



ECW Risk Management Note and Corporate Risk Framework

For Decision

The Executive Committee's no objection to:

- 1. ECW's overall approach and plans for risk management**
- 2. ECW's corporate risk framework**

For Discussion

- 3. Additional actions proposed in the corporate risk framework**

Overview

1. ECW is a new, innovative, and high-ambition fund, focused on the delivery of sizable donor resources in some of the world's most challenging environments. There are significant, inherent risks at strategic and operational levels, and ECW will necessarily operate with some risk. Proactive and effective risk management to identify and mitigate risks to an acceptable level is essential to achieve ECW's objectives and to ensure ECW's integrity and strong reputation.
2. Effective risk management enables ECW's support to programmes in high-risk environments, as well as ECW aims to transform education in crises. This transformation is supported by ECW's commitment to bridging humanitarian and development approaches through joint, multi-year programmes in crises; raising unprecedented levels of funding, including through innovative financing; supporting improved cooperation between partners in the field; and strengthening capacity on the ground, including through funding of local organizations. Strong risk management will help ECW to take calculated risks to advance ECW vision, mission, goal, results and outcomes, which deliberately go beyond 'business as usual', and which will need to balance innovation and ambition with relatively high risks for ECW to get the job done and achieve its goal.
3. ECW recognizes that a risk management lens needs to be applied to all of ECW's work, taking the ECW Strategy 2018-21 as the starting point, and supporting ongoing Secretariat decision-making and operations. ECW's risk management is the work of the ECW Secretariat and Fund Support Office, and requires the active engagement of ECW's partners and governance bodies. ECW managers and staff are determined to proactively identify, assess and respond to the risks associated with the achievement of the ECW goal and results.
4. ECW's system of risk management will evolve in time, building on lessons learned and continuous assessment of the operating context. It currently includes:

Partnership and Governance

- ECW ability to draw on political, organizational and technical support at global and country levels.
- Governance structures for high level accountability, oversight, steering and support: High Level Steering Group (responsible for overall strategic direction and political advocacy), Executive Committee (advisory oversight body), and three Task Teams to support and advise the Secretariat, including on Risk Management, as well as on Strategy and Financial Oversight.

Secretariat capacity

- Senior ECW Director, with accountability for the performance of ECW Secretariat and oversight of all strategic, operational and fundraising activities.
- ECW Secretariat fully staffed by end-2017, including specialists in data and M&E, finance and risk, grants management, country programming, gender, education, communications, and resource mobilization. Dedicated unit for “Accountability, Finance, Governance and Operations” which coordinates the Secretariat’s risk management work.
- ECW has established clear business processes and operating procedures to conduct its work as well as defined roles, responsibilities and delegated authorities and accountability, across the Secretariat team, within a performance framework and a culture of results-orientation at the organizational and individual levels. ECW fosters problem-solving, and assumption of responsibility at all levels.
- ECW ensures quality assurance in programme design, monitoring and evaluation and in the delivery of ECW goals and results.
- ECW is establishing and fine-tuning its working procedures, tools and reporting for internal oversight in order to provide assurance and report on ECW interventions to the Executive Committee. Special attention is placed on efficient use of resources and adherence to professional and ethical standards.

UNICEF as Host and Fund Custodian and Administrator (interim)

- Fund Support Office – under control of UNICEF Comptroller - manages the ECW Fund according to UNICEF regulations and in line with an agreed Standard Contribution Agreement with donors, and Grant Confirmation Letter with grantees.
- ECW Secretariat and FSO follow rules, regulations and procedures of UNICEF, including on issues such as budgeting, grant disbursement, audit, fraud and misuse of funds.

Secretariat-led risk identification/management and Due Diligence actions - ongoing

- Due Diligence assessment conducted by DFID in April 2017; recommendations and response discussed at July Executive Committee. Actions have been or are being implemented by Secretariat and assessed during DFID visit to Secretariat, November 2017.
- High-level risks and mitigating actions identified by the Secretariat and Risk Task Team September 2017- January 2018, and set out in the corporate risk framework (details below).
- Further internal Secretariat assessment of country-level risks, through analysis of HACT assessment ratings, country context, and grantees’ risk matrices, to determine next steps in oversight (eg. FMA spot-check; third party programme monitoring etc).
- Secretariat use of risk management to inform the developing ECW Strategy and ongoing ECW operations – eg. to support development of Standard Operating Procedures for multi-year programmes, and to help define required Secretariat oversight of country investments.
- ECW issues fund allocations only against received donor contributions and within the guidelines agreed at the ExCom.

