

Enterprise Risk Management (ERM) Policy

Informal consultation with the EB

Rome, 03 March 2015



WFP

World Food Programme

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Performance Management and Monitoring Division (RMP)

Intro: Enterprise Risk Management (ERM) in WFP

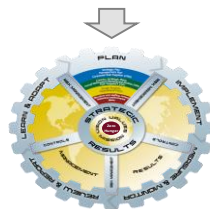
2005



WFP's 1st
Enterprise
Risk
Management
policy

2010

JIU review of
ERM in the UN



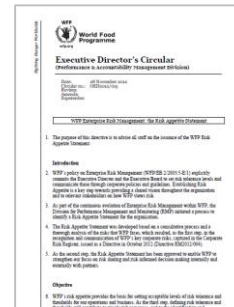
Integration of
ERM in the
Performance
Management
framework

2011

Category	Risk	Impact	Probability	Residual Risk	Owner	Reporting Frequency	Reporting Line
Strategic	Global	High	High	High	Director	Quarterly	Executive Director
	Regional	Medium	Medium	Medium	Regional Director	Quarterly	Regional Director
	Country	Low	Low	Low	Country Director	Quarterly	Country Director
	Program	Low	Low	Low	Program Director	Quarterly	Program Director
Operational	Global	Low	Low	Low	Director	Quarterly	Executive Director
	Regional	Low	Low	Low	Regional Director	Quarterly	Regional Director
	Country	Low	Low	Low	Country Director	Quarterly	Country Director
	Program	Low	Low	Low	Program Director	Quarterly	Program Director

Corporate
Risk Register

2012



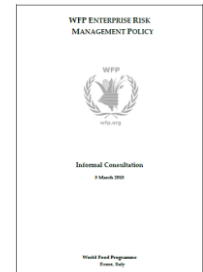
Risk
Appetite
statement

2013



Inter-
agency
activities

2015



Enterprise
Risk
Management
policy
2015

Continuous implementation of ERM in WFP

ERM Policy 2015: Structure

Context in which WFP operates



How WFP implements ERM



Risk appetite, tolerance and escalation



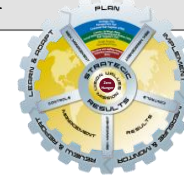
Definitions, objectives and principles of ERM



