

## **(SHA4) Minimum Standards for a UNICEF approach to Comprehensive Risk Management and Due Diligence in Complex and High Threat Environments**

*(based on the UNICEF ERM but specifically tailored for COs in complex and high-threat environments)*

### **1. Background**

Fragile and conflict affected states, in particular those situations we would refer to as complex and high threat environments, present a wide array of risks for the organization, including security threats to staff, threats to UNICEF's reputation, credibility and ability to demonstrate value-added and the risk of financial losses due to misuse, fraud, diversion or theft (which also exists in other environments but can be heightened when different armed groups are present, governance is weak or challenged or access for monitoring or other purposes is limited). In addition, the "normal" risks faced by UNICEF programmes, such as operational risks linked to slow procedures, challenging partnerships, resource mobilization and human resources, the irregular application of the standard UNICEF framework, are often heightened in emergencies given the pressures of time and the operational contexts.

In the contexts under discussion, UNICEF faces a dual challenge. First, the application of regular risk mitigation measures to reduce the residual risks to the organization and its programmes is complicated by the operational context and by the need, when there are emergencies, to act quickly. In fact, the organization may not be able to carry out its normal risk control procedures due to access and security constraints and may at times need to relax its normal risk control procedures to facilitate a more efficient and rapid response to urgent needs. This may result in increased residual risks if not mitigated properly (for example in L2 and L3 emergencies). Second, when faced with the urgency of saving lives during humanitarian crises, the organization often finds that it is impossible to reject a residual risk that may be deemed too high by withdrawing assistance because suspension of a given activity may result in imminent death for affected children.

UNICEF is widely recognized among the humanitarian community for being strong in risk management. UNICEF and WFP co-lead the risk management work stream under the IASC. Donors such as Denmark have shown great interest in this area. This provides further impetus to revamp and harmonize our risk management practices in humanitarian settings.

### **2. Purpose**

With increased scrutiny by affected populations, host governments, donors and other partners of how large humanitarian organizations manage risks in these challenging environments, participants at the Dead Sea meeting felt that UNICEF should give itself the means to articulate a consistent approach to comprehensive risk management and due diligence. During the consultative meeting on humanitarian assistance in complex and high-threat environments (Dead Sea meeting) in January 2014, UNICEF Regional and Country Offices strongly voiced the need for common minimum standards to assist them in putting in place due diligence measures. The benefits of the minimum standards will be:

- Consistent messaging to donors in support of the discussion on "shared risk" which is backed-up by concrete measures at field level that are consistent from one context to the other.
- Adequate positioning in inter-agency / IASC debates on risk management so that UNICEF makes proposals that are consistent with practice in the field.
- Reduction of the ad hoc nature of risk management across the various complex and high threat environments which will support managers in decision-making, facilitate a more rapid ramping up of response in humanitarian situations, and build the confidence of staff who operate in these environments.
- The fact of having a comprehensive risk management approach which is based on common minimum standards across the organization is in itself a reputational risk management tool.

The main purpose of this guidance note is to enable managers to better assess the risks and decide objectively based on the comparison of risks and expected gains.

Operational contexts differ considerably from one to another. For this reason, the suggestion is not to dictate specific measures but to adopt common minimum standards which would be applicable across the organization, adapted to context.

### 3. Minimum Standards and components of a Comprehensive Risk Management approach

Based on recent experiences where UNICEF has been relatively successful in addressing this challenge, the comprehensive risk management approach would include – at minima - the following components.

The Minimum Components of the Comprehensive Risk Management Approach are:

- a. Assessing the non-security risks for UNICEF programmes (see Annex A);
- b. On the security side, linking our planning with the SRA and the inter-agency Programme Criticality exercise<sup>1</sup>;
- c. Comprehensive multi-source monitoring with capacity to triangulate and analyse information, including (Annex B):
  - Regular programme monitoring by staff
  - Self-reporting by partners (high frequency output level)
  - Independent third-party verification/monitoring systems
  - Affected populations / community feedback mechanisms (including use of call centres)
- d. Internal management measures such as training, partner screening, audit and risk management working group/committee at CO level;

The Minimum Components will be implemented in all settings but exactly how each component is to be implemented will depend on the specific operational context in each situation. Moreover, the specific benchmarks (for example x % of the response is to be the subject of third party monitoring) for each component will be determined by context (capacity, resources, and external constraints).