Country investments

Process of developing and assessing programmes

- First Response investments require coordinated applications, vetted through an in-country coordination body, and aligned with Humanitarian or Refugee Response Plans, where these exist. First Response applications must now include a risk assessment.
- Multi-year investments are developed through a consultative process, with strong Secretariat engagement from the start through field missions to support joint assessments of the context, opportunities, risks and potential for ECW’s engagement. These missions will include assessment of partners’ capacity to implement and monitor. Potential strengthening of capacity to manage risk at country level, for example through programme support units/staff and joint steering groups. (More detail in ECW SOPs for multi-year programmes)

- Initial Investments and new multi-year programmes include a risk register, monitored by grantees, with additional oversight from the Secretariat. Programme monitoring and evaluation is built into the grant agreements with all partners.
- Programme proposals – First Response and Multi-Year – assessed by Secretariat team comprising experts on programme design and management, coordination, grants management, education, M&E, gender, and finance to ensure any key vulnerabilities and risks are identified.

Selection and role of grantees

- ECW grantees assessed through the HACT process, which helps to ensure that recipients have appropriate level of financial management and procurement capacity, including programme management capacity to implement.
- Grant Confirmation Letter includes commitments from grantees on ethical conduct, children's rights, the environment, anti-fraud, anti-corruption, and non-terrorist financing – and procedures to be followed in the event of allegations of fraud or misuse of funds.
- Grantees responsible for programme implementation and results, and the appropriate management of finances and risk – as per Grant Confirmation Letter.
- UN grantees follow standard UN procedures for monitoring and audit.

Secretariat oversight and monitoring

- First Response: Secretariat identification of the highest-risk programmes and additional monitoring actions underway or planned. At least quarterly check in with grantees and/or other partners on the ground with programme oversight (eg. Education Cluster).
- Financial Management Adviser firm contracted to conduct spots checks, audits and other financial assurance activities at country level on non-UN grantees. The first set of checks will take place February-March on the higher-risk non-UN First Response grantees.
- For Initial Investments and new multi-year programmes: monitoring of implementation through Secretariat country focal points and M&E specialists. At least monthly check-in with partners and one country visit per year.
- Mapping of the delivery chain of ECW investments is underway, to have greater visibility, oversight and risk management of funding down to beneficiary level.

Oversight from partners

- Monitoring support from partners in the field: eg. Executive Committee partners may support programme oversight where they have a presence, particularly where they are involved in a programme joint steering group. In First Response funding where proposals are coordinated by the Education Cluster (eg. Somalia, Nepal), the Cluster is envisaged to play collective role in oversight of projects, helping to ensure coherence between actors. These organizations will not assume any accountability for implementation, but can provide an additional level of oversight and quality-assurance support.

Risk Management Task Team

5. ECW has established a Risk Task Team for a period of up to one year initially, to support and advise the Secretariat on the development of risk management frameworks and tools for the long-term functioning of ECW. This Task Team includes experts from Norway, the UK, USAID, OCHA, GPE, UNICEF and CARE.
6. The frameworks and tools to be developed will include (not exhaustive):
 - A risk management framework (to help ECW identify, escalate, mitigate, and manage various risk types) – at corporate level and at operational/country level;
 - A risk measurement tool (to allow ECW to compare risk profiles across grants, aggregate results across the portfolio, and inform changes);
 - A due diligence policy (for Acceleration Facility and Multi-Year Window grantees and non-traditional contributors); and
 - A code of conduct policy, inclusive of a conflict of interest policy.

7. The Task Team convened on 13 October 2017 for an initial discussion to establish its purpose and to discuss different approaches to risk and priorities for ECW. It was agreed that the first product would be a risk framework to identify and mitigate corporate level risks. The corporate risk framework was developed by the Secretariat, with inputs and guidance from members of the Task Team, and discussed at the Task Team call on 10 January 2018.
8. The next stage will be to develop a framework for programme level risks and a tool to support management of these risks. Identification and mitigation of programme (country) risks is underway within the Secretariat.

