

UNECE Risk Treatment Plan

(as of 20 July 2018)

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| 1. Organizational Structure and Synchronization (1.1.7/2.1.5) | Risk category | Impact | Likelihood | Internal Control Effectiveness | Residual Risk | Corporate Risk Owner |
| | Governance | 4 – Significant | 5 – Expected | 2 – Ineffective | Critical | TBD |

Risk Definition: The overall structure of the Organization does not support the achievement of strategic and operational objectives in an efficient and effective manner. Lack of clarity as to organizational structure, responsibilities and objectives of different departments and offices leads to conflicting or redundant activities, and ultimately, loss of public and Member States' trust.

| UN Secretariat | | | UNECE | | | | |
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| Key Drivers | Internal Controls | Risk Response | Internal Controls | Risk Response | Responsible Staff Member | Implementation Date | Status |
| <ul style="list-style-type: none"> “Silo” organizational structure mentality. Departments/offices compete for funds / resources & look to achieve their individual objectives without understanding the Organization’s overall objectives. Lack of adequate mechanisms to work towards common goals, increasing difficulty of implementing cross-cutting activities. Objectives and priorities of the different offices and departments may be divergent, as effective coordination may be weak. Staff members may receive conflicting messages from different heads of offices or departments, and may be reluctant to work together. Some offices or organizational units may not have clearly defined organizational functions and reporting lines. | Development of a strategic vision and a strategic framework for the Secretariat for 2014-2015, actively involving all the different offices and departments. | Ensure the alignment of the priorities of offices and departments with organizational priorities as part of the overall strategic planning and budgeting process. | Strategic Framework for biennium 2018-2019 for Sect.20 RPTC budget fascicle for Sect.23 UNDA budget fascicle for Sect.35 | Workplans of the Divisions are aligned to the SF RAs plans and ePAS are aligned to the budget fascicle UNDA project documents are aligned to the budget fascicle | ES, PMU, Divisions’ Directors PMU, Divisions Directors PMU Director, Project Managers | January 2018 January 2018 January 2018 | Implemented Implemented Implemented |
| | Role of the Management Committee and other senior management meetings. | Strengthen the integration of the activities of different programmes, e.g. creating cross-sectoral research & analysis teams & producing integrated multi-disciplinary reports, enhancing the coherence of the overall approach of the Organization. | Directors’ meetings | Strategic objectives of the organization are clearly communicated to senior management | ES | Weekly | Occasionally |
| | | | OES meetings | Strategic objectives of the organization are clearly communicated to top management | ES | Bi-weekly | Occasionally |
| | | | Townhall meetings | Strategic objectives of the organization are clearly communicated to all UNECE staff | ES | Quarterly | Ongoing |
| | | | Section Chiefs meetings | Synergy and coherence are established within and between UNECE subprogrammes | Divisions Directos | Weekly | TBC |
| | | | Division staff meetings | | | | |
| | | | Working Group on Technical Cooperation | Synergy and coherence are established between RPTC subprogrammes | PMU Chair | Quarterly | Ongoing |
| | | | Meetings Tasks Force | Synergy and coherence are established in certain | Chairs | Regularly | TBC |

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| | | | meetings | areas of work | | | |
| | | | SF and PPB 2018-2019 | Synergy & coherence established between policy & operational work at programme level | PMU, SDGU, Directors | January 2018 | Implemented |
| | | | SF and PPB 2018-2019 | Synergy & coherence between policy and operational work established at the subprogramme level | Division Directors | December 2017 | Implemented |
| | | | SPECA work programme | Synergy & coherence established within the programme | DES and RA (MA) | Continuous | TBC |
| | Formal definition of the mandates and organizational functions of core areas of the Secretariat. | Update ST/SGBs with organizational functions and clarify dual reporting lines arrangements. | Revised organigramme | Clear roles and responsibilities and reporting lines | ES, EO | January 2015 | Implemented |
| | | | Revised ST/SGB | | ES, CdC | January 2015 | Initiated |
| | Adoption of progressively open communication channels among senior managers on strategic planning. | | Communication strategy | Evaluation of ECE communication | PMU | April 2015 | Implemented |
| | | | | Follow-up Action Plan developed and implemented | ES/IU | From May 2015 | Completed |
| | | | | Development of annual Communication Plans | IU | Annually | Ongoing |

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| 2. Organizational Transformation (1.3.5) | Risk category | Impact | Likelihood | Internal Control Effectiveness | Residual Risk | Corporate Risk Owner |
| | Strategic | 5 – Critical | 4 – Highly likely | 3 – Significant improvement needed | Critical | TBD |

Risk Definition: Inability of the Organization to respond to the needs of a changing environment. Conservative, risk-adverse culture hinders the ability of the Organization to be flexible and responsive to change.