Moreover, when needs are extremely acute and in particular at the onset of a crisis, some of the Minimum Components may be waived or temporarily suspended. A decision to do so should be documented, and efforts to subsequently implement appropriate risk management measures should be treated as a priority.

Other possible components of a Comprehensive Risk Management Approach are:

- i. Capacity building for staff, partners, facilitators and contractors, on risk management and on red lines based on humanitarian principles;
- ii. Agreeing on and implementation of common UN risk management tools, due diligence measures and mechanisms (Annex C);
- iii. Conflict sensitive programming (Annex D).
- iv. Overall – CO articulates its approach to mitigation based on the threat and risk analysis (Annex E)

Where experience gained thus far by countries and regions operating in such environments has yielded valuable lessons and best practices, more details are provided in the Annexes. As noted previously, this complements (does not replace) the Enterprise Risk Management and all sector specific procedures and guidance (finance, operations, supply, etc....) which include their respective risk management measures.

### 4. Principles, based on lessons learnt

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<sup>1</sup> Refer to the UN Security Management guidelines and the UN Programme Criticality Framework

It is recommended that COs apply the following principles as part of the comprehensive risk management approach:

To align with the principles guiding the newly revised Enterprise Risk Management (ERM)

**4.1 Accept risk when benefits outweigh costs.** Such decisions should be based on a clear articulation of objectives and thorough analysis of the context and potential risks.

- Recognize opportunities and make swift decisions.
- Analyse opportunities by weighing the benefits/expected results against the risks.
- Avoid delaying decisions that may exacerbate the problem, miss an opportunity, or lead to the loss of lives.
- Consider risks individually and in the aggregate. Evaluate each risk on its own and in combination with other risks related to the same objective.

Make risk management decisions at the right level: make decisions on risks at the level of delegated authority and escalate the decision to a higher level of management when necessary.

**4.2 To build the capacity of UNICEF staff and managers in **approaching risk as a dynamic factor which we can and must mitigate**, but to also **recognize that in many cases we will accept a certain “residual risk” when the expected outcome justifies it**.** This dynamic risk management approach is at the root of our suggested approach to:

- Programme criticality (this is a UN wide framework to make decisions on acceptable security risk to staff depending on the criticality of a given intervention).
- Remote programming (with a number of documented experiences whereby we have adapted our methods to enable delivery through third parties but coupled with minimum due diligence measures to mitigate risks) – *In UNICEF’s view, because it exposes the organization to many additional risks, remote programming is actually a last resort option.*
- Engagement with non-state actors (whereby this is encouraged and supported as long as it is to pursue a strategic objective of UNICEF and the risks are adequately managed and decisions taken at the right level).
- Promoting humanitarian principles (adherence to humanitarian principles – with a pragmatic not a dogmatic perspective – is often one of our most solid risk mitigation measures).
- Carefully calibrated engagement with political and security actors (we know that we should always engage with UN presences, but the manner in which we do this is tailored to preserve our ability to act according to humanitarian principles and to retain access).