Corporate Risk Framework

9. **Purpose:** The corporate risk framework is intended to help ECW manage its corporate level risks, which cover all aspects of ECW’s core functions and objectives. It is intended to align with the ECW Strategy under development. It is a living document, intended to influence and support ECW’s ongoing operations. The Secretariat is committed to a pro-active approach, ensuring regular review and alignment with wider ECW activities and policies.
10. **Review:** The Secretariat will review the risk framework at least once a month, assessing the mitigation and management actions in particular, and ensuring appropriate action is taken on any risks that are worsening or materialising. The Risk Task Team will review the risk framework at least quarterly, assessing progress on the mitigating actions and proposing updates, as needed. An assessment and any updates to the risk framework will be presented to the ExCom six-monthly. The framework will be revised as the ECW Strategy is finalised, and a summary of ECW’s risk management approach and high-level risk framework will be included as an annex to the Strategy.
11. **Structure:** Risks have been identified according to five broad categories related to the source of the risk: strategic support and partnership; programme delivery; secretariat and governance; fiduciary; and safeguarding/do no harm. These categories cover both the risks of harm to ECW’s core objectives and results, and the risk of inadvertent harm caused by ECW’s activities, while recognising the link between these. The risks identified do not cover every conceivable harm, but only those with an inherent risk of at least ‘medium’.
12. **Risk levels and severity:** The ‘inherent risk’ is the risk level occurring prior to any mitigating actions. The ‘residual risk’ is the risk level which remains after taking into account the mitigating actions. The risk level is a combination of the likelihood of the risk occurring and the impact that it would have if it did, as set out in the table below.

IMPACT	LIKELIHOOD			
	Unlikely	Possible	Likely	Very Likely
Critical	Medium	High	Severe	Severe
Major	Low	Medium	High	Severe
Moderate	Low	Medium	Medium	High
Minor	Low	Low	Low	Medium

13. The ‘likelihood’ is of the risk occurring within the next four years, up to 2021 (the timeframe for the ECW Strategy). The ‘impact’ is defined as:

- **Critical:** preventing achievement of ECW’s strategic priorities, causing critical damage to ECW’s reputation, and/or causing significant harm in country i.e. to stability, children’s rights, etc.
 - **Major:** preventing the achievement of major elements of ECW’s strategic priorities, causing significant damage to ECW’s reputation, and/or causing notable harm in country
 - **Moderate:** preventing the achievement of some elements of ECW’s strategic priorities, potentially causing some damage to ECW’s reputation and/or causing limited harm in country
 - **Minor:** not likely to prevent the achievement of ECW’s strategic priorities, damage significantly ECW’s reputation or cause harm in country, but may require additional interventions and resources to rectify or course-correct
14. Each risk is described, along with an identification of the ‘risk owner’, and the elements of the ECW Strategy affected by this risk, where relevant. The ‘risk owner’ is the body responsible for overseeing the risk and ensuring appropriate management and mitigation is in place. Current and planned risk management and mitigating actions are set out under each identified ‘risk manager’. The final column highlights some areas where there is potential for further resources and support, for discussion and steer from the Executive Committee.

Next Steps

15. This corporate risk framework will remain a living document, and will be revised as needed to align with the final ECW Strategy 2018-21. A summary of ECW’s risk management will be included as an annex to the Strategy, which will go to the HLSG in April. The corporate risk framework will come back to the Executive Committee in June/July 2018, with an assessment and any recommendations for further amendment. The Secretariat and Risk Task Team will focus over Q1 and Q2 2018 on developing a portfolio-level risk framework, assessing in more detail the risks and mitigating actions across ECW’s country investments.

ANNEX: ECW Corporate Risk Framework (January 2018)

