supervisor for management and potential inclusion in the Operational Risk Register.

Considering the need for everyone to adopt a 'risk reflex' and that risk is everyone's responsibility, it is good practice to consider risk management as a lens through which evaluation of performance is done for all personnel. Where staff act as a Risk Owner or Risk Focal Point, it is highly recommended that this role be reflected as an objective in their electronic Performance Appraisal Document (Evolve). In addition, where risk treatments are identified and assigned at the time of objective setting, it is good practice for their implementation to be reflected in the objectives of Risk Treatment Owners in their Evolve.

8. Monitoring and compliance

Regional bureau directors shall monitor the adherence of country operations with this policy and provide support and guidance, as required and appropriate.

The ERM Service shall monitor compliance at the global level and prepare annually a report summarising the outcome of the annual risk review and highlighting any emerging risks, areas of non-compliance and concerns. This report shall be submitted to the SET, copying all members and observers of the SMC.

The DHC assesses the overall effectiveness of ERM in UNHCR with the assistance of the ERM Service and various oversight entities, as applicable.

9. Terms and definitions

Attached [Annex 2](#) provides the key terms and definitions related to this policy.

10. Dates

This revision comes into force on 1 November 2024. It will be reviewed and updated as necessary. The next scheduled review shall be conducted no later than 31 December 2026.

11. Contact

The contact for this policy is the Chief Risk Officer, reachable at HQERM@unhcr.org.

12. History

Revision number: 2
Original version issued: 01/11/2020

13. References

This policy should be read in conjunction with specific practical guidance issued periodically by the ERM Service accessible through the ERM page on <https://intranet.unhcr.org/en/about/enterprise-risk-management.html>.

Policy for Enterprise Risk Management in UNHCR

UNHCR Risk Categories

Risk categories and sub-categories help group risks and opportunities into logical clusters to facilitate overall analysis and the generation of insights. They also serve as a useful common reference for identifying areas for inclusion in risk assessments in a structured and systematic manner.

UNHCR regularly reviews the risk categories to ensure that they remain up-to-date, relevant and value-adding.

Category	Description
1. Operational Context	This risk category relates to external contextual factors that can pose risks and present opportunities to the ability of UNHCR to deliver its mandate.
1.1. Protection environment	Risks and opportunities related to the protection environment including the rights of forcibly displaced and stateless people, political and legal factors, the application of laws by local authorities, the overall asylum space and effectiveness of processes related to the protection of persons of concern not undertaken by UNHCR and its partners. Also includes attitudes of the host community towards forcibly displaced and stateless people, access to territory, the risk of refoulement, and efforts to advocate with the host government and other relevant actors on protection.
1.2 Emergency	Risks emanating from external events which are likely to trigger an emergency response by UNHCR. This includes scenarios caused by hazards such as armed conflict, intercommunal violence, electoral violence, civil unrest, epidemics, pandemics and/or geological hazards (earthquakes, volcanic activity, landslides and tsunamis) and hydrometeorological hazards (tropical cyclones, floods). The scenarios are expected to result in new or escalated displacement and/or significantly increased humanitarian needs, exceeding current response capacity.
1.3 Economic & social context	Risks and opportunities related to the wider socio-economic context including the status of the economy, availability of work and access to the labour market, land, markets, business and financial services in a way that favours the exercise by forcibly displaced and stateless people of their economic and social rights. Also includes the generalized risk of global shocks such as a pandemic or global economic crisis.
1.4 Environment & climate change	Risks and opportunities related to the impacts of climate change and responses to them on the lives of forcibly displaced and stateless people. Also includes slow onset events such as sea level rises or desertification that may affect future displacement, and the impact of our programmes on the local environment.
1.5 Security	Risks and opportunities in keeping personnel, premises, assets and operations physically secure and safe from harm in response to deliberate and malicious acts whilst still achieving operational objectives.

Category	Description
2. Planning, Programme & Support Processes This risk category relates to strategic and operational planning and programming processes and decisions, as well as organizational governance and oversight and key support processes.	
2.1 Organizational governance & management	Risks and opportunities related to the governance and management of the organization at the global, regional, and country office levels, including change initiatives, alignment of organizational structure, policy development and management, management oversight and support, and independent oversight.
2.2 Planning & resource allocation	Risks and opportunities related to multi-year strategic and operational planning and programming of country, regional or global responses and appropriate allocation of resources (financial, human and otherwise) to achieve these aims.
2.3 Funded partnership management	Risks and opportunities related to the management of funded partnerships such as partner selection, partner internal controls and capacity development, communications, contracting terms, designating procurement to partners, oversight and performance evaluation.
2.4 Supply chain management	Risks and opportunities related to end-to-end supply chain that includes planning, design, procurement, logistics, inventory, warehousing, and management of goods and services required to implement UNHCR programmes in a timely, efficient, accountable, and environmentally sustainable manner. This includes supplying goods and services to emergency and stable operations.
2.5 Financial & Administrative Management	Risks and opportunities related to how financial assets, including contributions and cash, are used, tracked, reported upon, and controlled within the operation. Also includes fleet management, the verification of assets, the sustainable, environmentally sensitive management of office infrastructure and operations and value added tax exemptions and refunds.