**4.3 There are some **general lessons about reducing residual risk over time**:**

- a) *Build community relationships:* Dialogue, negotiation and advocacy are rarely one-off activities. Their success often depends on trust, mutual respect and understanding and on relationships cultivated over time.
- b) *Manage security risk actively:* Security risks to staff should be identified and addressed through a formal or informal assessment of security risk with UNDSS, the relevant field security officers and the Designated Official.
- c) *Weigh the short term versus longer term risks:* Sometimes taking a decision to mitigate some risks in short term might increase the risks and costs to the organization in the long run. For example a decision to take armed escort might be an effective one to mitigate security risks in the short term. However, it may increase risks to the staff and programmes in longer term due to their perceived association with the protecting force.
- d) *Gain partner support:* Coordination with humanitarian partners, for example within the UNCT and/or IASC, and implementing partners is critical to minimizing risks. We have recently seen an excellent example of this in Mali, where UNICEF pushed for a common Code of Conduct of humanitarian actors

- e) *Employ the right staff:* Work in high-threat environments requires exceptional interpersonal skills, the ability to think on one's feet, an acute sense of responsibility and sound judgement. Employing managers and staff with those attributes will go a long way to minimizing the risks.
- f) *Ensure records on all decisions are maintained:* Rapid staff turnover can create lack of knowledge and/or awareness of past decisions within the team. Strategic knowledge should also be shared with the respective Regional Directors and headquarters. The confidentiality of this information must be assured, in part by limiting electronic circulation.

## 5. Learning and Support to COs and ROs

In this extremely dynamic field, COs have found it useful to receive support from HQ/ROs in defining, implementing and tracking their country specific approach to risk management in the specific context of complex and high threat environments. We have had successful experiences in Mali, Nigeria and Syria during 2012-2014. Other COs have progressed on this without consolidated support (Somalia for example).

It is proposed that we support ongoing exchange of information and experience among COs/ROs/HQ, with EMOPS/HPS responsible for doing that. It is proposed to formalise a network with designated focal points from relevant divisions and each RO, to be convened by EMOPS.

It is also proposed that this note be circulated to concerned COs as a working/living document, with support offered in applying it to the specific context. This support would be provided jointly by HQ and RO. At HQ, EMOPS would be lead but would ensure appropriate consultation with Enterprise Risk Management, PD and other relevant divisions.

### Annex A - Assessing non security risks

These risks should be assessed and prioritised in accordance to UNICEF's Enterprise Risk Management (ERM) policy and guided by UNICEF's Risk Management Framework (RMF). It is useful to structure this analysis by rating the likelihood and impact of each threat on a 1-5 scale, illustrated below (this is the same methodology as in the SRA). Key threats whose risk should be examined are suggested in this guidance, but the list is not exhaustive.

#### **Example: Non-security threat risk assessment:**

**Decision:** Contract national NGO to conduct rapid assessment in location x for all emergencies for 1 year

**Threat:** National NGOs will not sufficiently capture gender dimensions

**Likelihood:** Medium likelihood after developing capacity of NGO

**Impact:** Moderate as women and girls have consistently been shown to be most affected.

**Risk:** Low

RISK IMPACT	5 (critical)	Low	Medium	High	Very high	Unacceptable
	4	Low	Medium	High	High	Very high
	3 (moderate)	Very low	Low	Medium	High	High
	2	Very low	Low	Low	Medium	Medium
	1 (negligible)	Very low	Very low	Very low	Low	Low
		1 (unlikely)	2	3 (likely)	4	5 (certain)
	Risk Likelihood					

**Likelihood** is medium, after developing capacity of NGO

**Impact** is moderate, as women and girls issues have consistently been marginalised.

Following is a non-exhaustive list of threats that should be considered and assessed, with mitigation measures to lower the risk. In Annex A there are samples of risk mitigation methodologies that respond to these threats.

- Threat: Donor relations are negatively impacted by use of remote programming.
- Threat: UNICEF funds benefit individuals and entities subject to anti-terror legislation and sanctions.
- Threat: UNICEF funds are misappropriated and programmes do not reach the intended beneficiaries.
- Threat: UNICEF is unable to obtain reliable and unbiased information and assessments.
- Threat: Loss of visibility.

- Threat: UNICEF supported activities are not implemented to technical standards and humanitarian principles.
- Threat: UNICEF partners suffer security incidents.