A. RISKS OF HARM TO ECW CORE OBJECTIVES & RESULTS

Strategic support and partnership					
	Risk description, risk owner and link to ECW Strategy	Inherent Risk	Risk Managers and Response (Monitoring and Mitigating Actions – current and planned)	Residual Risk	Further actions or resources?
1	<p>ECW falls short of resource mobilisation target 2018-2021</p> <p>Risk owner: HLSG</p> <p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>All Strategic Priorities</i> • <i>Core Function 3: Generating & disbursing additional funding</i> 	<p>Severe</p> <p>(Very likely/ Critical impact)</p>	<p>(HLSG and Executive Committee)</p> <ol style="list-style-type: none"> 1. HLSG and Executive Committee commits to and supports resource mobilisation and advocacy, in line with agreed targets, both globally and in-country through joint multi-year programmes <p>(Secretariat and Finance Task Team)</p> <ol style="list-style-type: none"> 2. Consultation on financing targets and agreement to well-defined finance targets in ECW Strategy – by April 2018 3. Ensure ECW Strategy sets out ECW’s offer and case for investment - by April 2018 4. Develop Resource Mobilisation Strategy, focused on accessing additional resources – by April 2018 5. Develop innovative financing plan by January 2018, with options set in motion during 2018 6. Ensure ECW reporting and results demonstrate strong performance and added value of fund to date – ongoing 	<p>High</p>	<p>Review of Secretariat capacity on resource mobilisation required after Strategy finalised?</p>
2	<p>Reduced political and organisational commitment to ECW (ie. reduced power of ECW movement)</p> <p>Risk owner: HLSG</p>	<p>High</p> <p>(Possible / Critical impact)</p>	<p>(HLSG and Executive Committee Chairs)</p> <ol style="list-style-type: none"> 1. Engagement with HLSG & Executive Committee members and senior stakeholders globally by the respective Chairs <p>(HLSG and Executive Committee)</p> <ol style="list-style-type: none"> 2. HLSG members determine overall strategic direction of the fund and provide political advocacy for ECW 	<p>Medium</p>	

	<p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>Core Function 1: Inspiring political commitment</i> • <i>Core Function 2: Planning and responding collaboratively</i> • <i>Core Function 3: Generating & disbursing additional funding</i> 		<ol style="list-style-type: none"> 3. Executive Committee members support the engagement of their respective political and organisational leaders (eg. regular briefings and support to HLSG attendance) and outreach to wider constituencies - ongoing (Secretariat) 4. ECW Director’s engagement and regular communication with HLSG & Executive Committee members and senior stakeholders - ongoing, schedule of visits and engagement for 2018 5. Prepare regular, high-quality meetings of the HLSG (April/September) and Executive Committee (at least two face to face meetings and two calls) 6. Ensure regular reporting, with demonstration of results on the ground, additionality of financing to ECW, improved coordination and inclusion of partners in the field, and diversification of grantees 7. Develop communications strategy for global and country level – by April 2018 (Secretariat and Strategy Task Team) 8. Develop and communicate clear ECW Strategy through consultative process, engaging key stakeholders – by April 2018 		
3	<p>ECW Strategy process concludes, but with outstanding questions or competing expectations amongst partners on what ECW will achieve 2018-21 and how (potential negative impact on ECW reputation; political and financial support to ECW; clarity of expected results; ability to bring partners together in the field; effective management of the fund)</p> <p>Risk owner: HLSG</p>	<p>High (Possible/ Critical impact)</p>	<p>(HLSG and Executive Committee)</p> <ol style="list-style-type: none"> 1. Substantive Executive Committee engagement in final Strategy development, ensuring key questions or concerns resolved ahead of HLSG approval – Feb/March (Secretariat and Strategy Task Team) 2. Secretariat leadership of Strategy development and drafting (led by ECW Director), ensuring clarity of objectives and implementation 2018-21 3. Consultative approach from Secretariat - sharing regular drafts and facilitating discussion and feedback from Task Team 4. Strategy Task Team engages in the process, providing timely feedback on drafts, consulting within organisations and constituencies to ensure broad range of views, flagging key issues or outstanding concerns in timely manner 	<p>Medium</p>	