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| Key Drivers | Internal Controls | Risk Response | Internal Controls | Risk Response | Responsible Staff Member | Implementation Date | Status |
| <ul style="list-style-type: none"> Change fatigue, Organization is involved in different simultaneous transformation projects (Umoja, IPSAS, HR reforms) Highly risk-averse culture. Fear of taking responsibility and making decisions. Senior managers & staff at all levels could resist change and have a vested interest in maintaining the status quo A substantial number of legacy practices are followed without critical re-examination of their adequacy.Overlap/duplication approval procedures in operational areas (procurement, budgeting) impedes ability to respond quickly to required changes and opportunities Inadequate tools to facilitate cultural change, e.g. flexibility to move resources. Limited understanding of Umoja's enterprise-wide impact. Mobility policies may affect credible workforce planning, the retention of technical expertise & institutional knowledge, & impact the quality & relevance of the work of the Organization. | Role of the Management Committee and other senior management bodies. | Develop and manage a coherent approach to business transformation, based on value-based management, trust and a clear, shared destination model. | ePerformance | Improved motivation and culture of change | ES | Continuous | In progress |
| | Development of a strategic vision for the Organization for 2014-2015. | Ensure the adequacy of supporting governance frameworks and the integration of the planning and monitoring processes. | Strategic Framework for 2018-2019 | Strategic Framework supports change | ES, Directors | April 2016 | Implemented |
| | Annual Budget for 2020 | | Annual Budget for 2020 | Response to MS reform proposals | ES, PMU, Directors | December 2018 | In progress |
| | Senior Manager's Compact | | Senior Manager's Compact | Monitoring | ES, PMU | Continuous | Ongoing |
| | Strong governance structure for Umoja. Policy decision making guidance provided by the Steering Committee, reporting to the Management Committee. | Implement HR reform programmes which could stimulate motivation, develop skill sets, and share institutional knowledge inside the different areas of the Organization, without compromising the retention of competence and technical expertise in key areas. | EXCOM | UNECE inter-governmental bodies provide strategic direction | ES, Secretary | Bi-monthly | Implemented |
| | | | Commission | | | Biennially | Implemented |
| | | | UMOJA | All staff are provided UMOJA training | EO | By end 2015 | Implemented |
| | | | | Deployment of UE2 – new training | EO | By end 2019 | Pending NY |
| | | | FWA | FWA monitored and adjusted as necessary | | Regularly | Continuous |

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| 3. Strategic Planning & Budget Allocation (1.1.2/1.1.4) | Risk category | Impact | Likelihood | Internal Control Effectiveness | Residual Risk | Corporate Risk Owner | |
| | Strategic | 4 –Significant | 5 -Expected | 2. Ineffective | Critical | TBD | |
| Risk Definition: Inability to discover, evaluate and select among alternatives to provide direction and allocate resources for effective execution in achieving the mission, mandate and objectives of the Secretariat and different departments, creating a lack of clarity in decision-making. Budget requests are not completely fulfilled impeding the ability to effectively carry out mission, objectives, plans and strategies. | | | | | | | |
| UN Secretariat | | | | UNECE | | | |
| Key Drivers | Internal Controls | Risk Response | Internal Controls | Risk Response | Responsible Staff Member | Implementation Date | Status |
| <ul style="list-style-type: none"> • Tendency to devise programmes without taking Organization-wide view. • Absence of a shared understanding of the long-term objectives of the Organization (Part One of the strategic framework). • Weak coordination across the Secretariat, as individual departmental/ office plans drive the high-level corporate plan. The drafting of separate plans at department level could result in potential overlapping and inefficient use of resources. • Strategic framework prepared 3 years before programme implementation. Strategic plans lack flexibility to effectively respond to new priorities or emerging needs of stakeholders. Strategic planning not linked to a structured enterprise risk management approach. | Member States' participation in the strategic planning process. | Member States should consider redesigning the strategic planning & budgeting process, to adequately reflect flexibility needed to respond to critical requests from stakeholders & appropriate performance measurement criteria | Improved involvement of EXCOM in strategic planning Clear strategic direction from Commission Session 2019 | ogramme Budget 2018-2019 prepared in consultation with UNECE MSs Negotiated outcome document includes PBIs | ES, PMU ES, DES, CdC | December 2016 April 2019 | Implemented Initiated |
| | Regulations and rules governing the programme PPBME processes in the UN. | Establishment of central RBM & ERM units for the UN Secretariat that will drive the results-based and risk management approach and take a high-level view to support the allocation of budgetary resources across the Secretariat. | Accountability framework, Compact, ePerformance | Reporting on the use of finance and HR resources by the subprogrammes | ES Divisions' Directors, EO | Semi-annually | Initiated |
| | Development of a strategic vision and a strategic framework for the Secretariat for 2014-2015, actively involving all the different offices and departments. | Proceed to a critical review of the continued relevance of mandates and assess the implication of funding shortfalls | ERM Treatment Plan | ERM is monitored and implemented | ES, PMU | Continuous | In progress |
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| <ul style="list-style-type: none"> Layering of additional mandates & shrinking resources from the regular budget. Lack of systematic review of the implications of funding gaps. Budget reductions should be based on assessment of risks & relevance of mandates | Adoption of progressively open communication channels among senior managers on strategic planning & the allocation of resources according to relevant priorities | | Evaluation workplan 2018-2019 | Selected themes are approved by EXCOM | PMU | By February 2016 | Implemented |
| | | | Evaluation Workplan 2020-21 | Selected themes are approved by EXCOM | PMU | By February 2017 | Implemented |
| | | | Evaluation Workplan 2022-2023 | Selected themes are approved by EXCOM | PMU | By February 2019 | Initiated |