## Annex B - Comprehensive multi-source monitoring

**High-Frequency Multi-Sourced Monitoring:** Monitoring of results in humanitarian action through a combination of measures which includes regular partner reporting as called for in the MoRES in Humanitarian Action system, UNICEF staff field monitoring as is permitted by the security situation, direct context with recipients (even remotely in some cases via phone or SMS), and third party monitoring. The latter has proven to be one of the main financial risk mitigation strategies associated with remote programming.

Some examples of remote monitoring approaches are listed below:

<b>Instrument</b>	<b>Description</b>	<b>Advantages</b>	<b>Disadvantage</b>
<b><i>Web-based remote project monitoring</i></b>	As a response to high security threat environments, organizations such as UNHCR and the Danish Refugee Council (DRC) have developed Project Tracking Databases, i.e. a computer system to monitor project activities in Iraq (UNHCR) and Somalia (DRC) undertaken by local partners. Rather than sending staff out to see the outputs of the programme activities, local partners can take pictures that are uploaded with GPS info (UNHCR) and submit concerns via SMS, which will be sent to the programme staff concerned (DRC). Evidence-based monitoring of construction, costs, and deliveries takes place before, during, and after construction, and payments are tied to the photographic evidence.	<ul style="list-style-type: none"> <li>• Information regarding UNICEF remote programming activities can be shared in real time with all relevant partners</li> <li>• Beneficiaries have a direct line of communication with the accountable organisation, and are thereby able to report any irregularities</li> <li>• A web-based remote monitoring system could be applied at scale and linked to corporate monitoring systems</li> </ul>	<ul style="list-style-type: none"> <li>• Setup costs of such systems are high, however if done at an organisational level, economy of scale could justify such an investment</li> <li>• Such systems require a high level of technological awareness of local partners and availability of the required internet facilities in the areas of operations</li> <li>• The system relies heavily on input from local population, with little quality control available to check the actual situation on the ground</li> </ul>
<b><i>Quality Assurance Teams (QAT) for remote management accountability</i></b>	Establishment of QATs with solid backgrounds in relevant technical fields, e.g. auditing, programming, protection, WASH, education, etc., who have access to the operational areas to monitor programme activities. QATs can also provide technical support to partners to identify critical issues related to remote programming. Depending on the security situation, such teams can be	<ul style="list-style-type: none"> <li>• QATs can in a flexible manner bring highly skilled national staff from different sectors on a short/medium/long basis and effectively strengthen UNICEF's and partners' monitoring capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Assurance teams can face similar access restriction as UNICEF staff if hired under a CIC</li> <li>• Contracting of specialised technical experts can have a significant negative cost implication on the UNICEF programme delivery</li> </ul>

