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| **Title** | **PORTFOLIO/PROJECT RISK REGISTER - DELIVERABLE DESCRIPTION AND OFFLINE TEMPLATE** |
| **Responsible Unit** | BPPS/Effectiveness Group and BMS |
| **Date approved** | 19 December 2023 |
| **Applicability** | Applicable to all UNDP Portfolios, Development Projects, Development Services, Engagement Facilities, Multi-Country and South-South Projects, Development and Institutional Effectiveness Projects |
| **Is part of** | UNDP Programme & Operations Policies and Procedures:  – Programme, Portfolio and Project Management  - Accountability / Enterprise Risk Management |

**Purpose/Description of the Portfolio/Project Risk Register**

[UNDP’s Enterprise Risk Management Policy](https://popp.undp.org/node/10716) applies to risks across all levels of the organization, including portfolio/project level. Risks at the Programme/Unit level are tracked through the IWP Risk Register. Risks at the Portfolio/Project Level are tracked through the Portfolio/Project Risk Register.

**Risk** as per UNDP’s Enterprise Risk Management (ERM) Policy is defined asthe effect of uncertainty on organizational objectives, which could be either positive and/or negative (ISO 31000:2018; see[Appendix 1](https://popp.undp.org/node/196/) for all Terms and Definitions).

As portfolios operate on complex systems challenges, it is common that future uncertainties, failures or hazards may not have clear past probabilities. As such, portfolios need to have the capacity to operate with uncertainty (lack of probabilities). While it is important to identify risks where possible, portfolio risk management is less about focusing on preventing adverse situations, and more on building the capability to respond to adverse situations.

A portfolio, is designed to address complex, systems-challenges where change is emergent and dynamic, defying linear causality, predictability, or simple categorization. Only moderate to high risk (internal and external) are mandatory to be captured in the register. Low level risks do not require further analysis or treatment.

In order to contribute to a portfolio/project’s success, risks must be identified, assessed, prioritized and mitigated. Risk treatment and mitigation measures need to be considered and an appropriate risk management plan needs to be developed and implemented. This involves planning for and implementing resources to carry out selected actions to address the risks. These actions must be incorporated in the portfolio/project MYWP, including portfolio/project monitoring and reporting to ensure that all risk management activities are being implemented and have the desired effect.

Risks must be identified and assessed using the portfolio/project Risk Register, which shall be submitted to the Portfolio/Project Appraisal Committee (PAC) as an annex to the portfolio/project document. The Risk Register must then be maintained and updated as needed in Quantum for the duration of the portfolio/project, no less than once a year during implementation.

**Portfolio/Project Risk Register Templates**

There are two templates for the Portfolio/Project Risk Register:

1. an offline template to be attached to the Portfolio/Project Document,
2. then it will continue to be managed and monitored in an online format in Quantum system.

See Annex 2 for the offline template for the Portfolio/Project Risk Register. The offline template should be used for the initial drafting of the Risk Register during portfolio/project design and included in the draft portfolio/project document as an annex.

[Click here](http://quantum.partneragencies.org/) for the Quantum Portfolio/Project Risk Register in the Portfolio/Project Results and Portfolio/Project Closure Workbench. During portfolio/project implementation, the portfolio/project management team should update the Risk Register in Quantum as often as needed but no less than once a year.

Should the portfolio/project management team have limited access to Quantum, it is acceptable to use the offline template. The offline template should be transferred into Quantum by the UNDP Portfolio/Project Assurance (or by a member of the portfolio/project management team with external access to Quantum) on a regular basis.

The Risk Register information in Quantum is automatically reflected in the Portfolio/Project Progress Report.

Note that Programme/Unit level risks are tracked in the Corporate Planning System, through the IWP Risk Register. The Portfolio/Project Risk Register should be informed by the IWP Risk Register, and vice versa.