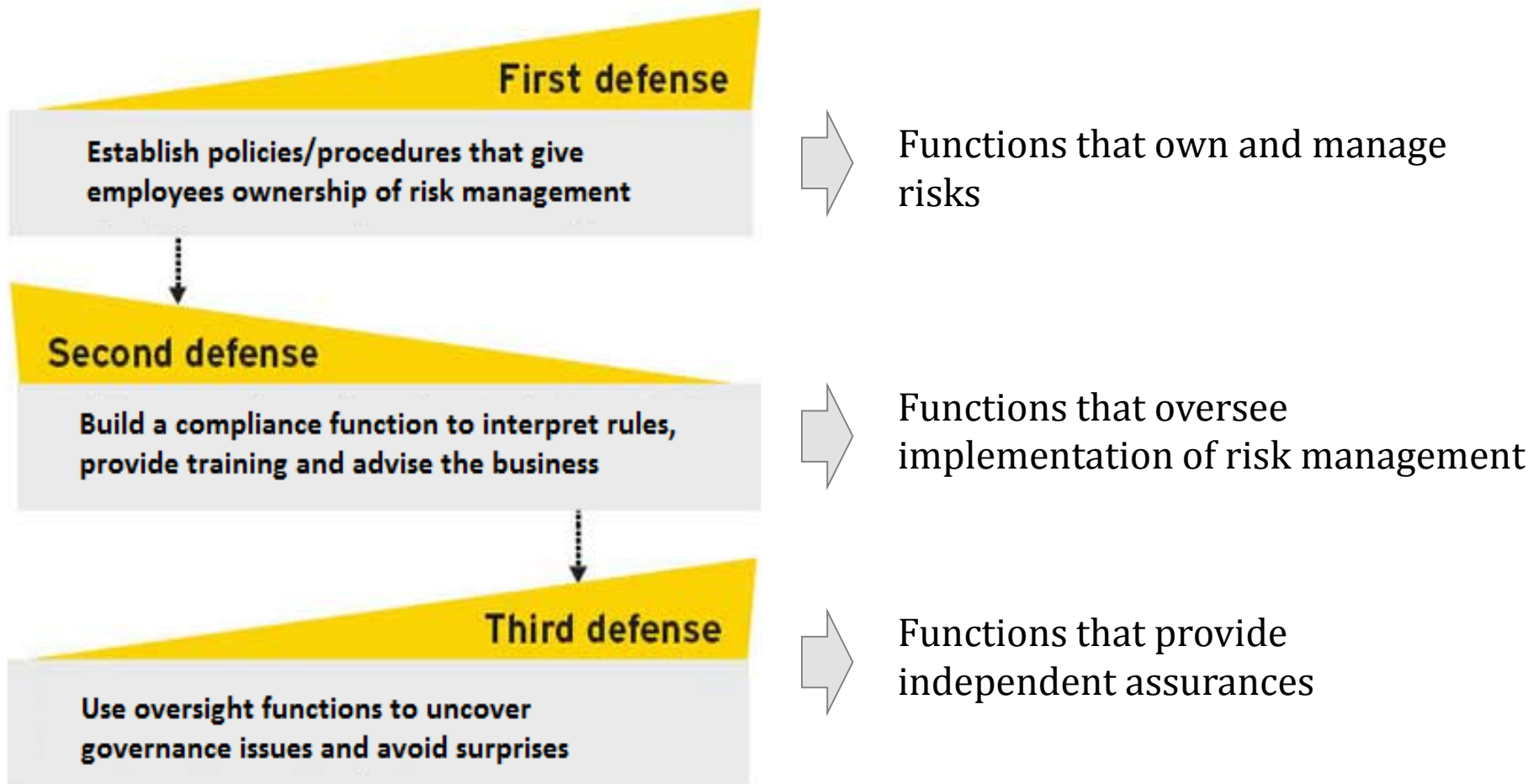
ERM Methodology



Monitoring, responsibilities & links to other processes

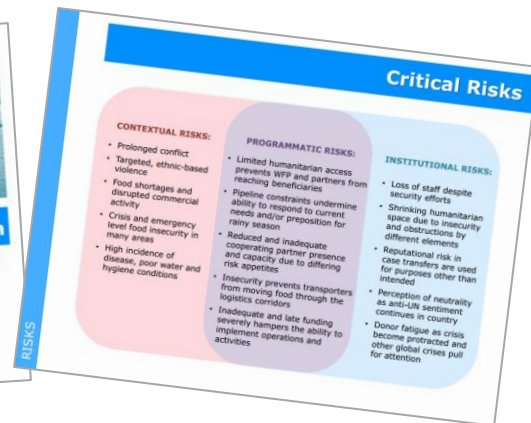


ERM Policy 2015: **Three Lines of Defence**



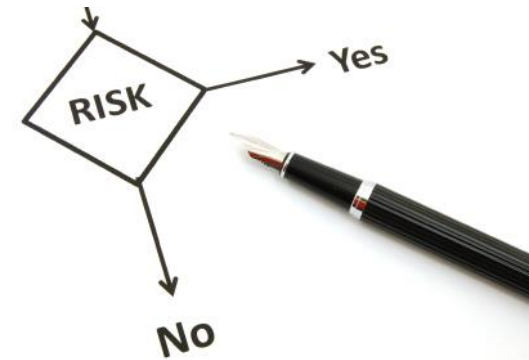
ERM Policy 2015: Sustainability of ERM

- ✓ Risk Management mainstreamed throughout the organization;
- ✓ Risk Management included as part of WFP's planning processes;
- ✓ Staff capacity building;
- ✓ Risk Management in corporate reporting.



ERM Policy 2015: Risk Appetite

- ✓ WFPs approach is to manage risk, not risk aversion;
- ✓ WFP's risk appetite provides the basis for setting acceptable levels of risk tolerance and thresholds for our operations;
- ✓ There are operational contexts where no thresholds can be identified:
 - Development of staff management capacity;
 - Clear lines of authority/delegation of authority.
- ✓ Accountability between WFP and Stakeholders in determining WFPs risk appetite.



Thank you - We look forward to your questions and comments



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