Category	Description
3. Protection & Solutions This risk category relates to the efforts of UNHCR to provide and facilitate protection and solutions for forcibly displaced and stateless people.	
3.1. Registration & enrolment	Risks and opportunities related to the registration of asylum seekers, refugees and refugee returnees, or the enrolment of specific groups such as stateless persons, internally displaced persons (IDPs), or IDP returnees, in order to issue documentation, enable case management and facilitate access to protection and solutions and assistance to individuals. Also covers risks and opportunities relating to the transition of UNHCR registration systems to national authorities, as well as those pertaining to reception conditions and related activities.
3.2 Status determination	Risks and opportunities related to monitoring and supporting status determination of asylum seekers and the issuance of documentation undertaken by host governments, as well as those related to asylum capacity development activities; or related to UNHCR organizing and, conducting the determination of status of asylum seekers and issuing documentation.
3.3 Facilitating solutions	Risks and opportunities related to UNHCR’s activities to facilitate solutions for all populations of concern including voluntary return, resettlement and complementary pathways, local integration, reintegration of IDPs and

	livelihoods programming, and socio-economic inclusion/reintegration of forcibly displaced and stateless people in national services and social safety nets.
3.4 Community engagement	Risks and opportunities related to communication and information sharing with forcibly displaced and stateless people to facilitate access to assistance and protection and solutions, gain feedback on needs and the effectiveness of UNHCR programmes, and bolster community participation and self-reliance, keeping people at the centre of decisions directly affecting their lives. Also includes risks emanating from the actions of persons of concern such as protests or the spread of misinformation within communities.
3.5 Safety & security for forcibly displaced & stateless people	Risks and opportunities related to the prevention of incidents threatening the safety and security of forcibly displaced and stateless people, as well as the identification and support of persons with specific needs such as children (especially unaccompanied and separated children), victims of trafficking and gender-based violence, women at risk, LGBTQI+ individuals, older persons, and persons with disabilities.
3.6 Protection from sexual exploitation & abuse	Risks and opportunities related to the prevention of, and response to, sexual exploitation and abuse of forcibly displaced and stateless people directly by UNHCR personnel or partner personnel, as well as the availability of victim-centred support.

Category	Description
4. Delivering Assistance	This risk category relates to the delivering and monitoring basic assistance undertaken by UNHCR and supporting the availability of essential services to enable forcibly displaced and stateless people to enjoy their rights in these areas.
4.1. Cash based interventions	Risks and opportunities related to the design, beneficiary selection, implementation, monitoring, reconciliation, and closure of cash-based interventions programmes to provide material assistance to forcibly displaced and stateless people.
4.2 In-kind assistance	Risks and opportunities related to the design, beneficiary selection, implementation and monitoring and reconciliation of in-kind assistance through distributing physical items such as food, medicine, and core relief items to provide material assistance to forcibly displaced and stateless people.
4.3 Infrastructure	Risks and opportunities related to the planning, provision and monitoring of physical infrastructure to support forcibly displaced and stateless people including camp management, shelter, schools and water and sanitation facilities.
4.4 Essential services	Risks and opportunities related to the planning, beneficiary selection, provision and monitoring of essential services to forcibly displaced and stateless people including education, and health care.

Category	Description
5. People & Culture	This risk category relates to the capacity, management, conduct and occupational health and safety of UNHCR personnel.

Category	Description
5.1 Personnel management and capacity	Risks and opportunities related to the recruitment, personnel administration, development, performance management and retention of a qualified workforce with the skills, knowledge and competencies needed to deliver objectives.
5.2 People management, ethics and integrity	Risks and opportunities related to people management and integrity, accountability, and ethical conduct of all personnel, and creating a fair, productive, diverse and inclusive working environment, free from all forms of discrimination and harassment, including sexual harassment. Also includes an ethical culture and compliance with the UNHCR code of conduct, and rules and regulations.
5.3. Occupational health & safety	Risks and opportunities related to fulfilling our duty of care with regards to the occupational health and safety of personnel from natural and man-made hazards and accidents, illness and the provision of a safe working environment and accommodation, where applicable. This includes road safety, and access to medical facilities but excludes security from intentional, malicious acts (see 1.5 Security)

Category	Description
6. External Engagement & Resource Mobilization This risk category relates to strategic and operational engagement by UNHCR with external stakeholders such as UN and other partners, donors, the media and general public and host governments.	
6.1. Inter-agency and partner collaboration	Risks and opportunities related to strategic and operational activities that involve UNHCR working cooperatively with other UN agencies and partners (excluding funded partnerships) and host governments and local authorities at the operational or global level. This includes fulfilling our accountabilities under the cluster system and the Refugee Coordination Model. Also includes working with traditional and non-traditional partners to operationalize the Global Compact on Refugees as well as risks and opportunities related to the engagement in partnerships with private sector organizations not related to fundraising.
6.2 Media relations & public information	Risks and opportunities related to relations and communications with international and/or local media (including providing strategic, accurate timely information), the use of social media, and managing perceptions of UNHCR's mandate, objectives, programmes and activities.
6.3 Donor relations & resource mobilization	Risks and opportunities in interactions between UNHCR and its donors at different levels. It includes activities such as fundraising, donor reporting and demonstrating the impact of UNHCR's work, communications and working relationships with donors, and terms of donations such as earmarked contributions.

