
Compliance, risk management and ethics: annual report

Report by the Director-General

1. WHO continues to follow up on its commitment to transparency and accountability in all its work, with the aim of ensuring that it is able to fulfil its mission, in accordance with WHO's priorities and the Thirteenth General Programme of Work, 2019–2025. The Secretariat continues to make steady progress in promoting and fostering ethical principles as the basis of WHO's work, establishing a culture of positive risk management in the Organization and improving accountability internally as well as to Member States.

2. This report provides an update of the actions taken by the Secretariat in 2022 and early 2023 to strengthen its approaches to anchor ethical standards at the workplace through review of policies and training, enhanced fraud risk management, continued implementation of the Framework of Engagement with Non-State Actors, implementing and reinforcing the recommendations following the initial evaluation of the Framework and enhancement of compliance and risk management strategies across the Organization.

ETHICS

3. In addition to streamlining the mandate of the Ethics Unit across four pillars (Pillar 1 – declarations of interest, Pillar 2 – ethics advice and support, Pillar 3 – protection against retaliation and Pillar 4 – education and outreach), the Ethics Unit launched the Ethics Roadshow and, for the first time since the Unit's inception in 2014, visited offices in two Regions – South East Asia and the Eastern Mediterranean – and ran week-long ethics training and information sessions. In addition, the mandatory Ethics Empowerment training module, the first of its kind for WHO, was completed and will be launched in the second quarter of 2023. Additionally, the Ethics team, as part of the Preventing and Responding to Sexual Exploitation, Abuse and Harassment (PRSEAH) Policy Task Team, worked on the new Preventing and Addressing Retaliation policy, as well as the policy on Preventing and Addressing Sexual Misconduct, and a new and updated Code of Ethics.

4. **Policy framework** – As part of the PRSEAH Policy Task Team, the Ethics Unit supported the drafting of the new policy on Preventing and Addressing Retaliation, which is in the process of being finalized for implementation. Further, the Ethics Unit also contributed to the development of the Policy on Preventing and Addressing Sexual Misconduct and together with the PRSEAH Policy Task Team and Department of Human Resources and Talent Management led the development of the new and updated Code of Ethics which will be published in the second quarter of 2023. The updated Code of Ethics is easier to navigate and more user friendly, with a new first part that serves as a general binding statement for WHO personnel on WHO ethical principles, core values, the WHO Oath of Office and

Loyalty and WHO Values Charter. The second part forms a guiding framework that aligns with recently adopted policies and those under development and introduces new sections on environmental responsibility, fraud, unauthorized recording, office technology and enterprise risk.

5. Additionally, new guidance on Outside Activities for staff contract holders was developed. The guidance covers the process by which people with staff contracts who wish to engage in activities in parallel to their employment with WHO must seek approval from the Ethics Unit. The new guidance, which will be published in the second quarter of 2023, aims to simplify the process for staff. In addition, a declaration of interest package for non-staff workforce was developed and published on 29 July 2022. This package includes guidance and a form that all non-staff workforce members must complete prior to being hired, and provides for a comprehensive review process before someone is hired. Additionally, the background review which is part of this package requires that all non-staff contract holders have to be cleared through the UN-wide screening database ClearCheck.

6. Guidance on declarations of interest for experts regarding public notice and comments and how to undertake background reviews will be published in the second half of 2023.

7. The Ethics Unit together with relevant stakeholders is currently working on a financial disclosure policy for WHO staff, and a working draft has been developed. The Ethics Unit is also coordinating the update to the information disclosure policy, work which started in 2022.

8. **Training** – Since February 2022, the Ethics Unit has provided 27 training sessions (13 hybrid and 14 online) reaching 3641 participants. In addition, and included in this figure, the Unit launched the Ethics Roadshow, a first of its kind in WHO, and visited two regions, South-East Asia (26–30 September 2022) and the Eastern Mediterranean Region (23–31 October 2022). The purpose of these week-long visits was to raise awareness of workplace ethics in the workforce and to convey what the workforce needs to know in terms of conduct and expectations. Focused sessions were held for senior managers, mid-level managers and all staff, as well as ethical problem-solving simulations. The visits were based in the regional offices (New Delhi and Cairo), with additional visits to the country offices for India and Egypt Members of the WHO workforce based in the remaining country offices in both regions connected virtually to the various sessions held. The mandatory online training module on Ethics Empowerment was also finalized by the Ethics Team in December 2022 and will be launched in the second quarter of 2023. This comprehensive online ethics training is the first of its kind for WHO.

