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منظمة الأمم المتحدة
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Risk Management: Evaluating, Managing and Mitigating Risk at UNESCO

While organizations have always had to handle risks, the discipline of risk management itself is relatively new. A pro-active approach to risk management encourages learning from experience in order to anticipate, recognise and manage both the threats and the opportunities inherent in risk.

Applying risk management approaches and techniques is not new at UNESCO although the term was only recently introduced. It is an integral part of the daily planning and implementation of programmes. It was implicitly used during the preparation of the Organization's Medium-Term Strategy (34 C/4). Specific risk management activities have been carried out by different entities, such as the risk control framework pursued by the Bureau of the Comptroller.

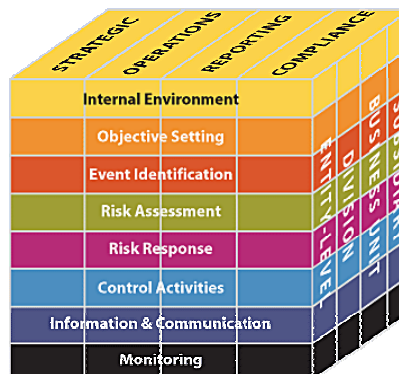
These fell into the following categories: resourcing UNESCO's programmes, governance, staffing, organizational design and accountability, corporate systems, financial management, results-based management, quality of programme delivery and visibility, delivering within the UN system, and the Director-General mandate. On this basis, the Internal Oversight Service carried out a risk-based evaluation of UNESCO's capacity to deliver the 34 C/4 in the fall of 2008. This evaluation undertook an assessment of the institutional risks for UNESCO's capacity to deliver the expected outcomes of the 34 C/4. IOS based this exercise on the three main steps of ERM: risk identification, risk prioritisation and the development of a risk response. The overall aim was to promote learning and to effectively recognize and proactively manage threats as well as opportunities

Identify Risks – Threats and Opportunities

At a retreat on risk management in February 2008, the College of ADGs (Assistant Director-Generals) identified some thirty risk areas for the Organization

The Enterprise Risk Management (ERM) integrated framework, developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is widely considered as the internationally recognized risk management framework. In order to be successful, a risk management approach needs to be tailored to the specific needs of an organization, and take into account its actual business environment and organizational structure. Risk Management identifies and prioritizes the main risks – i.e. both threats and opportunities – at the different levels and formulates risk responses.

The four objectives categories - strategic, operations, reporting, and compliance - are represented by the vertical columns, the eight risk management components by horizontal rows, and an entity's units by the third dimension. This depiction portrays the ability to focus on an entity's enterprise risk management as a whole, by objectives category, by component, entity unit, or any subset thereof.



Source: *COSO Enterprise Risk Management – Integrated Framework 2004* COSO.

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The Top Ten Risks Identified at UNESCO

- 1) The gap between expected and available resources;
- 2) Uncertainty about future regular budget and reliance on extrabudgetary funding;
- 3) Complex structure which does not promote intersectoral collaboration;
- 4) Lack of responsiveness to our clients;
- 5) Inadequate information and network systems;
- 6) Insufficient accountability;
- 7) Incomplete performance-based monitoring;
- 8) Untimely succession plan;
- 9) Imbalance between process control and programme delivery;
- 10) Predominance of central services over programmes.

The assessment and prioritization of risks was completed through an extensive consultation process with senior staff and programme managers via on-line surveys. The identified risks were ranked for each of the 14 strategic programme objectives and their 56 respective expected outcomes of the 34 C/4. This resulted in the identification of 10 top risk areas for the Organization. The risks listed in the box above were identified as those with the highest likelihood of occurrence and the highest impact on the achievement of expected outcomes. A detailed report on the results of this assessment exercise is available on the [IOS Website](#).

Take Action – Risk Response

In November 2008, the College of ADGs endorsed the setup of a UNESCO Risk Management Committee, composed of representatives of senior management and chaired by ADG/BSP, with IOS acting as Secretariat. Its mandate is to develop action plans to address top risks, to build up an integrated risk management framework, to strengthen risk management capacities and a risk management culture, and to regularly reevaluate risks and the Organization's

tolerance levels in light of the evolving environment. The work of this Committee puts UNESCO in a best practice position in the UN family.

To promote familiarity with risk management and associated approaches, a risk management training has been developed by BSP, accompanied by a Risk Management Handbook (see www.unesco.org/en/riskmgmt). The first pilot workshops on risk management training will be offered shortly.

Global crises – managing impact for the UN systems and UNESCO

The impact of four simultaneous global crises – climate change, the energy crisis, the food crisis and the global economic and financial crisis – on international development and UNESCO's domains are likely to be significant. It may find its expression in increasing poverty, a slackening in the attainment of MDGs, lower extrabudgetary contributions, etc. Hence, the strengthening of critical areas where UNESCO can make a difference is crucial, as is the need to be creative in programme delivery such as through emphasis on upstream policy advice. The UNESCO Future Forum on 2 March 2009 devoted an entire day to this subject and all presentations can be consulted on www.unesco.org/en/futureforum.

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