4	<p>Donor delays in signed agreements and payments or donor earmarking to ECW limits ability of Secretariat to deliver Strategy (by limiting ability to make programme commitments or disbursements to priority countries/programmes)</p> <p>Risk owner: Executive Committee</p> <p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>All strategic priorities</i> • <i>Core Function 3: Generating and disbursing additional funding</i> 	<p>High (Likely / Major)</p>	<p>(Executive Committee)</p> <ol style="list-style-type: none"> 1. Commitment to timely signed commitments and payments of contributions by donors into ECW account (providing ECW demonstrates the agreed results and appropriate management/risk controls etc.) 2. Current earmarking policy allows (and limits) earmarking to windows, regions and themes and to Acceleration Facility projects (Secretariat and Finance Task Team) 3. Provide regular financial updates to ExCom so all partners clear on ECW’s financial position, earmarking restrictions, disbursements to grantees, and any challenges 4. Ensure regular reporting on results in line with Strategy, to meet conditions of donors disbursement requirements 5. Regular Financial Task Team meetings to support oversight of financial flows and to enable any challenges to be communicated back to donors 	<p>Medium</p>	<p>Executive Committee monitoring of donor funding and earmarking to ECW, with potential to review earmarking policy if problematic?</p>
5	<p>Perception of Conflict of Interest with UNICEF as ECW host, particularly in terms of UNICEF receiving ECW grants / transparency of grant recipients and UNICEF’s coordination role at country level,</p>	<p>Medium (Possible/ Moderate)</p>	<p>(Executive Committee)</p> <ol style="list-style-type: none"> 1. Oversight of firewalls between UNICEF and ECW, and oversight of programmes and grant recipients, including approving any ECW grants to UNICEF 2. Identify and support engagement of full range of partners at country level, to ensure inclusive approach to developing First Response and Multi-Year partners, and diversification of grantees (Secretariat) 3. Ensure broad consultative, inclusive approach to programme development, using established multilateral coordination system (rather than one agency) to support development of programmes and proposals 	<p>Low</p>	

	<p>including through the Education Cluster</p> <p>Risk owner: Executive Committee</p> <p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>Core Function 1: Inspiring political commitment</i> • <i>Core Function 2: Planning and responding collaboratively</i> • <i>Core Function 3: Generating and disbursing additional funding</i> 		<ol style="list-style-type: none"> 4. Ensure good communication with a range of partners in country and through the website, so that a broad selection of potential grantees is aware of ECW and how to access funding 5. Develop joint funding mechanisms at country level for multi-year programmes to help manage any/perceived Conflict of Interest and to support diversification of grantees and implementing partners – eg. Multi-Partner Trust Fund 6. Update the Executive Committee regularly on selected grant recipients, demonstrating clear effort and outcomes on a diversity of grant agents 		
Programme delivery					
6	<p>External context - Conflict and/or political disturbance prevents implementation and monitoring of ECW programmes</p> <p>Risk owner: Secretariat</p> <p>May have negative consequences for the following:</p>	<p>Severe (Very likely Critical impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Ensure context, political and conflict analysis as part of programme design, ensuring programmes are realistic in focus and ability to implement, as well as conflict-sensitive 2. Ensure buy-in of key political entities and stakeholders, where feasible, as part of multi-year programme design - through consultations in the field 3. Strong connection to humanitarian organisations in the field and globally, using their assessments, early warning etc. to support oversight of ECW programmes 4. Ensure ECW multi-year programmes have strong risk identification, management and monitoring in place 5. Oversee the re-programming of ECW programmes, where needed, according to changing context 	<p>High</p>	<p>Executive Committee organizations support oversight of context and programmes, where they have a field presence (Secretariat to develop proposal for what this would look like)?</p>