9. **Advice, guidance and support** – In 2022, the Ethics Unit received 432 individual requests for guidance and support on ethical concerns and dilemmas. Between 1 and 27 January 2022¹, the Office received 15 reports through the Integrity Hotline from the WHO workforce as well as external parties. The reports addressed a broad range of categories, as follows: one report related to breaches of the Code of Ethics and Professional Conduct; two reports related to breaches of the WHO Staff Regulations and Staff Rules or policies; one report related to procurement; eight reports on conflict of interest unrelated to WHO; and three reports were identified as test reports for the system.

10. In respect of the annual declaration of interest exercise, staff members who are at the P.5 level and above and those at grade G.5 and above who have procurement rights and undertake sensitive functions are required to take part in this exercise. The process is administered through an online tool introduced in 2020 that has systemized the annual collection and management of the declarations of interests. The submitted declarations are reviewed and assessed in respect of possible conflicts of

¹ With effect from 28 January 2022, management of the Integrity Hotline was moved from the Ethics Unit to the Office of Internal Oversight Services.

interest, and staff are provided with advice and guidance on mitigating measures in instances where a conflict of interest may be present, or may arise. In 2022, 4021 staff members were requested to participate in the annual staff declaration of interest exercise. Of these, 4018 staff members submitted their online declarations of interest, corresponding to a compliance rate of 99.99%. In addition, in collaboration with the WHO Framework Convention on Tobacco Control Secretariat and the Protocol to Eliminate Illicit Trade in Tobacco Products (Convention Secretariat), the Office of Compliance, Risk Management and Ethics developed in 2020 a declaration of interest form that complements WHO's annual declaration of interest exercise and addresses the specific needs of the Convention Secretariat in terms of identifying conflicts of interest related to the tobacco industry. This declaration of interest process is complementary to the above noted annual declaration of interest exercise for designated WHO staff. In 2022, 27 Convention Secretariat staff took part in this declaration of interest process, which is administered by the Office of Compliance, Risk Management and Ethics. All 27 staff submitted their forms, corresponding to a compliance rate of 100%.

11. Regarding declarations of interest for non-staff workforce, in 2022 the Ethics Unit provided guidance on 186 requests related to declarations of interest for non-staff workforce.

12. Each year WHO engages numerous external experts and advisors to participate in technical working groups or to provide expert opinions on matters related to WHO's normative work and public health. The Ethics team supports technical units in the declaration of interest assessment process for these experts and advisors and provides guidance. In 2022, 1980 requests were submitted to the Office of Compliance, Risk Management and Ethics, with 704 requiring review and advice.

13. In 2022, the information request generic email was set up by the Ethics team further to the requirements under the information disclosure policy. In 2022, 1256 requests were received.

RISK MANAGEMENT

14. WHO acknowledges that the world continues to experience significant changes and challenges at a political, socioeconomic and environmental level. WHO is therefore likely to face an increasing number of risks which may undermine the success of its mission if not addressed effectively.

15. In this context, building on several best-in-class assessments, WHO has been developing several different approaches and tools to increase the maturity of its risk management systems and its ability to best prepare the Organization to face uncertainty.

16. **Governance** – The Global Risk Management Committee, chaired in 2022 by the Deputy Director-General, met regularly to oversee the update of the Principal Risks and the development of the draft Enterprise Risk Management Strategy (see Annex 1) and Risk Appetite Framework. Since November 2022, the Global Risk Management Committee has been chaired by the Assistant Director-General for Business Operations. The Global Risk Management Committee is the main governance mechanism that steers the corporate risk management agenda across the three levels of the Organization and promotes standards and expectations in terms of risk management and compliance policies. In the WHO African, South-East Asia and Eastern Mediterranean regions, the regional risk management committees met regularly, thus forming an important relay to the Global Risk Management Committee and building on the work of local committees at country level.

17. **Policy framework** – A draft Risk Appetite Statement (see Annex 2) has been developed and was piloted in the context of strategic decision-making. WHO places a strong emphasis on a risk-aware culture that relies on management judgment to make decisions that deliver impact while aligning with

WHO's mission and values. The Risk Appetite Statement seeks to guide the workforce in their daily decision-making and related resource prioritization, especially when facing complex situations and dilemmas.

