

# WFP Risk Appetite statement

*Informal consultation with the EB*


7 December 2015



**World Food Programme**

# Background

2012



**WFP**  
World Food Programme  
wfp.org

**Executive Director's Circular**  
(Performance & Accountability Management Division)

Date: 28 November 2012  
Circular no.: OED2012/015  
Revision:  
Amends:  
Supersedes:

WFP Enterprise Risk Management: the Risk Appetite Statement

1. The purpose of this directive is to advise all staff on the issuance of the WFP Risk Appetite Statement.

**Introduction**


2. WFP's policy on Enterprise Risk Management (WFP/EB.2/2005/5-E/1) explicitly commits the Executive Director and the Executive Board to set risk tolerance levels and communicate these through corporate policies and guidelines. Establishing Risk Appetite is a key step towards providing a shared vision throughout the organization and to relevant stakeholders on how WFP views risk.
3. As part of the continuous evolution of Enterprise Risk Management within WFP, the Division for Performance Management and Monitoring (RMP) initiated a process to identify a Risk Appetite Statement for the organization.
4. The Risk Appetite Statement was developed based on a consultative process and a thorough analysis of the risks that WFP faces, which resulted, as the first step, in the recognition and communication of WFP's key corporate risks, captured in the Corporate Risk Register, issued as a Directive in October 2012 (Directive RMD012/004).
5. As the second step, the Risk Appetite Statement has been approved to enable WFP to strengthen our focus on risk sharing and risk informed decision making internally and externally with partners.

**Objective**

6. WFP's risk appetite provides the basis for setting acceptable levels of risk tolerance and thresholds for our operations and business. As the third step, defining risk tolerance and thresholds will contribute to timely risk responses, and to the identification and

WFP launches  
**first Risk Appetite  
statement**

2015



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Executive Board  
Annual Session  
Rome, 25-28 May 2015

**POLICY ISSUES**

Agenda item 5

*For approval*


**ENTERPRISE RISK  
MANAGEMENT POLICY**

Distribution: GENERAL  
WFP/EB.A/2015/5-B  
10 April 2015  
ORIGINAL: ENGLISH

Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>)

**New WFP  
ERM policy**  
is approved by the EB

Today



**RISK APPETITE IN THE  
WORLD FOOD PROGRAMME**

**WFP**  
wfp.org

**Informal Consultation**  
7 December 2015

World Food Programme  
Rome, Italy

**Updated risk  
appetite statement**  
presented for  
consultation

# What is new?

- Elaborates on **humanitarian access**
- Monitoring sections enhanced, linked to **demonstrating results**
- Reference to WFP's approach to **preparedness measures**
- Increased attention to **new forms of food assistance**
- Acknowledges **staff capacity** as key to successful response and implementation of programmes
- Strengthened role of **partnerships**



# How will it be used?

- Empowering **management decision-making**
- Identifying the basis for setting **acceptable levels of risk** in key operational areas
- Identifying **thresholds for action**
- Ensuring **mutual accountability**



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