Category	Description
7. Data & Information This risk category relates to the governance and management of data and information within UNHCR, and the technological systems, processes, methods and tools that enable this.	

Category	Description
7.1 Information & communications technology	Risks and opportunities related to the delivery and provision of IT services to meet the goals and objectives of the organization in a secure and cost-effective manner. Also includes risks and opportunities in the use of emerging technologies, such as Artificial Intelligence.
7.2 Data governance & management	Risks and opportunities related to the management of data and information in support of protection, assistance and solutions for forcibly displaced and stateless people. Also includes risks and opportunities in the design, implementation and monitoring of UNHCR's data governance framework.
7.3 Data protection & privacy	Risks and opportunities related to the protection of personal data, and upholding the right to privacy and other rights of individuals in the context of processing of their personal data by UNHCR.
7.4 Knowledge management	Risks and opportunities related to the collection, curation, integrity, confidentiality and usability of active records and archives and organizational knowledge.

Policy for *Enterprise Risk Management* in UNHCR

Terms and Definitions

Term	Definition
Enterprise Risk Management	A term which describes a comprehensive and integrated framework for managing all types of risks at all levels within an organization.
Enterprise Risk Management Framework	The policy, procedures, processes, reports and systems that are put in place to collectively implement Enterprise Risk Management. In the context of UNHCR the ERM Framework consists of, <i>inter alia</i> , this policy, guidance issued by the ERM Service, risk management processes as part of the operations management cycle and the online Risk Register Tool and its associated reports.
Impact	<p>The effect a risk, if it occurs, may have on objectives. UNHCR uses the following scale to rate the impact of each risk.</p> <ul style="list-style-type: none"> • Insignificant: main objectives can be achieved with small obstacles to overcome. • Minor: main objectives can be achieved with manageable obstacles possibly taking up some time and resources. • Moderate: main objectives can be achieved, but not as well as planned and/or extra time and resources will be required. • Major: the achievement of main objectives will be hindered, considerable extra time and resources will be required, and/or the operation, headquarters entity or organization as a whole will be negatively impacted. • Disastrous: main objectives will not be achieved, effectiveness will be substantially disrupted, and/or the standing and position of operation, headquarters entity or the organization could be seriously undermined. <p>Positive: main objectives will be achieved more efficiently or effectively and may be exceeded.</p> <p>It should be noted that the United Nations Security Management System also uses a five-point scale for impact, but its definitions are different from those of the UNHCR ERM policy. For risks identified in the Operational Risk Register the definitions of this policy for impact must be used.</p>

Term	Definition
Likelihood	<p>The chance or possibility that a risk may occur UNHCR uses the following scale to rate the likelihood of each risk.</p> <ul style="list-style-type: none"> • Very low: barely likely to occur. • Low: very unlikely in the next one year, but possible in the longer term. • Medium: possible in the next one year, and/or reasonably likely in the longer term. • High: likely in the next year and/or very likely in the longer term. • Very high: Very likely in the next year and/or almost certain in the longer term <p>It should be noted that the United Nations Security Management System also uses a five-point scale for likelihood, but its definitions are different from those of the UNHCR ERM policy. For risks identified in the Operational Risk Register the definitions of this policy for likelihood must be used.</p>
Opportunity	The possibility that an event will occur and positively affect the achievement of objectives.
Proactive Risk Treatment	Actions taken before a risk event has occurred in order to better manage the risk. Typically, proactive treatments aim to stop a negative risk event from occurring or to increase the likelihood of an opportunity materializing.
Reactive Risk Treatment	Predetermined actions that are executed as or after a risk event occurs to better manage the risk. Typically, reactive treatments aim to minimize the impact of a negative risk, or maximize the positive impact of an opportunity.
Risk	An uncertain event or condition that, if it occurs, has a positive or negative effect on objectives.
Risk Acceptance	<p>Informed decision to take a particular risk.</p> <p>Risk acceptance can occur without risk treatment or during the process of risk treatment. Accepted risks are subject to monitoring and review.</p>
Risk Analysis	<p>Process to comprehend the nature of risk and to determine the level of risk.</p> <p>Risk analysis provides the basis for risk evaluation and decisions about risk treatment.</p>
Risk Appetite	The aggregate amount (level and types) of risk an organisation wants to assume in pursuit of its strategic objectives (and mission).
Risk Appetite Statement	A document that articulates the current risk appetite of an organisation in various different areas or levels.
Risk Assessment	Overall process of risk identification, risk analysis and risk evaluation.
Risk Category	Thematic groupings of risk. Risk category is primarily intended for grouping similar risks into distinct categories for trend analysis. They also serve as a useful reference for identifying areas for inclusion in the risk assessments.
Risk Criteria	The criteria used by an organization to evaluate the significance of risk and to support decision-making processes.
Risk Escalation	The formal process of involving another level of the organization to help with risk treatment.