18. The application of the draft Risk Appetite Statement in programmes and operations would help the Organization to adopt a consistent approach to ensure that it takes the right kind and quantity of risks while reinforcing the accountability of key decision-makers across the Organization by providing them a harmonized framework to balance risks and rewards in decision-making and planning processes. An operational guide and training materials are under development to increase awareness in relation to the application of the proposed methodology across the three levels.

19. Underpinning the draft Risk Appetite Statement, a draft Enterprise Risk Management Strategy was endorsed by the Global Risk Management Committee and shared with the Independent Expert Oversight Advisory Committee for review and advice. The strategy document calls for: (a) a more corporate approach to managing prioritized Principal Risks, as undertaken for the prevention of sexual misconduct; (b) increased accountability for the first line of operations (Assistant Directors-General, WHO Representatives, Directors) with enhanced tools, guidance and resources for risk and control monitoring; (c) increased transparency and capacity for the second line across the three levels of the Organization (risk management and compliance oversight roles).

20. The draft Enterprise Risk Management strategy builds on the Organization's assessment of the maturity of its enterprise risk management, internal control and compliance approaches against the United Nations system-wide reference maturity model for risk management¹ and several best-in-class management reviews.

21. **Processes and integration with operations** – The inclusion of risk appetite in the Proposed programme budget 2024–2025 as a key principle for resource prioritization helps to ensure that mitigation measures defined at corporate level to manage Principal Risks are adequately resourced and prioritized. Regional processes for integrating risk management with operational planning were put in place for the 2022–2023 biennium; however, they remain manual and resource intensive. The new risk management tool that is being developed in the context of the enterprise resource planning system has features which should establish a direct link between the risk identification interface and the workplans where mitigation measures are defined and resourced, which will greatly facilitate monitoring of mitigation measures during the implementation of operational plans. The Office of Compliance, Risk Management and Ethics continues to support WHO programmes to develop context specific risk management tools and guidance, as was done for the prevention of sexual misconduct. For example, work is ongoing to develop risk management guidance and tools in the context of WHO's Environment and Social Framework agenda. Similar initiatives are planned for prioritized Principal Risks in line with the Proposed programme budget 2024–2025.

22. **Systems and tools** – In the context of the replacement of WHO's enterprise resource planning system, the Office of Compliance, Risk Management and Ethics and the regional compliance and risk management focal points are collaborating to develop a new risk management tool to further embed risk management into daily activities, including planning, in alignment with the principles of the Risk Appetite Framework. The launch of the new risk management tool should facilitate the future integration of risk mitigation measures with teams' workplans, thus facilitating their monitoring.

¹ Approved by the High-Level Committee on Management of the United Nations System Chief Executives Board for Coordination at its 38th session, in October 2019, to strengthen risk management approaches in the United Nations.

23. **Risk capabilities and risk culture** – The draft Enterprise Risk Management Strategy calls for increased awareness-raising activities and training once context-specific tools are developed to manage prioritized Principal Risks. During 2022, the compliance and risk management network has continued to provide induction sessions to staff and to WHO Representatives to socialize the Principal Risks across the three levels of the Organization. For example the regional offices for the Eastern Mediterranean and Western Pacific developed awareness-raising modules for budget centres to guide the application of tools developed centrally in their regional context. The absence of dedicated risk management resources at country level for countries with graded emergencies remain a challenge to the proactive management of risks in a complex environment.

24. The adoption of a bold Enterprise Risk Management Strategy should significantly enhance the maturity of WHO's enterprise risk management and thus position the Organization to deliver maximized impact in the forthcoming programme budget cycle (2024–2025).

COMPLIANCE

25. At the global level, in 2022 the Secretariat reviewed its overall compliance architecture to advise on best ways to strengthen the assurance provided over the residual levels of risks in the context of the Thirteenth General Programme of Work, 2019–2025 (GPW 13). The draft Enterprise Risk Management Strategy calls for the enhancement of the internal control framework with documentation of risk and control matrices for key business processes as a key tool for accountability and foundational element for a global compliance programme. Collaboration with business owners is ongoing to define responsibilities at the control level across the three levels of the Organization. This exercise will also benefit the design of the new enterprise resource planning system, the Business Management System (BMS). Key success factors stemming from the commitment of the Regional Director for the Eastern Mediterranean and the strong support of the Regional Compliance and Risk Management Committee have helped to improve the compliance landscape in that Region.

