Risk Escalation Guideline

According to the ERM policy, a risk is **escalated** when circumstances pertaining to the treatment itself may exceed the authority/mandate or expertise of the Risk Owner. If one or more of the following "escalation" conditions is met, the Risk Owner must escalate the risk:

- Risk treatment requires expenditures that are beyond what the Risk Owner is authorized to decide; and/or
- Risk cuts across, or may impact, multiple offices (e.g. reputational risk, changes to corporate policies); and/or
- Grievances from stakeholders have been received to which the Risk Owner cannot impartially and/or effectively respond (e.g. through UNDP's Stakeholder Response Mechanism); and/or
- A serious security incident has occurred which has impacted UNDP personnel, facilities or programmes or the security environment has deteriorated requiring additional treatment measures and/or security advice; and/or
- When risk significance level is determined to be High.

When risks are escalated, the original Risk Owner must provide complete information to the receiving manager. The change of ownership takes place only after the receiving manager has confirmed that he/she accepts the ownership. A response to the request for risk transfer should be provided within 5 working days of receipt, in which period the risk ownership remains with the original Risk Owner. The escalation of the risk and the change of ownership must be noted in the Risk Register. If and when escalation is urgent, risk transfer should be completed within 24 hours and it is acceptable to communicate escalation using phone or e-mail and update the Risk Register afterwards.

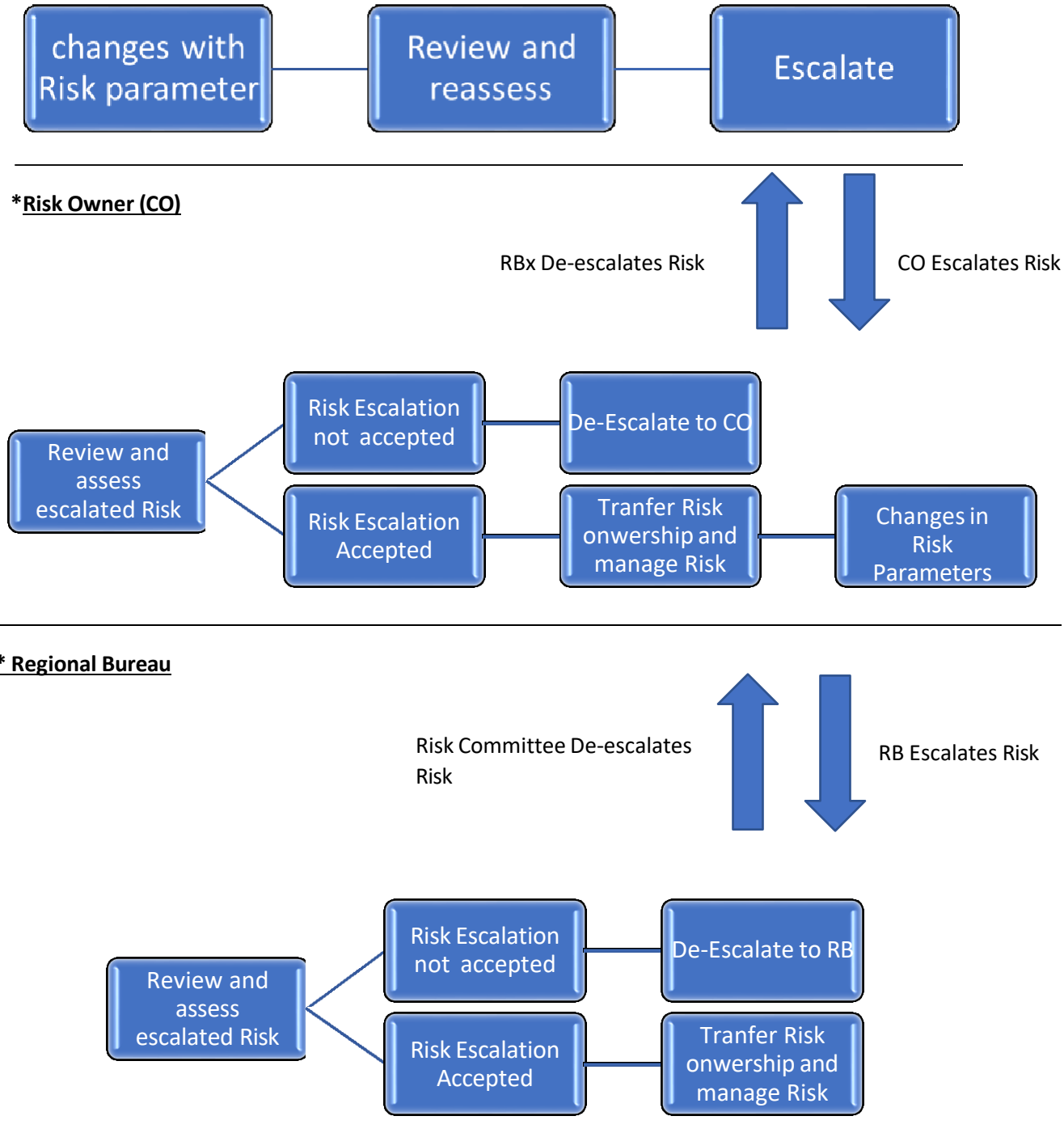
Escalation follows the applicable line management, i.e. from project to programme to relevant Bureau (central/regional) and ultimately to the corporate level.

See Chart 1 and 2: Risk Escalation Structure and Process

Chart 1: Risk Escalation Structure

Risk management Escalation Process				
** Risks are escalated following regular reporting lines to the appropriate level of the organization.*			→	Executive Group
		→	Risk Committee	- Risk Reporting and Decision making
	→	All Bureaux: Central Bureaux (BERA, BMS, BPPS) and Regional Bureaux (RBA, RBAP, RBAS, RBEC, RBLAC)	- Corporate risks	
→	COs, HQ offices/units of Central Bureaux, Independent Offices (OAI, HDRO, etc.), Regional Centres/Hubs	- Bureau/Regional risks	- Corporate risk responses	
Programme/Projects	- BU risk identification	- Escalated risks/responses	- Escalated risks/responses	
- Project risk identification	- Risk assessment	- Escalation when needed	- Escalation when needed	
- Risk assessment	- Risk responses			
- Risk responses	- Escalation when needed			
- Escalation when needed				

Chart 2: Risk Escalation Process:



Risk Committee

- **Risk Escalation could be from Project to Country Office (CO), CO to Regional Bureau (RB), RB to Risk Committee, Risk Committee to Executive Group.**