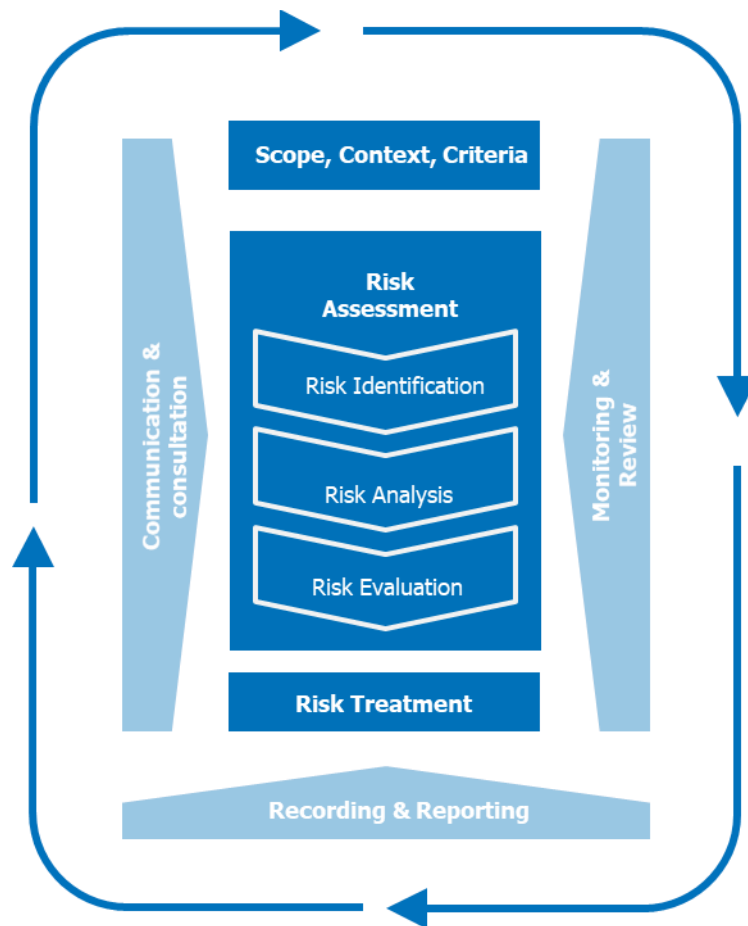
Term	Definition
Risk Evaluation	<p>Process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude are acceptable or tolerable.</p> <p>Risk evaluation assists in the decision about risk treatment.</p>
Risk Focal Point	<p>Staff member responsible for assisting the Risk Owner in discharging their risk management responsibilities. They update and manage the risk register, facilitate and support Risk Reviews and workshops, train and support staff with executing risk management, and share risk information in accordance with this policy. They should be senior managers in the operation or entity.</p>
Risk Identification	<p>Process of finding, recognizing and describing risks.</p> <p>Risk identification involves the identification of risk sources, events, their causes and their potential consequences.</p> <p>Risk identification can involve historical data, theoretical analysis, informed and expert opinions, and stakeholder's needs.</p>
Risk Management	<p>The coordinated activities to direct and control an organization with respect to risk.</p>
Risk Management Process	<p>Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.</p>
Risk Mitigation	<p>See <i>Risk Treatment</i></p>
Risk Owner	<p>Person with the accountability and authority to manage a risk. In UNHCR these are Representatives or Chiefs of Mission in country operations, bureau directors in the regional bureaux, and directors or heads of services/units in headquarters divisions or other entities.</p>
Risk Register	<p>Record of information about identified risks.</p>
Risk Review	<p>A periodic process during which Risk Owners and their teams discuss the key risks and opportunities to their objectives and then update risk information accordingly.</p> <p>At the end of a Risk Review, the Risk Owner formally confirms completion of the Risk Review in the Risk Register Tool. This shall be done at least once annually.</p>
Risk Scope	<p>The levels at which risk management is applied and the coverage of the risk management system. In UNHCR, the scope of the ERM Framework is all key risks and opportunities that may significantly affect the achievement of UNHCR objectives world-wide.</p>
Risk Statement	<p>A structured statement of a risk.</p> <p>The ERM structure for risk statements at UNHCR is as follows: If (cause), then (risk event), resulting in (effect on objectives).</p>