26. The Organization has made significant progress in its anti-fraud and anti-corruption framework after its adoption of a revised policy to address the prevention, detection and response of fraud and corruption. The Organization has launched a training of trainers programme to train anti-fraud and anti-corruption ambassadors tasked with raising awareness on fraud and corruption and on WHO's policy in this area in their regions and country offices. Since the first cohort of the programme in December 2022, attended by senior compliance and risk management focal points from five regions, regions have provided training plans allowing 40 budget centres and functional networks to be trained up to 30 June 2023, including in several countries with challenging operating environments. Two additional cohorts are planned for the second quarter of 2023 to continue rolling out this policy.

27. In 2022, the Office of Compliance, Risk Management and Ethics also launched two awareness raising campaigns in the context of International Fraud Awareness week and International Corruption Day. Discussions on fraud and corruption were organized with WHO Representatives during the 11th Global Management Meeting in December 2022 with communication materials made available for budget centres, including a manual of ways to recognize potential fraud and corruption. Additional communication materials are being developed to complement the efforts invested to date, as well as a web-based e-learning module planned to be launched in the second quarter of 2023.

28. Regarding in country and in programme compliance and internal controls verifications, the Eastern Mediterranean Region has developed a robust Compliance and Accountability Platform that is currently being rolled out in the Region. The new platform systematizes the approach to verifications, facilitates monitoring and reporting, as well as improves the feedback loop to budget centres on

verification results, which accelerates their learning. This tool is being considered for roll-out to other regions for stronger harmonization in compliance monitoring and reporting.

29. With the easing of pandemic-related travel restrictions, compliance teams in the regions have conducted 16 administrative and programme reviews; ten in the African Region, one in the South-East Asia Region and five in the Eastern Mediterranean Region. They have also provided various assurances related to direct financial cooperation and direct implementation to priority countries.

30. The Secretariat continues its efforts to build a risk culture across the Organization which will enable every staff member to remain confident in taking the right risks when contributing to the delivery of WHO's results along the lines of its draft new strategy, a summary of which is attached as Annex 1.

DUE DILIGENCE AND NON-STATE ACTORS

31. In June 2019, and in line with the WHO transformation agenda, which calls for delivering on the Sustainable Development Goals through the Thirteenth General Programme of Work, 2019–2025 the Secretariat more closely aligned the functions of the Due Diligence and Non-State Actors Unit, recognized as the specialized unit responsible for the implementation of the Framework of Engagement with Non-State Actors (FENSA)¹ and for performing standard due diligence and risk assessment, with those of compliance, risk management and ethics. This change has helped in streamlining the work of the Organization in the accountability functions and was communicated to Member States in the report to the Executive Board in January 2020.²

32. A number of actions were undertaken in 2022 by the Due Diligence and Non-State Actors Unit to advance the implementation of the Framework, in line with both the provisions of the Framework and the recommendations of the initial evaluation of the implementation of the Framework.³ A comprehensive management response was developed to the evaluation,⁴ which is available on WHO's webpage and is regularly updated.⁵

33. Building on the "Demystifying FENSA" initiative launched in 2021 following the initial evaluation of the Framework, the Unit undertook a series of activities and actions to support strengthening the common understanding of the Framework as an enabling policy and shared best practices and practical information across the Organization. Additional communication products and checklists have also been developed and disseminated, and targeted and tailored capacity-building activities (such as training and briefing sessions) have been conducted at the three levels of the Organization. Dedicated sessions have been organized for new WHO staff and newly appointed WHO representatives, in close collaboration with regional offices.

¹ Document WHA69.10.

² Document EB146/34.

³ The full report of the initial evaluation of the Framework of Engagement with Non-State Actors is available on the website of the Evaluation Office: www.who.int/evaluation (accessed 15 April 2023).

⁴ Documents EB146/34 and EB146/38 Add.2; see also document EB146/2020/REC/2, summary records of the Executive Board at its 146th session, third meeting, section 2.