**Composition of Portfolio/Project Risk Register**

* Risk ID number: reference number to allow grouping of all information on this risk
* Description: brief description of the risk, including potential future event and its cause
* Date identified: when was the risk identified
* Type(s) (i.e. as per ERM risk categories): Social and Environmental, Financial, Operational, Organizational, Reputational, Regulatory, Strategic, Safety and Security. If there are multiple risk types converging inextricably, list them. You can add multiple ERM risk categories.
* Impact and Likelihood:
  + Impact: effect on the portfolio/project if the risk were to occur on a scale of 1 (negligible) to 5 (extreme)
  + Likelihood: estimate of the likelihood of the risk occurring on a scale of 1 (not likely) to 5 (expected).
* Risk Owner: the person or entity with the responsibility to manage the risk. For portfolio, risk needs to be designated to either the portfolio management team or the PSRC. In either case this means that everyone on the assigned team is co-responsible for the management of the risk. Unlike in project modality, portfolios may not have single risk owners.
* Risk Treatment(s): what actions have been taken/will be taken to counter this risk
* Current status of Risk Treatment(s): implementation status of risk treatment/management measures and their effectiveness and relevant changes in context (online only)

**Inputs**

Risks are identified using the ERM Risk Categories (see Annex 1) and relevant risk tools such as Portfolio Sense making, Scenario Planning, Foresight, HACT, Social and Environmental Screening Procedure, Private Sector Due Diligence, Theory of Change, Procurement Risk Radar, etc. Portfolio/Project risks can be identified and updated at any time. They may also derive from risks identified at the Programme/Unit level or may contribute to risks at the Programme/Unit level.

Based on identification and assessment, a risk analysis shall be completed by the Portfolio/Project Developer as part of the Portfolio/Project Document preparation, using the standard offline Risk Register template. The initial draft of the Risk Register should be reviewed by the PAC. Once the consensus on the risks, including possible management measures if known, has been reached, and once the portfolio number has been created, the risks should be recorded in Quantum in the Portfolio/Project Risk Register.

The Risk Register should be maintained and updated as needed (but at least once a year) in Quantum for the duration of the portfolio/project; the information entered will be reflected in the Portfolio/Project Progress Report. There must be a check for any new risks every time the Risk Register is updated.

**Quantum Action Points**

The Quantum Portfolio/Project Risk Register should be used to reflect the Risks initially identified and presented to the PAC. The same facility should be used to provide regular updates on identified risks and to record new risks. Navigation is Projects > Project Results and Project Closure Workbench > Select Agency (UNDP), Business Unit, Project Number (or Atlas Project Number for projects migrated from Atlas) > Project Risks tab.

Notes on access:

* A risk recorded in Quantum the first time will permanently remain in the system and can be updated regularly.
* Risk treatments are recorded in the Treatment(s) field and status can be modified at any time (Not Started, On Going, or Completed).
* New risks can be added at any time and risks that are no longer relevant can be updated so they are no longer active.

**Responsibilities & Accountability**

* The Portfolio/Project Developer drafts the initial Risk Register as part of the Portfolio/Project Document preparation process and submits it to the LPAC for Review.
* The LPAC must review and endorse the initial draft of the Risk Register.
* The Portfolio/Project Developer has the responsibility to create the Risk Register in Quantum following portfolio/project approval, based on consensus reached during the PAC.
* Throughout the implementation of the portfolio/project, it is the responsibility of the Portfolio/Project Manager to maintain and update the Risk Register, to ensure that risks are communicated and to implement countermeasures as decided by the Portfolio/Project Board.
* It is the responsibility of Portfolio/Project Assurance (e.g. Programme Officer) to ensure that details of identified risks are regularly updated in Quantum and properly reflected as part of the Portfolio/Project Progress Report (PPR).
  + If the portfolio/project management team does not have access to Quantum, the Portfolio/Project Assurance should be responsible for entering risk updates into the system, based on information submitted by the Portfolio/Project Manager using the standard template.
  + If the portfolio/project management team has external access to Quantum, they will update the details of identified risks in the system. However, the UNDP Portfolio/Project Assurance should review the inputs by the portfolio/project management team, prior to the submission of the PPR.
* The Portfolio/Project Board has the responsibility to continually scan for emerging risks.
* It is the responsibility of the Portfolio/Project Manager to inform in a timely manner the Board regarding any new risks, changes to existing risks, or escalation of risks.
* In cases where a Portfolio/Project Document or Portfolio/Project Board are not required (e.g. Development Services, Engagement Facility, Development and Institutional Effectiveness Project), the Risk Register is still created and maintained in Quantum to inform decision making.