	<ul style="list-style-type: none"> • <i>ECW strategic vision – Quality Education in Crisis</i> • <i>All strategic priorities</i> 		<ol style="list-style-type: none"> 6. Secretariat country focal points support partners and monitor country situations, keeping track of political developments on the ground – at least quarterly check-in with First Response partners, and monthly check-in and annual country monitoring visit with multi-year partners 7. ECW Director’s high-level advocacy and communications with government and international community partners 8. Support HLSG and ExCom members’ high-level advocacy in-country 		<p>HLSG / Executive Committee members support with targeted political advocacy?</p>
7	<p>ECW – through its multi-year programmes and Acceleration Facility investments - fails to support transformative shift, including bridging humanitarian and development divide, improving the evidence base and demonstrating progress on education outcomes for children in crisis (access, protection, quality, equity, continuity)</p> <p>Risk owner: Secretariat</p> <p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>All Strategic Priorities</i> • <i>All Core Functions</i> 	<p>Severe (Very likely/ critical impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Strong communication with all partners (including Education Cluster and local education sector group, where these exist), and inclusive, senior-level country missions before and during multi-year programmes to explain ECW strategic priorities and requirement for new ways of working (joint plans and programmes, longer-term objectives, sustainability, local capacity-building etc.) 2. Ensure strong, in-country ownership from the government and international community to drive, lead, design, co-finance and implement multi-year programmes 3. Ensure appropriate, ambitious “Push the envelope” indicators on beneficiary education outcomes developed across multi-year programmes, where possible 4. Secretariat assessment of multi-year programmes to ensure sufficient standard on consultation and programmatic quality 5. Ongoing monitoring, learning and course correction during programme implementation for continual improvement 6. Ensure evidence and learning from ECW-supported interventions through country programmes and Acceleration Facility is disseminated and communicated within the EiE community, capitalising on linkages with, and strengthening core functions of, global networks/organisations such as INEE, Global Education Cluster and GAHI etc. 7. Advocate for the development of progressive, innovative and inspiring quality education interventions directly focusing on children’s learning within Multi-Year programmes which has demonstrated impact on accelerating progress 8. Guidance and case studies produced, and on website, detailing what new ways of working looks like on the ground and advising on evidence-based interventions <p>(Executive Committee)</p> <ol style="list-style-type: none"> 9. ExCom members communicate through own organisations on new ways of working and importance of collaboration 	<p>High</p>	<p>Executive Committee organisations support development and oversight of programmes and support on new ways of working, where they have a field presence (Uganda is a model in progress for this. Secretariat to develop proposal for what this would look like)?</p>

8	<p>ECW First Response and Multi-year programme grantees and implementing partners fail to deliver results expected, due to organizational / staffing weakness or partnership breakdown</p> <p>Risk owner: Secretariat</p> <p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>All Strategic Priorities</i> • <i>Core Function 2: Planning and responding collaboratively</i> • <i>Core Function 3: Generating and disbursing additional funding</i> 	<p>High (Likely / Major impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Ensure direct grants only disbursed to UN or HACT-assessed organisations 2. Strong consultation with all partners, and inclusive, senior-level country missions before design of all programmes to support broad partnership and identification of appropriate partners 3. Ensure strong, in-country ownership from the government and international community to drive, lead, and implement multi-year programmes 4. Organisational, staffing and partnership capacity assessed at the start of programme development and funding allocated in line with capacity to deliver 5. Capacity and partnership issues identified in country-level risk assessment, management and mitigation 6. Ensure appropriate programme funding used to increase capacity, as required 7. Ensure strong in-country governance mechanism for joint, multi-year programmes 8. Close monitoring of implementation and country partnership, through country focal points and input of technical experts (quarterly check-in for FR and monthly for MY, plus at least annual monitoring visit) 9. Longer-term support (including through Acceleration Facility) to Global Education Cluster and other organizations to improve capacity and partnership in the field for education in crises programming 	<p>Medium</p>	<p>Executive Committee partners support delivery at country level where they have a presence and support broader partnership and collaboration between partners in the field (Secretariat to develop further policy for agreement on this)?</p>
9	<p>ECW unable to scale up multi-year country programmes with the speed, depth and breadth envisaged, due to country-level limitations – eg. lack of programming opportunities, capacity or willingness of</p>	<p>High (Likely/ Major impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Early country assessment of multi-year opportunities, partner capacity and appetite for ECW programming, and proactive engagement with partners in the field throughout assessment and design process 2. Support additional capacity at country level, as needed – eg. through funding of staff or technical expertise 3. Develop range of potential partnership and funding models which can be adapted to country context – e.g. working through the Multi-Partner Trust Fund 4. Ensure co-financing and fund matching with other donors, funds or programmes to intensify impact and momentum for growth and scale-up 		

	<p>partners to manage and implement, the need to develop new country-level joint funding modalities</p> <p>Risk owner: Secretariat</p> <p>May have negative consequences for the following:</p> <ul style="list-style-type: none"> • <i>All Strategic Priorities</i> • <i>Core Function 3: Generating and disbursing additional financing</i> 		<p>(Executive Committee)</p> <p>5. Support the generation of in-country co-financing to ECW multi-year programmes</p>		
Secretariat and governance					
10	<p>Insufficient ECW Secretariat capacity to deliver Strategy, to manage programmes, and to ensure robust oversight of delivery and risk management</p> <p>Risk owner: HLSG/ Executive Committee</p> <p>May have negative consequences for the following:</p>	<p>Severe (Likely / Critical)</p>	<p>(HLSG / Executive Committee)</p> <ol style="list-style-type: none"> 1. Executive Committee reviews Secretariat four-year Strategy and annual workplan, and ensures sufficient Secretariat capacity to deliver, including through core staffing, consultancy budget, and secondments 2. Executive Committee organisations and Task Teams support ECW by providing expertise and engagement in workstreams, supporting joint missions etc. 3. Executive Committee and HLSG approval of Strategy and any related recommendations on staffing capacity <p>(Secretariat)</p> <ol style="list-style-type: none"> 4. Regular Director review of Secretariat capacity and updates/recommendations to Executive Committee 5. Assessment of Secretariat capacity alongside Strategy development, including implications for Secretariat size and composition 	<p>Medium</p>	