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| 4. Extra-budgetary Funding and Management (5.1.2/5.1.4) | Risk category | Impact | Likelihood | Internal Control Effectiveness | Residual Risk | Corporate Risk Owner |
| | Financial | 5 – Critical | 4 – Highly likely | 3 – Significant improvement needed | Critical | TBD |

Risk Definition: The inability to obtain extra-budgetary funding may impact the ability of certain departments to achieve their objectives. Reliance upon extra-budgetary funding may jeopardize or appear to impact the independence of the UN as projects that obtain earmarked funding may be given higher priority. Inability to identify, establish and maintain the optimal structure and controls for trust funds resulting in loss or misuse of assets.

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| Key Drivers | Internal Controls | Risk Response | Internal Controls | Risk Response | Responsible Staff Member | Implementation Date | Status |
| <ul style="list-style-type: none"> Donors might change priorities or move resources to other actors. Inherent instability of the operations and impact on the ability to plan strategically. Lack of predictable funding may be perceived as potentially influencing the Organization to focus on donor countries' priorities as opposed to the wider group of Member States, thereby distorting programme priorities ("UN a la carte"), and impacting credibility. Loss in extra-budgetary funding will impact the programme support accounts and may also significantly affect the Organization's regular programme of work. Trust fund managers may have limited mechanisms to ensure stewardship of funds by implementing agencies and to enforce proper reporting on the use and impact of funds. Potential weaknesses in the establishment and maintenance of adequate controls on the use & impact of funds, and to mitigate fiduciary or corruption risks, | Monitoring the internal and external environment to anticipate changes in resource requirements and in the future availability of XB funding. | Develop a comprehensive multi-year resource mobilization strategy. Advocate for an increase in the number of donor countries. | ECE Funding Strategy | Develop a resource mobilization strategy | ES | January 2015 | Implemented |
| | | | Technical Cooperation Strategy | Development of resource mobilization strategies at the subprogramme and programme level | Divisions Directors OES | Biennially | Implemented by ENV for financing the MEAs TBC others |
| | | | | Donor Agreements reviewed to exclude earmarking | EO/Project Managers | Regularly | Ongoing |
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| | Exploration of strategies for achieving greater predictability in extra-budgetary funding, including a broader donor base, and increase of multi-year funding agreements. | Monitor the effectiveness of systems designed to manage XB funds; improve timeliness & comprehensiveness of reporting. | Directive on the management of extra-budgetary resources | Controls and Management of risk of extra-budgetary resources improved | ES, Directors, project managers | Continuous | Directive 18 promulgated |
| | | | Directive on RPTC and Regional Advisors | Resource mobilization for regional advisory services implemented | RAs | Continuous | Directive 15 promulgated |
| | Accountability system of the Organization, including financial and HR regulations and rules, relevant administrative issuances | Implementing entities should be held accountable for appropriate use & timely & accurate reporting of the planning and use of XB funds. | Project Monitoring Tool | "Real time" reporting on all XB activities | Project managers | Continuous | In progress |
| | | | EXCOM | Comprehensive report on TC funding | PMU | Annually | Implemented |
| | | | | Reporting on donors | EO | Continuous | Implemented |

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| <p>could expose the Organization to significant reputational issues.</p> <ul style="list-style-type: none"> Inadequate performance and accountability frameworks, including effective monitoring and evaluation mechanisms and appropriate results indicators, may impact the ability to measure the outcomes of funding activities. | <p>related to XB funds (ST/SGB/188, ST/AI/284, etc.), procurement and financial manual, relevant SOPs.</p> | | | <p>contributions</p> | | | |
| | <p>Performance reporting requirements for XB funds established by the Secretariat and donor countries.</p> | <p>Consider revisiting the charges for administrative costs (currently 13%), introducing flexible criteria.</p> | <p>Grants Committee</p> | <p>Report of the Grants Committee</p> | <p>Chair</p> | <p>Annually</p> | <p>Implemented</p> |
| | | <p>Focus on defining adequate cash flow projections & building adequate cash reserves to mitigate liquidity challenges.</p> | | | | | |