Term	Definition
Risk Treatment	<p>Also referred to as <i>risk mitigation</i>.</p> <p>Process to modify risk. Risk treatment typically includes one or more of these approaches:</p> <ul style="list-style-type: none"> • avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk; • taking or increasing the risk in order to pursue an opportunity; • removing the risk source; • changing the likelihood of the risk occurring; • changing the impact of the risk; • sharing or transferring the risk; or • accepting the risk by informed decision. <p>Related: <i>Risk Treatment Plan, Proactive Risk Treatment, and Reactive Risk Treatment</i></p>
Risk Treatment Owner	The person assigned responsibility to ensure that a specific Risk Treatment is implemented.
Risk Treatment Plan	A risk treatment plan is the immediate output of the risk assessment. It defines how each risk is to be addressed. A risk treatment plan typically consists of both <i>proactive risk treatment</i> activities and <i>reactive risk treatment</i> activities, as well as Risk Treatment Owners and due dates.
Risk Workshop	A Risk Workshop is a facilitated meeting during which new risks and opportunities are identified and assessed, and existing ones are revisited. The output of the meeting is the development or refresh of a risk register. Risk Workshops are often held as part of the formal Risk Review but can also be held independently of a formal review and more frequently.
Trigger Event	Circumstance under which a risk strategy or risk action will be invoked.

The Risk Management Process

Risk management is a managed, disciplined process with clear outputs. If applied effectively, it will help UNHCR to better manage uncertainty and maximize our likelihood and extent of success. UNHCR has adopted the International Organization for Standardization’s *International Standard ISO31000 Risk management — Guidelines 2018 edition* (hereafter referred to as ISO 31000) as the basis for its Enterprise Risk Management (ERM) Framework. This international standard is seen as a global best practice and in adopting it, UNHCR seeks to maximize the effectiveness of its own risk management processes.

The graphic below schematically represents the risk management process as per ISO 31000. This Annex sets out what each part of the ISO process consists of and how it is applied in the context of UNHCR.



UNHCR recognizes risk management as an integral part of the programme cycle, guiding both strategic and operational decision making, as reflected in the Policy on Planning for, Getting and Showing Results.¹ Although the risk management process is presented in a sequential manner, in practice it is iterative and overlapping. For example, if a significant new risk emerges due to changes in the external

¹ See UNHCR/HCP/2023/05 Policy on Planning for, Getting and Showing Results

context, it would be necessary to identify, analyse and evaluate this risk even whilst implementing the treatments of previously assessed risks.

1. Scope, Context and Criteria

Scope: In ISO 31000, scope refers to the levels at which risk management is applied and the coverage of the risk management system. In UNHCR, the scope of the ERM Framework is all key risks and opportunities that may significantly affect the achievement of UNHCR objectives world-wide. UNHCR has two related risk management processes. The Operational Risk Register consists of the management of risks at the country operation, regional, and headquarters levels. The Strategic Risk Register consists of risks at the institutional level. Risk Owners may separately wish to conduct situational risks assessments or participate in inter-agency risk assessments. In doing so, Risk Owners may choose to apply this policy and process, but there is no formal requirement to do so.

Context: ISO 31000 defines the external and internal context as the environment in which the organization seeks to define and achieve its objectives. The internal and external context of any entity should be considered throughout the risk management process. Risk management does not function independently of the operational context, and issues such as the source(s) of displacement, protection environment and expected future political developments must be understood in order to enable informed

Examples of external contextual factors that UNHCR country operations, regional bureaux and headquarters entities should consider during risk management include:

- the relevant social, cultural, political, legal, regulatory, financial, technological, economic and environmental factors affecting the operation;
- key drivers and trends affecting displacement and achievement of solutions;
- external stakeholders' relationships, perceptions, values, needs and expectations;
- contractual relationships and commitments; and
- any key dependencies on partners or other actors.

Examples of internal contextual factors that UNHCR country operations, regional bureaux and headquarters entities should consider during risk management include:

- the UNHCR mandate, vision, and values;
- governance, organizational structure, roles and accountabilities;
- strategy, objectives and policies;
- the organization's culture;
- standards, guidelines and models adopted by the organization including its internal control framework and wider control environment;
- capabilities, understood in terms of resources and knowledge (e.g. capital, time, people, intellectual property, processes, systems and technologies);
- data, information systems and information flows;
- relationships with internal stakeholders, considering their perceptions and values;
- interdependencies and interconnections.

Risk Criteria: ISO 31000 states that the organization should specify the amount and type of risk that it may or may not take, relative to objectives. It should also define criteria to evaluate the significance of risk and to support decision-making processes.

With regards to the criteria used to evaluate the significance of risk, UNHCR evaluates risk on two dimensions, impact and likelihood using the scales in the table below.