	<ul style="list-style-type: none"> • <i>All Strategic priorities</i> • <i>All Core Functions</i> 		6. Secretariat reaches agreement with external expert agencies on provision of additional support to the development and monitoring of Multi-Year country programmes in particular		
11	<p>ECW permanent hosting review concludes without recommendations agreed by HLSG</p> <p>Risk owner: HLSG/ Executive Committee</p>	<p>Medium</p> <p>(Possible/ major impact)</p>	<p>(Executive Committee)</p> <ol style="list-style-type: none"> 1. Executive Committee active engagement, overseeing robust process and supporting consultants - call on ADR in October and meeting in January to discuss draft report and recommendations 2. Executive Committee members brief HLSG counterparts, ensuring no surprises and any concerns highlighted early (DFID and informal reference group) 3. DFID management of the review process, ensuring independence and consultation, and limiting conflicts of interest (Secretariat) 4. ECW Director and Secretariat engagement in review process to ensure full understanding of ECW's direction, way of working, and hosting requirements 	Low	
12	<p>Transition to permanent host (if any change) disrupts Secretariat capacity and ability to deliver</p> <p>Risk owner: Executive Committee/ Secretariat</p>	<p>(Unclear /major impact)</p>	<p>(Secretariat and Executive Committee /HLSG)</p> <ol style="list-style-type: none"> 1. Secretariat develops transition plan, agreed by Executive Committee and HLSG, which minimises any disruption and sets clear and realistic timeframes 		Additional Secretariat or consultancy capacity likely required to support any transition
13	<p>ECW governance and operational structures & processes impede agility and speed of ECW operations, and ability to deliver Strategy (potential to negatively impact ECW's reputation; partners' willingness to engage with ECW; ECW's</p>	<p>Medium</p> <p>(Possible/ Major impact)</p>	<p>(HLSG and Executive Committee)</p> <ol style="list-style-type: none"> 1. HLSG and Executive Committee support implementation of the agreed new Strategy and approve any realignment of governance and operational frameworks 2. Governance bodies allow Secretariat discretion to operate and respond quickly to emerging crises and opportunities (Secretariat) 3. Ensures good communication and transparency with governance bodies, including through development of Strategy, and through effective meetings of HLSG, Executive Committee, and Task Teams 4. Secretariat ensures clear reporting, due diligence, and delivery of results, ensuring confidence of governance bodies 	Low	Assessment and revision of governance and operating models alongside/after the Strategy development, to ensure alignment and fit for purpose?

	ability to influence and bring partners together in the field) Risk owner: HLSG and Executive Committee				
14	ECW governance bodies' risk appetite does not allow delivery of ECW strategy in high-risk environments, and on innovative approaches and financing Risk owner: HLSG and Executive Committee	Medium (Possible / Major impact)	(HLSG and Executive Committee) 1. Approve Strategy and risk framework 2. Approve overarching approach to innovative solutions in financing 3. Support building of relationships with new donors, private sector, and independent foundations and funds (Secretariat, Risk Task Team, Finance Task Team) 4. Secretariat and Risk Task Team develop risk framework and ensure regular assessment and updating 5. Risk Task Team supports calculated risk-taking and advises on risk appetite 6. Secretariat provides clear and well-studied innovative finance solutions, in consultation with Finance Task Team, where financial feasibility, effectiveness and efficiency are well assessed	Low	