**Additional Resources**

[Enterprise Risk Management (ERM)](https://popp.undp.org/node/10716) section of the POPP. Additional relevant policies and tools include:

* [Portfolio Sensemaking](https://undp.sharepoint.com/sites/KnowledgeCentre/SitePages/Portfolio-Sensemaking.aspx)
* [UNDP Risk Appetite Statement](https://popp.undp.org/document/risk-appetite-statement) and [Risk Appetite Statement Guidance](https://popp.undp.org/node/3911)
* [UNDP Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy](https://popp.undp.org/node/1571) and the [Operational Guide for the UNDP AML/CFT Policy](https://popp.undp.org/node/4066)
* [Harmonized Approach to Cash Transfer](https://popp.undp.org/node/10891)
* [UNDP Anti-Fraud Policy](https://popp.undp.org/node/10426)
* [UN Programme Criticality Framework](https://undp.sharepoint.com/teams/CB-Portal/programme_criticality/Shared%20Documents/Forms/AllItems.aspx)
* [UNSMS Security Policy Manual](https://policy.un.org/sites/policy.un.org/files/files/documents/2020/Oct/spm_-_chapter_iv_-_section_a_-_security_risk_management_2.pdf)
* [Business Continuity Management](https://popp.undp.org/node/10461)
* [Private Sector Partnerships](https://popp.undp.org/node/11301)
* [Quality Standards for Programming](https://popp.undp.org/node/11386)
* [Social and Environmental Standards Toolkit](https://ses-toolkit.info.undp.org/)
* [Theory of Change](https://unsdg.un.org/resources/theory-change-undaf-companion-guidance)
* [Performance Dashboard](https://undp.sharepoint.com/sites/PerformanceApp" \l "/)
* [Crisis Risk Dashboard](https://undp.sharepoint.com/sites/CrisisRiskDashboardHub)

**ANNEX 1. ERM RISK CATEGORIES AND SUB-CATEGORIES**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **1.Social and Environmental** | **2. Financial** | **3. Operational** | **4. Organizational** | **5. Reputational** | **6. Regulatory** | **7. Strategic** | **8. Safety and Security** |
| * 1. Human rights   2. Gender equality and women’s empowerment   3. Grievances (Accountability to stakeholders)   4. Biodiversity conservation and sustainable natural resource management   5. Climate change and disaster risks   6. Community health, safety and security   7. Cultural heritage   8. Displacement and resettlement   9. Indigenous peoples   10. Labour and working conditions   11. Pollution prevention and resource efficiency   12. Stakeholder engagement   13. Sexual exploitation and abuse | * 1. Cost recovery   2. Value for money   3. Corruption and fraud   4. Fluctuation in credit rate, market, currency   5. Delivery   6. Budget availability and cash flow | * 1. Responsiveness to audit and evaluations (Delays in the conduct of and implementation of recommendations)   2. Leadership and management   3. Flexibility and opportunity management   4. Reporting and communication   5. Partners’ engagement   6. Transition and exit strategy   7. Occupational safety, health and well-being   8. Capacities of the partners | * 1. Governance   2. Execution capacity   3. Implementation arrangements   4. Accountability   5. Monitoring and oversight   6. Knowledge management   7. Human Resources   8. Internal control   9. Procurement | 5.1. Public opinion and media  5.2. Engagement with private sector partnership  5.3. Code of conduct and ethics  5.4. Communications  5.5. Stakeholder management  5.6. Exposure to entities involved in money laundering and terrorism financing | * 1. Changes in the regulatory framework within the country of operation   2. Changes in the international regulatory framework affecting the whole organization   3. Deviation from UNDP internal rules and regulations | * 1. Alignment with UNDP strategic priorities   2. UN system coordination and reform   3. Stakeholder relations and partnerships   4. Competition   5. Government commitment   6. Change/turnover in government   7. Alignment with national priorities   8. Innovating, piloting, experimenting | 8.1. Armed conflict  8.2. Political instability  8.3. Terrorism  8.4. Crime  8.5. Civil unrest  8.6. Natural hazards  8.7. Manmade hazards  8.8. Cyber security and threats |