Impact	<ul style="list-style-type: none"> • Insignificant: main objectives can be achieved with small obstacles to overcome. • Minor: main objectives can be achieved with manageable obstacles possibly taking up some time and resources. • Moderate: main objectives can be achieved, but not as well as planned and/or extra time and resources will be required. • Major: the achievement of main objectives will be hindered, considerable extra time and resources will be required, and/or the operation, headquarters entity or organization as a whole will be negatively impacted. • Disastrous: main objectives will not be achieved, effectiveness will be substantially disrupted, and/or the standing and position of operation, headquarters entity or the organization could be seriously undermined. • Positive: main objectives will be achieved more efficiently or effectively and may be exceeded.
Likelihood	<ul style="list-style-type: none"> • Very low: barely likely to occur. • Low: very unlikely in the next one year, but possible in the longer term. • Medium: possible in the next one year, and/or reasonably likely in the longer term. • High: likely in the next year and/or very likely in the longer term. • Very high: Very likely in the next year and/or almost certain in the longer term.

An overall risk rating of high, medium or low is calculated based on the product of the impact and likelihood ratings.

As the amount and type of risk that UNHCR may or may not take relative to objectives is expected to vary over time and based on context, this policy document is not a suitable place to specify this. In some cases, this is implicitly stated in other UNHCR policies, administrative instructions, operational guidance or existing practices. UNHCR will explicitly specify the level and type of risks it is willing and able to take in pursuit of objectives in different areas through a separate Risk Appetite Statement, outside of this policy. The development of this Risk Appetite Statement is coordinated by the ERM Service, and it will be endorsed by the Senior Executive Team before being published. The Risk Appetite Statement will be periodically reviewed, and be revised as and when UNHCR’s risk appetite changes.

2 Risk Assessment

As per ISO31000, risk assessment consists of three steps: identification, analysis, and evaluation. Risk assessment is an iterative and ongoing process but in UNHCR there is a requirement for at least one, annual formal risk assessment referred to as the Risk Review.

Each year the ERM Service issues specific instructions for the annual Risk Review, confirming the deadlines at the different levels. In general, Risk Reviews at the regional and headquarters level will take place after those at the country operation level to allow the outputs of the latter to be considered.

In conducting the Risk Review, at each step Risk Owners shall ensure that a multi-functional approach is used with involvement of, *at a minimum*, all key international and national personnel regularly involved in decision-making and planning activities, representing a cross-section of geographic locations, roles and expertise in a given country operation, bureau or headquarters entity. Such consultations ensure that all key areas are adequately reviewed, setting the stage for effective risk management with particular emphasis on pertinent risk treatments and cross-cutting risks.

More details of the three components of a Risk Assessment as outlined in ISO 31000 are below:

Risk identification: the process used to find, recognize, and describe risks and opportunities that could affect the achievement of objectives either positively or negatively. Risk identification can be done using a variety of methods and sources of information. Common risk identification approaches include:

- Brainstorming in multi-functional teams;
- Reviewing past performance, lessons learnt, successes and near misses;
- Reviewing the outputs of monitoring reports as well as relevant mission reports;
- Reviewing outputs from oversight services including internal audit, evaluation and investigations reports;
- Analysing financial information;
- Analysing the internal context with a focus on strengths and weaknesses;
- Analysing the external context and potential future developments with a focus on opportunities and threats; and
- Considering the Strategic Risk Register of UNHCR or relevant risk information and risk trends globally or thematically emerging from the Operational Risk Register.

Risk analysis: the process used to understand the nature, sources, and causes of the identified risks and to estimate the level of risk. After this analysis, an identified risk can be written in a risk statement capturing its causes and consequences.