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| 5. HR Strategy, Management and Accountability (2.1.11/2.1.12) | Risk category | Impact | Likelihood | Internal Control Effectiveness | Residual Risk | Corporate Risk Owner |
| | Governance | 4 –Significant | 5 -Expected | 3. Significant Improvement | Very High | TBD |

Risk Definition: Failure to promote accountability or otherwise hold responsible parties or constituents accountable for actions or inaction. Lack of alignment between the authority given to employees and their responsibilities.

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| Key Drivers | Internal Controls | Risk Response | Internal Controls | Risk Response | Responsible Staff Member | Implementation Date | Status |
| <ul style="list-style-type: none"> An effective accountability system linking performance & reporting mechanisms (compacts, programme performance reports, audits, evaluations & performance management), & providing transparency to managers & staff, Member States, stakeholders, may not always be clearly articulated. Limited consequences in place to sanction staff and managers for not meeting goals. Few transparent incentives for positive performance. Potentially unclear delegation of decision-making responsibilities instituted for programme managers. Managers may be afraid of and discouraged from taking decisions due to a risk-averse culture. Inherent contradiction | UN Secretariat accountability framework. Senior Manager Compacts with the Secretary-General. | Hold managers accountable for non-performance against pre-defined criteria & goals defined at beginning of performance year. Such goals should align with achievement of anticipated results incorporated in the Strategic Framework (RBM). | UNECE Accountability Framework | Accountability Framework implemented | ES | Continuous | In progress |
| | | | Senior Manager Compact | SMC is monitored and reported | ES, PMU | Continuous | Implemented for 2017 |
| | | | ePerformance | ePerformance implementation is assessed by JMC | Chair | Annually | In progress |
| | | Programme performance reports and performance reports related to the PKO and support account budget. | Senior and middle managers should take full responsibility for managing resources according to programme priorities. | Progress Performance Report | Effective update of IMDIS at 6,12,18 and 24 months marks | PMU, Divisions' Directors | Continuous |
| | | | | PPR is discussed at Directors' meetings and shared with EXCOM | PMU | At 6, 12 and 24 months, | Implemented at 6 and 12 months |
| | Financial/ HR regulations & rules, & those governing the planning, programing, budgeting, monitoring, reporting & evaluation processes in the Organization. | Empower senior managers to effectively fulfil their tasks, increasing their accountability. | Revised ST/SGB | Empower senior managers and increase their accountability | CD | | In progress |
| | | | Revised organigramme | | CdC | January 2015 | Implemented |
| | Relevant administrative issuances, manuals and SOPs. | Encourage and authorize managers to take calculated risks within defined limits of authority. | ERM | Mandatory risk management training for all senior managers | EO | Continuous | Initiated |

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| <p>between the need to deliver and the lack of flexibility to re- allocate resources and/or operate in a highly political environment.</p> | <p>System of administration of justice.</p> | | <p>System of internal justice</p> | <p>Staff concerns are effectively addressed by senior management</p> | <p>EO</p> | <p>Continuous</p> | <p>As needed</p> |
| <ul style="list-style-type: none"> • No consequence to management for not making the right decision as a result of the tendency to rigidly follow the “small print” of regulations rather than the spirit. • Management & work planning process & culture may not be results-driven or guided by requirements and funding potential | <p>System of delegation of authority and periodic monitoring of its use.</p> | | <p>Delegation of authority for HR and finance</p> | <p>Certifying, authorizing and approving officers ensure full compliance with UN Financial Regulations and Rules</p> | <p>EO</p> | <p>Continuous</p> | <p>In progress</p> |
| | | | | <p>HR officer ensures full compliance with UN HR policies</p> | <p>EO</p> | <p>Continuous</p> | <p>In progress</p> |
| | <p>----- Staff performance management, monitoring and reporting</p> | | | <p>Staff performance is monitored and reported timely</p> | <p>EO</p> | <p>Continuous</p> | <p>In progress</p> |
| | | | | <p>HR and finance objectives and targets contained in the Senior Manager Compact are met</p> | <p>EO</p> | <p>By 1 April 2019</p> | <p>In progress</p> |
| | | | | <p>Mandatory training on project management for UNECE staff</p> | <p>EO, Divisions Directors</p> | <p>Continuous</p> | <p>TBC</p> |