Enterprise Risk Management (ERM) Processes

- Scope, Context, Criteria
- Risk Assessment
  - Risk Identification
  - Risk Analysis
  - Risk Evaluation
- Risk Treatment
- Communication & consultation
- Monitoring & Review
- Recording & Reporting
Integrated Risk Module for Results Management

Risk Escalation

Risk Assignment

Corporate Risks

Bx/Regional Risks

Programme/Unit Risks

Project Risks

Portfolio Risks

Risk Entries

Risk Owner

Risk Location

Corporate Risk Register

AA as Chief Risk Officer or delegated

Quantum+

Bx/Regional Risk Register

Bx Director (ASG) or delegated

Quantum+

Programme/Unit Risk Register

Programme Manager (RR) or delegated Authority

Quantum+

Project/Portfolio Risk Register

Project Assurance Project/Portfolio Manager

Quantum (ERP)

Risk Identification Tools

Project Assurance Project/Portfolio Manager

Quantum+

Partnership Risk Assessment Tools

Portfolio/Project Risk Assessment Tools
<table>
<thead>
<tr>
<th>Application of ERM Processes according to organizational levels</th>
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</thead>
<tbody>
<tr>
<td><strong>IDENTIFY</strong></td>
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<tr>
<td>ERM Processes that apply across all levels of UNDP</td>
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<tr>
<td>Programme/Projects</td>
</tr>
<tr>
<td>Country Offices and HQ Units</td>
</tr>
<tr>
<td>Central Bureaux, Regional Bureaux and Independent Offices (OAI, HDR, etc.)</td>
</tr>
<tr>
<td>ERM Committee (chaired by the Associate Administrator and supported by ERM Secretariat)</td>
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</table>
# Mapping of Tools and Mechanisms on Risk Management

## RELEVANT POLICIES, TOOLS, MECHANISMS

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<tr>
<th>ERM Processes</th>
<th>Financial</th>
<th>Risk to Development Result</th>
<th>Operational</th>
<th>Compliance</th>
<th>Safety &amp; Security</th>
<th>Reputational</th>
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<tbody>
<tr>
<td><strong>Establishing the context</strong></td>
<td>Harmonized Approach to Cash Transfer</td>
<td>Crisis Risk Dashboard</td>
<td>Business Continuity Management (BCM)</td>
<td>Audit Risk Assessment</td>
<td>UN Security Management System (UNSMS)</td>
<td>Security Management Group</td>
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<td>UNDP Policy on Fraud and other Corrupt Practices</td>
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<td><strong>Risk identification:</strong></td>
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<tr>
<td><strong>What and where are the risks?</strong></td>
<td></td>
<td>Social and Environmental Standards Procedure</td>
<td></td>
<td>Security Management Group</td>
<td></td>
<td>AML / CFT</td>
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<td>Private Sector Due Diligence</td>
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<td><strong>Risk analysis:</strong></td>
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<tr>
<td><strong>What is known about the risks?</strong></td>
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<td>Social and Environmental Standards Procedure</td>
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<td>Conflict and Development Analysis Tool</td>
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<td>Foundations Due Diligence</td>
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<td><strong>Risk evaluation:</strong></td>
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<td><strong>How important are the risks identified?</strong></td>
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<td>Social and Environmental Standards Procedure</td>
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Risks are escalated following regular reporting lines to the appropriate level of the organization.
Risk Escalation could be from Project/Portfolio to Country Office (CO), CO to Regional Bureau (RB), RB to Risk Committee, Risk Committee to Executive Group.

- **Risk Owner (CO)**
  - Changes with Risk Parameter → Review & Reassess → Escalate
  - CO Escalates Risk
  - RB De-escals Risk

- **Regional Bureau**
  - Review and assess escalated Risk
  - Risk Escalation not accepted → De-Escalate to CO
  - Risk Escalation accepted → Transfer Risk Ownership and manage Risk
  - RB Escalates Risk
  - Risk Committee De-escalates Risk

- **Risk Committee**
  - Review and assess escalated Risk
  - Risk Escalation not accepted → De-Escalate to RB
  - Risk Escalation accepted → Transfer Risk Ownership and manage Risk

* Risk Owner (CO)
* Regional Bureau
* Risk Committee