**ANNEX 2: OFFLINE PORTFOLIO/PROJECT RISK REGISTER TEMPLATE**

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| --- | --- | --- |
| **Portfolio/Project Title:** | **Portfolio/Project Number:** | **Date: Click or tap to enter a date.** |

| **#** | **Event** | **Cause** | **Impact(s)** | **Risk Category and Sub-category** *(including Risk Appetite)* | **Impact, Likelihood & Risk Level**  *(see Annex 3 Risk Matrix)* | **Risk Valid From/To** | **Risk Owner**  *(~~individual~~ team accountable for managing the risk)* | **Risk Treatment and Treatment Owner** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | There is a risk that … | As a result of … | Which will impact in… | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 1.1: …  Risk Treatment Owner: … |
| Risk Treatment 1.2: …  Risk Treatment Owner: … |
| Risk Treatment 1.3: …  Risk Treatment Owner: … |
| 2 | There is a risk that … | As a result of … | Which will impact in … | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 2.1: …  Risk Treatment Owner: … |
| Risk Treatment 2.2: …  Risk Treatment Owner: … |
| Risk Treatment 2.3: …  Risk Treatment Owner: … |
| 3 | There is a risk that … | As a result of … | Which will impact in… | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 3.1: …  Risk Treatment Owner: … |
| Risk Treatment 3.2: …  Risk Treatment Owner: … |
| Risk Treatment 3.3: …  Risk Treatment Owner: … |
| 4 | There is a risk that … | As a result of … | Which will impact in… | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 4.1: …  Risk Treatment Owner: … |
| Risk Treatment 4.2: …  Risk Treatment Owner: … |
| Risk Treatment 4.3: …  Risk Treatment Owner: … |
| 5 | There is a risk that … | As a result of … | Which will impact in… | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 5.1: …  Risk Treatment Owner: … |
| Risk Treatment 5.2: …  Risk Treatment Owner: … |
| Risk Treatment 5.3: …  Risk Treatment Owner: … |
| 6 | There is a risk that … | As a result of … | Which will impact in… | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 6.1: …  Risk Treatment Owner: … |
| Risk Treatment 6.2: …  Risk Treatment Owner: … |
| Risk Treatment 6.3: …  Risk Treatment Owner: … |
| 7 | There is a risk that … | As a result of … | Which will impact in… | **PLEASE SELECT** | Likelihood:  **PLEASE SELECT**  Impact:  **PLEASE SELECT**  Risk level:  **PLEASE SELECT** | From: **Click or tap to enter a date.**  To: **Click or tap to enter a date.** | … | Risk Treatment 7.1: …  Risk Treatment Owner: … |
| Risk Treatment 7.2: …  Risk Treatment Owner: … |
| Risk Treatment 7.3: …  Risk Treatment Owner: … |

**ANNEX 3: RISK MATRIX**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Impact** | **5** |  |  |  |  |  |  | **Risk** | **Level** |  |
| **4** |  |  |  |  |  |  |  | **HIGH** |  |
| **3** |  |  |  |  |  |  |  | **SUBSTANTIAL** |  |
| **2** |  |  |  |  |  |  |  | **MODERATE** |  |
| **1** |  |  |  |  |  |  |  | **LOW** |  |
|  |  | **1** | **2** | **3** | **4** | **5** |  |  |  |  |
|  |  | **Likelihood** | | | | |  |  |  | |