B. RISKS OF HARM INADVERTENTLY CAUSED BY ECW

Fiduciary					
	Risk description, risk owner	Inherent Risk	Risk Managers and Response (Monitoring and Mitigating Actions – current and planned)	Residual Risk	Further actions or resources?
15	Fraud, corruption or diversion by ECW grantees or third parties Risk owner: Secretariat	Severe (Likely/ Critical impact)	(Secretariat & FSO) 1. Grantees required to have HACT assessment to be eligible 2. Financial Management Adviser appointed to conduct oversight and spot checks on grantees 3. Delivery chain mapping conducted to improve Secretariat oversight and monitoring of management and use of funds 4. Clear and wide communication of fraud reporting hotline 5. Finance/Risk Specialist and FSO to monitor and follow up reports of misuse of funds through established UNICEF channels 6. Any allegations dealt with promptly, in line with UNICEF procedures, including alerting the ECW Director and ExCom Chair 7. Secretariat to ensure third-party monitoring of non-UN entities	High	Further programme monitoring of NGOs through third party (included in Secretariat budget)
16	ECW funds end up in hands of listed person or entity Risk owner: Secretariat	High (Possible/ critical impact)	(Secretariat & FSO) 1. Secretariat and grantees understanding of sanctions and listed entities 2. FSO checks grantee status before disbursement, and clears non-UN sub-grantees 3. Grantees required to have HACT assessment to be eligible 4. UN grantees adhere to strict procurement rules, regulations and controls 5. Financial Management Adviser oversight and spot checks on grantees 6. Delivery chain mapping conducted to improve Secretariat oversight and monitoring of how funding is being used 7. Clear and wide communication of UNICEF whistleblowing/funds misuse hotline link	Medium	
Safeguarding / Do No Harm					

17	<p>ECW inadvertently funds contentious education materials</p> <p>Risk owner: Secretariat</p>	<p>High (Possible/ Critical impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Ensure risk assessment regarding contentious materials included in risk register for multi-year programmes, before finalizing programmes which include materials (textbooks etc.) 2. Ensure grantees have risk management in place for contentious materials before programmes finalized and grants agreed, where materials involved 3. Monitor ongoing risk management by grantees 4. Ensure re-programming where risk of contentious materials materialises 	<p>Medium</p>	<p>Further discussion with Executive Committee members on risk appetite for ECW regarding contentious materials (and how to define ‘contentious’) and how to mitigate this risk, drawing on existing practices across agencies and in-country partner presence?</p>
18	<p>ECW funds inadvertently cause harm to children’s rights, equity and gender equality, community/ social cohesion, environment</p> <p>Risk owner: Secretariat</p>	<p>High (Possible/ Critical impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Gender equality, protection and human rights prioritised in ECW Strategy and in programmes 2. ECW Gender strategy completed, identifying high risk areas and mitigation – by end-January 2018 3. Ensures that context analysis and programme design identifies and manages risks on gender equality, human rights & protection, and environment, including through engagement with UN protection and human rights Cluster and experts 4. Assessment of grantees with regard to their approach to rights and safeguarding prior to funding 5. Secretariat focal points for all programmes, with regular oversight (at least quarterly check-in for First Response; at least monthly for multi-year with at least annual monitoring visits) 6. Robust M&E framework developed for each multi-year programme, with regular reporting 	<p>Medium</p>	<p>Further programme monitoring of NGOs through third party (included in Secretariat budget)</p> <p>ExCom partner support in the field in identifying these risks and drawing attention to any harm or potential harm</p>
19	<p>ECW programmes exacerbate conflict or political disturbance</p> <p>Risk owner: Secretariat</p>	<p>High (Possible/ Critical impact)</p>	<p>(Secretariat)</p> <ol style="list-style-type: none"> 1. Ensures conflict and political context & risk assessments at start of Multi Year programme design and as part of assessment for First Response proposals 2. Ensures conflict-sensitive First Response and Multi-Year programmes 3. Broad in-country consultations as part of Multi-Year programme design, including with humanitarian country team and Education Cluster 	<p>Medium</p>	<p>Further programme monitoring of NGOs through third party (included in Secretariat budget)</p> <p>ExCom partner support in the field in identifying these</p>

			4. Secretariat focal points for all countries, with regular missions to Multi-Year programmes to monitor implementation and impact (at least quarterly check-in for First Response; at least monthly for multi-year with at least annual monitoring visits)		risks and drawing attention to any harm or potential harm
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