Instrument	Description	Advantages	Disadvantage
	contracted through LTAs, CICs or ICCs.		
<b>Third party monitoring</b>	<p>Third party monitoring can provide UNICEF with an independent and honest account of progress on programme activities, as the contractors are detached from the project implementation.</p> <p>UNICEF, WFP and UNHCR have been using third party monitoring in a number of contexts, including Afghanistan, Iraq, and Somalia.</p>	<ul style="list-style-type: none"> <li>• Provides UNICEF with an independent and critical assessment of the quality of implemented programme activities</li> <li>• Is a critical data source, which also can be used to assess beneficiary needs in the operational areas (if combined with other types of data source)</li> </ul>	<ul style="list-style-type: none"> <li>• If used alone it is neither effective nor efficient</li> <li>• High cost implications for utilizing third party monitoring due to reliance on scarce and expensive consultants</li> <li>• Monitoring typically takes place after the activities have taken place, leaving little or no management influence to correct malpractices</li> <li>• Due to the difficulty related to contractual oversight by UNICEF, there is a moral hazard risk involved in third party monitoring</li> </ul>
<b>Beneficiary/ local community group monitoring/ local government officials</b>	UNICEF can through SSFAs or CICs contract a number of local community group or beneficiaries to monitor, in real time, or once the activity has taken place, programme activities.	<ul style="list-style-type: none"> <li>• Provides UNICEF with a evidence base of beneficiary perspectives in relation to programme activities</li> <li>• Provides UNICEF with local knowledge of the situation on the ground</li> <li>• Generates local ownership and accountability of the programme activities</li> </ul>	<ul style="list-style-type: none"> <li>• Local population can be co-opted by parties to the conflict and hence not provide objective monitoring</li> <li>• By involving beneficiaries/local community groups in monitoring, UNICEF can expose them to unwanted risks, e.g. seen as closely affiliated with UNICEF</li> <li>• Requires that UNICEF dedicates time and resources to national capacity development</li> <li>• Lack of formal technical monitoring expertise</li> </ul>
<b>Triangulated monitoring</b>	In areas where access is impossible for its national and international staff alike, UNICEF and International and National NGOs have used a combination of vendors, local government officials, and community members for programme quality and accountability assurance, wherein all parties have to sign off on each project activity.	<ul style="list-style-type: none"> <li>• UNICEF is able to utilise key strengths of monitoring instruments to verify programme activities</li> <li>• Provides information on programme implementation from different levels of the operational environment</li> </ul>	<ul style="list-style-type: none"> <li>• The setup requires that proper oversight mechanisms are in place within UNICEF to guide such a complex monitoring instrument</li> <li>• Requires contracting of multiple parties, which can have significant cost implication on the programme budget</li> <li>• Exposes UNICEF to a wider range of programme management risks</li> </ul>

UNICEF should also consider low-tech onitoring which also contributes to accountability to affected populations– such as posting a sign, or distributing information to beneficiaries on intended project results/expected entitlements, and a telephone number they can call to report. This also relates to our commitment to improve accountability to beneficiaries.



**Supply and Logistics measures:** To mitigate the risk of supply inventory losses, UNICEF often limits the number of warehouse locations and keeps smaller inventory. To the extent possible UNICEF tries not to keep large concentrations of supplies standing in warehouses and supplies are only released to or handed over to partners when triggered by formal requests made against legally binding cooperation agreements with the partner. De-branding is also a useful strategy in some cases (in other cases it might actually be the contrary). Private companies are contracted to store and take responsibility for supplies. Supplies are left in the care of contracted private entities, which would bear the financial cost should these supplies be lost. Many COs have chosen to release project funds in tranches even smaller than that allowed by the UNICEF procedures, rather than entrusting partners with the full budget amount at once. This is often done in the case of new national partners with little demonstrated management capacity. In DRC, partners that have been micro-assessed and have been determined to be high risk need to submit receipts for expenditures incurred.

Contrary to the intuitive reaction of many in UNICEF, recent experiences have shown that shifting from large supply-based approaches to cash/voucher based humanitarian programming reduces the risk of large-scale diversion or misappropriation.

**Assessments:** Somalia and Pakistan COs have devised innovative approaches to micro-assessments for cash transfers. In Somaliland, for example, micro-assessments were conducted in 2010 for several Ministries/partners. This assesses partners' systems and capacity to manage cash assistance, and continued after that, transitioning low risk partners to the UN Harmonized Approach to Cash Transfers. UNICEF then develops the capacity of partners in the identified weak areas. This innovative approach to micro assessments is not specific to cash-based assistance.

**Particular issues regarding counter-terrorism, proscribed individuals and entities:** When operating in areas where proscribed individuals or entities (e.g. listed as part of a sanctions regime or counter-terrorist legislation) have control of a given territory and/or constitute the de facto authorities, the risk of financial misuse or diversion is also amplified by the risk that UNICEF ends up inadvertently having provided material or other support to such a proscribed group. The best measures to control these risks are first a detailed vetting of partners and service providers. In today's world, the vetting must be carried out down to the level of sub-contractor, and even at times in further layers. Software exists that facilitates the checking of names against databases, which UNICEF uses in many countries. To complement this vetting, UNICEF COs must conduct regular stakeholder mapping and conflict analysis exercises, and ensure that this analysis is linked to the contracting process and broader risk management measures.