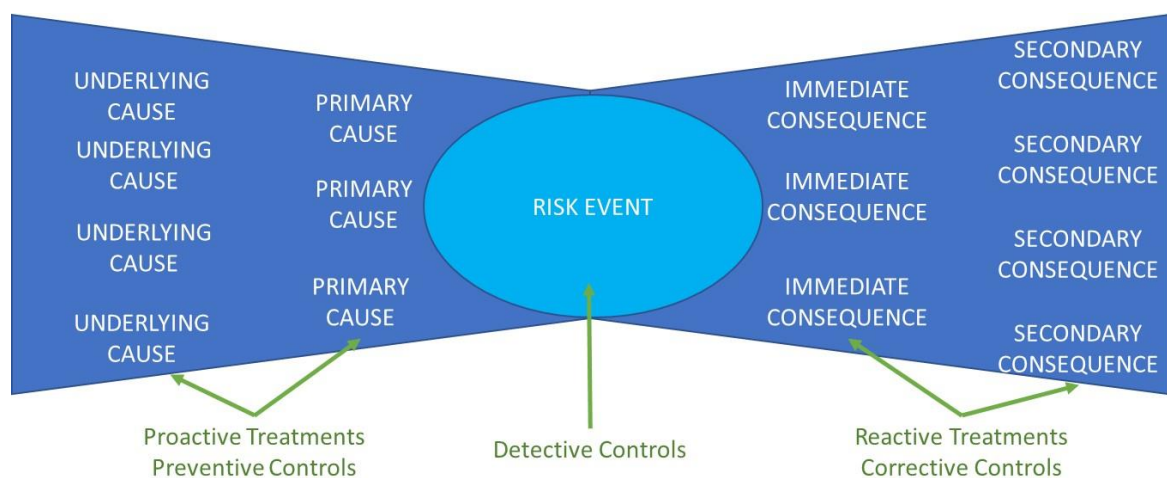


Figure 1
Bow Tie Diagram

A useful risk analysis tool is the bow-tie diagram. This approach consists of a single risk event in the centre, with multiple potential causes of the risk event to the left-hand side, and multiple potential consequences to the right-hand side. Such analysis facilitates identifying causes and consequences as well as the controls that could manage the risk. For example, in the case of a risk with negative consequences, preventative controls could be used to stop causes from occurring, detective controls could be used to detect when the cause or the risk event itself occur, and corrective controls could be used to limit the negative impacts of the risk event occurring.

Risk evaluation: is the process used to compare risk analysis results with risk criteria in order to determine whether a specified level of risk is acceptable or tolerable, and if not, what should be done about it. Overall responses to a risk will be one of the following:

- **Accept** or **tolerate** the risk as it currently is because it is within tolerable levels but nevertheless actively monitor it in case action will be required in the future;
- **Mitigate** or **treat** the risk in order to change its likelihood and/or impact so that the overall remaining risk is within tolerable levels;
- **Transfer** or **share** the risk to a third party such as an insurer – although it should be noted that the mandate of UNHCR may limit the feasibility of this option and that even when some risk is transferred, reputational risks remains with UNHCR; or
- **Terminate** or **abandon** the specific activity giving rise to the risk – although again it should be noted that the mandate of UNHCR may limit the feasibility of this option.

With regards to opportunities, UNHCR may either choose to immediately **pursue** the opportunity by taking action to increase the likelihood of it coming about, or to **monitor** the opportunity and attempt to pursue it later.

The previous requirement to select certain risks as ‘Priority’, independently of their risk rating, in the risk evaluation stage is removed in this policy.

3 Risk Treatment

ISO 31000 uses risk treatment as a generic term to refer to any action to respond to a risk. Therefore, this stage in the risk management process includes the identification and implementation of specific actions to achieve the overall response selected under risk evaluation. Risk treatments may be either proactive, where they are implemented before a risk event has occurred, or reactive, where they are activated after a risk event has occurred. All planned risk treatments with resource requirements should be reflected in the multi-year strategy as well as in annual implementation plans. As progress is made in the implementation of risk treatments, the risk register should be updated.

Selecting the most appropriate risk treatment option(s) involves balancing the potential benefits derived in relation to the achievement of the objectives against costs, effort or disadvantages of implementation.

Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. Options for treating risk may involve one or more of the following:

Examples of *avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk*;

- terminating an activity all together or, more realistically in the context of UNHCR, changing modalities. For example, if construction projects are high risk in a particular location, UNHCR could switch to using cash-based interventions to meet the shelter needs of forcibly displaced and stateless people.

Examples of *taking or increasing the risk in order to pursue an opportunity*;

- engaging in a partnership with a new agency to implement new activities is an example of pursuing an opportunity. While a new partnership may give rise to new risks, it may also deliver new results.

Examples of *removing the risk source*;

- replacing a vendor if there is a risk of delay or default in delivering agreed goods or services;
- terminating an agreement with a partner if that partner is found to have engaged in exploitation of forcibly displaced and stateless people.

Examples of *changing the likelihood*;

- changing procedures to improve controls if there is a heightened risk of fraud;
- increasing investment in a livelihoods programme to increase the chances of it succeeding in materially improving the lives of forcibly displaced and stateless people;
- increasing monitoring to detect deviations from agreed plans in case there is a risk of project delay or failure.

Examples of *changing the impact*;

- installing a sprinkler system in a warehouse to reduce impact of a fire;
- providing additional support and assistance to forcibly displaced and stateless people who have been exploited to mitigate the negative impact on their lives.

Examples of *sharing or transferring the risk*;

- insuring inventory stored in warehouses;
- engaging a local third-party monitor to review project progress in locations where UNHCR personnel may not be able to safely enter but that the third-party monitor can access.

Examples of *accepting the risk by informed decision*;

- deciding to continue working with a partner because although nothing further can be done to meaningfully reduce risk levels, ending the partnership would have a significant negative impact on the lives of forcibly displaced and stateless people.

4 Recording and Reporting

The ISO 31000 standard requires that the risk management process and its outcomes be documented and appropriately reported in order to facilitate communication, inform decision making, improve risk management processes, and assist interactions with stakeholders.

