



Risk Appetite in the World Food Programme

Overview

WFP's risk appetite reflects our risk management philosophy. This in turn influences our culture and operating style. Different strategies will expose WFP to different levels of risk and hence all strategies need to be aligned with our risk appetite.

WFP's risk appetite statement sets out a vision on how we view risks. It will allow WFP throughout the organisation to communicate with our partners and stakeholders about how much risk we are prepared to accept. It will allow us proactively to engage them in decisions regarding risk sharing.

The risk appetite statement contributes to defining corporate risks as documented in the Corporate Risk Register. WFP's risk appetite provides the basis for setting acceptable levels of risk tolerance and thresholds and contributes to the identification and implementation of mitigation actions.

WFP Risk Appetite Statement

1. The humanitarian imperative obliges us to provide humanitarian assistance wherever it is needed or requested. While we seek to do so we are committed to protecting our beneficiaries, our staff and the resources entrusted to us. We recognize that the risks of failing to engage often outweigh the risks of engagement. WFP's decisions to engage will incorporate analysis of the benefits of engagement and the costs of mitigation actions.

Risks to security and safety of staff

2. WFP recognizes that exposure to significant security risks in certain contexts can endanger the lives of staff or lead to injuries. WFP will take robust measures to protect its staff, consistent with the UN security framework.

Risks to health and well-being of beneficiaries

3. We acknowledge that some food assistance, if prolonged, may not address the existing root causes of food insecurity and lead to dependency. WFP will ensure that assistance is provided only where the benefits to beneficiaries outweigh the residual risk.

4. We acknowledge that distributions may expose and endanger beneficiaries unless managed properly. We will mitigate this risk by ensuring that WFP and its partners are conscious of the protection needs of beneficiaries and design and implement programmes accordingly.
5. We acknowledge that distributions in complex environments may affect food quality. WFP will mitigate the risk through stringent supply chain monitoring and quality control.

Risks to operations

6. We accept that in some contexts our need to provide a timely response will result in higher operating costs. Whilst we incorporate cost-efficiency and forward-planning in all activities, as mitigating measures our paramount consideration is to ensure that the right assistance reaches beneficiaries at the right time.
7. WFP requires safe and unhindered humanitarian access in order to ensure effective and timely assessment, targeting, delivery, distribution and monitoring of assistance. This is done in full respect of national sovereignty and in accordance with international law and the humanitarian principles of humanity, neutrality and impartiality. WFP acknowledges that where humanitarian access is restricted there may be residual risks related to distributions and assets. WFP will minimise risks to operations through use of heightened due diligence and appropriate alternative measures to select partners and monitor all assistance. WFP accepts the residual risk of loss of assets in complex insecure environments and will continue to minimise such risks through established UN procedures and measures.
8. We accept that our operating environment heightens exposure to the risk of fraud, corruption and collusive practices. Fraudulent, corrupt, and collusive practices and misappropriation of resources are contrary to WFP's core values and are not accepted by the organisation. WFP is committed to preventing such practices and to taking mitigating action where they are found to occur.

Risks to WFP's reputation

9. Public scrutiny is an inherent component of our activities and there is a need to be proactively engaged in informing key stakeholders. We recognize that our work may generate or contribute to negative public perception and media coverage, affecting our reputation. WFP will ensure transparent and clear communication in order to mitigate this risk.

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9 November 2012