### **Annex C - Joint UN measures**

In Somalia and Afghanistan, and soon in Mali and DRC, a Risk Management Unit (RMU) is established by the UNCT. The RMU supports all United Nations entities working in the country, as well as partners and donors. This unit is separately funded and works within the Office of the Resident and Humanitarian Coordinator, which ensures independence and also the ability to support both humanitarian and development operations and activities. Upon request, the RMU conducts risk assessments or risk monitoring for agencies. It also maintains a database of partners against which UNICEF and other agencies check potential partners for their track record. We believe that the RMU has helped us learn quite a lot about risk management in such settings. It is an example worth adapting and replicating when and where the volume of operations and the level of residual risk justify the investment in time and resources.

## **Annex D - Conflict Sensitivity**

UNICEF's humanitarian and development interventions can sometimes have negative impacts on affected populations; this is particularly the case in fragile and conflict affected environments. Evidence points to how infusing resources in environments characterized by scarcity, inequalities, competition and inter-group tensions could in fact 'do harm' by exacerbating tensions and conflict dynamics.

Conflict sensitivity is the capacity of UNICEF to 1) understand the (conflict) context in which it operates, 2) understand the interaction between its interventions and the context, and 3) act upon this understanding to avoid negative impacts ("do no harm") and maximize positive impacts on conflict factors.

The principle of 'do no harm' and a commitment to avoid creating or exacerbating conflict and insecurity for affected populations, are guiding principles that UNICEF has emphasized in the Core Commitments for Children in Humanitarian Action (CCCs).<sup>3</sup> In its Enterprise Risk Management Policy, UNICEF is also committed to having a systematic and consistent approach to identifying, assessing, and managing risks across the organization.<sup>4</sup> UNICEF's 'Technical Note on Conflict Sensitivity and Peacebuilding' also highlights the need for a more systematic approach to ensuring that all its humanitarian and development programs are conflict sensitive as a 'minimum standard'. Furthermore, the UNICEF Strategic Plan (2014-2017) states that 'systematic attention to risk analysis and mitigation is particularly important to effectively addressing the specific needs of children living in fragile and conflict-affected contexts'.<sup>5</sup>

### **Application of conflict sensitivity in humanitarian response:**

Country programs can apply conflict sensitivity in four key stages – i.e. preparedness, assessment and planning, implementation and monitoring and evaluation – of the humanitarian response cycle:

#### ***Preparedness***

- Ensure that a basic conflict analysis is undertaken and its findings incorporated into the emergency preparedness and response plan. The basic conflict analysis can be updated or deepened at a later stage as the situation changes or actual emergency happens.
- Provide training to staff on conflict sensitivity as part of emergency preparedness training or other capacity building exercises

#### ***Assessment and Planning***

- Update the basic conflict analysis with more detailed analysis of the context to reflect changes as a result of emergency, especially if the emergency is caused by conflict.
- Based on the updated conflict analysis, design response interventions that take measures to manage and mitigate conflict risks
- Where possible, develop targeting criteria based on consultation and feedback from communities

#### ***Implementation***

- Ensure that staff recruitment takes into account the potential identity-based divisions among staff and between staff and beneficiaries/participants.
- Ensure procurement services and supplies from the local/national market or the selection of suppliers does not cause or reinforce conflicts
- Establish a mechanism for sharing information about program activities and communicating with communities, including a complaints and feedback mechanism

#### ***Monitoring and Evaluation***

- Integrate questions related to conflict risks as part of monitoring and any real-time or post-implementation evaluations

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<sup>3</sup> Core Commitments for Children in Humanitarian Action, p.8, May 2010