In UNHCR, the Operational and Strategic Risk Registers serve as the only required method through which Risk Owners record and report on the risk management process and its outcomes, and through which accountabilities for treating risks are assigned. Separate documentation and recording of the risk

management process by Risk Owners outside of the Strategic and Operational Risk Registers, such as meeting minutes from risk reviews, or documenting risk informed decisions, is optional but recommended to facilitate risk information-sharing. Detailed ad-hoc risk assessments for large projects, cross operation situations, or thematic areas or crises may be separately documented outside of the Risk Register Tool. However, it is expected that significant risks and opportunities deriving from these projects or situations would nevertheless be captured in the relevant risk registers at a high level. To ensure that risk registers remain effective management tools, it is essential that Risk Owners, assisted by Risk Focal Points, keep their respective risk registers up to date.

At the organizational level, the ERM Service shall analyse the outcomes of the risk management process and compile tailored reports highlighting relevant trends and themes for bureaux and divisions directors. The ERM Service shall also compile on an annual basis an overall report on each Risk Review to be presented to the Senior Executive Team, sharing a copy with all members of the Senior Management Committee of UNHCR.

The DHC, assisted by the ERM Service, provides periodic high-level updates to member States through the Standing Committee of the Executive Committee of the High Commissioner's Programme, or through ad-hoc briefings to member States, as required.

5. Communication and Consultation

Effective communication and consultation are required to enhance the risk culture of UNHCR and to facilitate the impact of effective risk management. Communicating and consulting throughout the risk management process supports UNHCR in:

- bringing different areas of expertise together for each step of the risk management process;
- ensuring that different views are appropriately considered when managing risks;
- providing sufficient information to facilitate risk oversight and decision-making; and
- building a sense of inclusiveness and ownership among those affected by risk.

Just as a wide functional and geographic range of personnel should be directly involved in the risk management process, the outcomes of the process should be communicated even more widely. Ideally, all UNHCR personnel should have a clear understanding of what risks in their country operation, regional bureau or headquarters entity are captured in the Operational Risk Register and what role they have in managing those risks.

Regular consultations on key risks and their responses with external stakeholders, such as partners and host governments, are strongly encouraged. However, the risk registers themselves and the detailed analysis that underpin them are confidential documents that should remain internal to UNHCR. If donors or other external stakeholders request copies of UNHCR risk registers, they can be informed that these are internal, confidential documents that may not be shared externally as a matter of UNHCR policy. However, UNHCR should engage in constructive dialogue with external stakeholders about risks, and Risk Owners may share summary risk information that they deem to be non-sensitive.

6 Monitoring and Review

ISO 31000 states that the purpose of monitoring and review is to assure and improve the quality and effectiveness of process design, implementation and outcomes. Monitoring and review are essential to ensure that the risk management process is effective. Individual Risk Owners are responsible for regularly reviewing their risks, as well as the progress and effectiveness of treatment implementation. Monitoring and reviewing activities should be continuously undertaken at all stages of the risk management process.

Questions that Risk Owners can ask to help them monitor and review risk management processes include, but are not limited to:

- is risk treatment implementation on track, or is progress towards implementing key treatments not in place behind schedule;
- are any key risks or opportunities not captured in the risk register;
- do the risks and opportunities captured in the risk register accurately reflect the underlying issues and are they logically structured;
- do identified treatments address the root causes of risks and opportunities; will implementing them meaningfully increase our likelihood of success;
- are adequate resources allocated to implementing key risk and opportunity treatments;
- are responsibilities adequately assigned, with clear ownership for treatments assigned to appropriate staff; and
- is the risk management process inclusive and involving of all relevant functions and geographic areas?

Asking these questions and monitoring and reviewing risk management can support country operations, regional bureau and headquarters entities in:

- ensuring that controls designed to manage risks are effective and efficient, and in taking corrective action where this is not the case;
- obtaining further information to improve risk assessment;
- analysing and learning lessons from events (including near-misses where significant risks almost materialized but ultimately did not), changes, trends, successes and failures in managing risks and opportunities;
- detecting changes in the external and internal context, including changes to risks themselves, which could require revision of risk treatments and priorities; and identifying emerging risks.
- Significant changes identified through monitoring and review should be reflected in the risk registers, as appropriate.

Regional bureaux monitor the implementation of the overall risk management process in the country operations under their purview. In conjunction with the ERM Service, the regional bureaux also provide constructive feedback on the quality of risk registers to country operations under their purview following each annual Risk Review. Risk Owners of country operations risk registers are expected to consider this feedback and update their risk registers accordingly.

The ERM Service shall quality assure the risk registers of regional bureaux and headquarters entities and provide constructive feedback on these following each annual Risk Review. Risk Owners at the

regional and headquarters levels are expected to consider this feedback and update their risk registers accordingly.

The Chief Risk Officer monitors the functioning of the ERM framework and makes recommendations to the DHC for further strengthening it or addressing identified shortcomings. This is augmented by the IAOC which provides expert advice on, amongst other areas, the overall effectiveness of UNHCR's risk management framework. Periodically UNHCR may also engage outside experts to independently review the effectiveness of the risk management framework.

These assessments as well as those of the independent assurance providers assist the DHC ensuring the overall effectiveness of ERM in UNHCR.