<sup>4</sup> UNICEF Risk Management Policy, p.3, 2009

<sup>5</sup> The UNICEF Strategic Plan, 2014-2017 (E/ICEF/2013/21) p. 3-4

<b>Considerations for Strengthening Conflict Sensitivity in UNICEF</b>		
<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation Measures</b>
HR and Staff Recruitment	Staff recruitment could have a negative impact on the image as well as delivery of humanitarian response. Ethnicity, religion, political affiliation and nationality of staff, or the way they behave and interact with partners and communities, can potentially contribute to creating or exacerbating tensions and conflict.	<ul style="list-style-type: none"> <li>• Take measures to continually understand the public's perceptions of UNICEF</li> <li>• Review HR practices in the light of conflict analysis</li> <li>• Ensure that recruitment is balanced across social groups and takes into consideration issues such as ethnicity, gender, region, etc.</li> <li>• Provide strong induction packages for all new staff, particularly international, on contextual, political and cultural understanding, humanitarian principles, codes of conduct and conflict sensitivity.</li> <li>• Ensure that awareness of national staff identity issues informs staffing decisions, and identify possible measures to mitigate tensions</li> <li>• Factor staff identity into field mission, programme management decisions.</li> </ul>
Programme planning, priority setting, targeting and partnership	In contexts of conflict, perceptions of bias, lack of impartiality or favouring particular groups or regions can easily arise from the way UNICEF prioritizes its programs and target beneficiaries.	<ul style="list-style-type: none"> <li>• Plan the programme according to the conflict analysis</li> <li>• Select beneficiaries in relation to needs assessment and the conflict analysis</li> <li>• Create feedback and complaints mechanisms, and clear, transparent communication with affected communities</li> <li>• Develop a partnership strategy which takes into account identity and spread of local partners, including as part of emergency preparedness plans.</li> <li>• Meaningfully involve local partners in all phases of the programme</li> <li>• Use participatory techniques to facilitate community input in determining targeting criteria, ensure continual information-sharing with beneficiaries and non-beneficiaries on targeting, selection criteria</li> <li>• Map existing social divisions against the proposed targeting criteria, map key local power relations and actors and use this knowledge to identify possible risks of, and measures to prevent, manipulation</li> <li>• Foster links between host and beneficiary communities (e.g. IDPs or refugees) wherever possible</li> </ul>
Procurement and Supply	Procurement of goods and services from local markets and introduction of goods and resources into an environment marked by scarcity carries risks and can exacerbate conflict and tensions.	<ul style="list-style-type: none"> <li>• Review procurement practice to ensure consideration of balance of procurement and transparency</li> <li>• Establish criteria for selection of suppliers (who they are, what group they belong to, etc.) and communicate selection process clearly</li> <li>• Consider alternative sources if procurement of supplies from local markets would negatively affect</li> </ul>

		<p>prices and put additional strain on availability of supplies to local communities</p> <ul style="list-style-type: none"> <li>• Also take into account any negative effects of procuring supplies from outside when they are available locally</li> </ul>
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## Annex E – Examples of threat and risk analysis with associated risk mitigation measures

- **Threat: Donor relations are negatively impacted by use of remote programming.** Remote programming increases the risk for donor agencies, e.g. lower quality of implementation, monitoring and evaluations. Donors may also not see the value added of UNICEF when most activities are contracted out, which could affect future funding.

Mitigation measures:

- Refer donors to the [Busan Declaration](#) commitments to “manage rather than avoid risk, including through the development of joint risk management frameworks with providers of development cooperation.”
- Regularly discuss risk with donors from the design stage to programme implementation and evaluation
- Make UNICEF’s value-added role in assembling partners clear.

- **Threat: UNICEF funds benefit individuals and entities subject to anti-terror legislation and sanctions.** Sanctions and listings of individuals and entities may create increased risks for humanitarian agencies using remote programming modalities. Donor governments have over the past years increasingly made humanitarian funding conditional on assurances that it is not benefiting listed individuals, entities or organisations. UNICEF may as a consequence of relying on partners get exposed to liability risks through partners.

Mitigation measures:

- Establish a common understanding with donors on due diligence requirements. This should be done in close consultation with UNICEF HQ (EMOPS/HPS).
- Establish comprehensive vetting procedures of local partners in collaboration with members of the UNCT.
- Ensure that all staff members are familiar with current sanctions regimes, and that relevant information on the issue flows between staff members at different levels.

- **Threat: UNICEF funds are misappropriated and programmes do not reach the intended beneficiaries.** Remote programming transfers programme implementation and monitoring from UNICEF staff. This inevitably decreases UNICEF’s direct oversight over implementing partners; and may increase risk of misappropriation.

Mitigation measures:

- Robust assessment of the implementing party’s programmatic and financial implementation capacity.
- Use of sureties and bank guarantees returnable upon completion of deliverables;
- Use of partners with sufficient financial resources to re-pay any misappropriated supplies or funds and ensure that provisions for this are included in agreements;
- Use of appropriate contracting modalities with clear benchmarks and deliverables, and clear means of verification adapted to third party monitoring capacity.
- Establishment of Quality Assurance Teams to monitor financial and programme management under remote programming;
- Utilisation of multiple monitoring modalities to oversee programme implementation, including overt and stealth monitoring; verification including films and pictures;
- Wide consultation, including with local community groups, in the design and implementation of remote programming, to ensure accountability of resources; and
- Information sharing within the UNCT/HCT on performance of relevant partners used in remote programming

- **Threat: UNICEF is unable to obtain reliable and unbiased information and assessments.** Remote programming entails immediate reduced security risks to UNICEF staff, but may significantly limit UNICEF's ability to assess humanitarian needs in affected localities.

Mitigation measures:

- Train partners on methods and standards for good qualitative data collection
- Critically evaluate data once collected, including data cleaning
- Use standardized methods of information collection
- Invest in good data management in the office, including GIS.
- Use innovative technological solutions, like data pens, audio-visual materials, SMS and GPS where capacity of partners allows
- Use multiple independent sources of information

- **Threat: Loss of visibility.** UNICEF will be less visible, affecting partnerships with donors, local and national authorities, local communities, and non-state entities.

Mitigation measures:

- Ensure supplies are labelled.
- Explicitly discuss with partners ways to communicate UNICEF's contribution, and build this into contracts if necessary, including with specific budget lines.
- Use information technology creatively.
- Communication with all parties to conflict takes place, either directly or indirectly, possibly outside the area of operations (please refer to UNICEF Programme Guidance Note on Engaging with NSEs in Humanitarian Action)

- **Threat: UNICEF supported activities are not implemented to technical standards and humanitarian principles.** A key challenge in remote programming is to ensure that quality is maintained and standards maintained. With limited or no interaction between UNICEF staff members and partners, it can be very difficult to maintain quality and humanitarian principles.

Mitigation measures:

- Before using remote programming modalities, systematically map available partners who are able to operate effectively in the affected areas.
- Work closely with partners on their staff selection. In some settings, former UNICEF staff members have been employed by partners.
- Ensure contracts include resources for partner staff capacity development and training, and work closely with partners to develop staff capacity, including an understanding of humanitarian principles.
- Support partner HR management to support staff retention.
- Ensure frequent electronic communication takes place between UNICEF staff members and partner staff.
- Ensure UNICEF staff members have good communication skills.

- **Threat: UNICEF partners suffer security incidents.** UNICEF is not responsible for partner security management. However, partner security incidents could have a negative impact on UNICEF programme delivery and partnerships, as well as damage UNICEF's reputation.

Mitigation measures:

- It is extremely important to communicate clearly to partners the extent of UNICEF liability and support partners can and cannot expect from UNICEF.
- Create routines to communicate clearly externally -when incidents happen to partners - that this is not a UNICEF incident. This is to avoid a perception that UNICEF is being targeted.
- Ensure that the Saving Lives Together (SLT) framework is fully understood and utilized by staff members.