⁵ [https://cdn.who.int/media/docs/default-source/documents/evaluation/corporate-and-decentralized-evaluations_-findings-recommendations-actions-and-learning-may-2022-\(003\).pdf?sfvrsn=cd3ee7ea_1&download=true#page=108](https://cdn.who.int/media/docs/default-source/documents/evaluation/corporate-and-decentralized-evaluations_-findings-recommendations-actions-and-learning-may-2022-(003).pdf?sfvrsn=cd3ee7ea_1&download=true#page=108) (accessed 15 April 2023).

34. In line with a recommendation of the initial evaluation, the focus of the Due Diligence and Non-State Actors Unit has been redirected towards reviewing engagement proposals that are complex or are associated with higher risks of engagement, such as conflict of interest. In addition, the Unit continues to provide guidance and recommendations across the Organization to ensure the consistent application of the Framework to preserve WHO's leadership in global health, and to ensure the integrity of its normative and standard-setting functions by mitigating, if not avoiding, any risks associated with engagement in line with the Framework. As reported to Member States in January 2023,¹ the Due Diligence and Non-State Actors Unit conducted over 700 standard reviews in response to requests from technical departments and units across the three levels of the Organization.

35. In the report to the Executive Board in January 2023,² the Unit has ensured follow-up of the update of non-State actors in official relations entries in the WHO Register of non-State actors and, in close cooperation with technical departments, reviewed joint collaboration plans and annual reports of the activities jointly implemented with non-State actors in official relations, outlining the progress of implementation and the deliverables achieved.

36. In order to support the Executive Board in fulfilling its mandate on official relations, the Unit assessed applications from non-State actors for admission into official relations and from those non-State actors set to undergo their triennial review for consideration by the Board at its 152nd session. In line with the Framework, due diligence and risk assessment were performed for each non-State actor set for review, and entries in the WHO Register were verified, together with the relevant supporting documentation provided.¹ A decision was approved by the Executive Board at its 152nd session on admitting two new entities in official relations, renewing the status of official relations for 62 non-State actors that were due for triennial review, deferring the review of an entity for decision to the 154th session of the Board in 2024, and discontinuing official relations with four entities.³

37. In 2022, reviews, risk assessments and due diligence were also performed for 270 proposals for designation and redesignation of institutions as WHO collaborating centres. The volume of requests to pursue WHO collaborating centre designation has consistently increased in recent years, with very few centres discontinued. This steady growth in requests has generated an increased workload associated with the effective review and management of proposals. In order to meet demand, in compliance with WHO's policies and procedures, it may become necessary to allocate resources to support and maximize the benefits of these productive engagements, given that the number of proposals is expected to continue to grow.

38. The Due Diligence and Non-State Actors Unit has also facilitated and supported the efforts of technical units at both the headquarters and regional levels to implement or initiate WHO multistakeholder initiatives, including networks and partnerships. Lessons learned have been documented and shared with relevant staff to improve the process, facilitate engagements with non-State actors and respond to the needs of the technical units across the Organization.

39. In its role as the Secretariat of the FENSA Proposal Review Committee, the Unit reviewed the proposals for consideration of the Committee and provided support to the Chair and the members during discussions of complex cases requiring senior management guidance, in order to share recommendations for the Director-General's final decision. To recall, the Committee serves as an arbitration body to

¹ Document EB152/39.

² Document EB152/40.

³ Decision EB152(9) (2023).

consider senior management's risk approach and functional needs and as a source for case law with regard to the application and implementation of the Framework.

40. As the implementation of the Framework is continuously improving, the Due Diligence and Non-State Actors Unit which is responsible for the implementation of the Framework continues to make significant strides towards reinforcing a constructive and flexible approach for such engagements in line with the Framework, as well as relevant policies and rules, while ensuring that a level playing field applies when engaging with non-State actors. The approach prioritizes the need to expand and strengthen engagements with a positive impact on public health, while balancing risks against expected benefits.

41. At the request of the Director-General, the Unit has been actively working with other departments across the Organization in order to identify options for streamlining review processes for selected types of engagement such as participating in meetings, developing new tools and platforms to support improving data systems and enhancing teamwork between the different levels of the Organization to further encourage and strengthen collaboration with non-State actors and to harmonize approaches across the regions.

42. In the light of the comments of the thirty-seventh meeting of the Programme, Budget and Administration Committee and the Executive Board at its 152nd session during discussions of the report on the implementation of the Framework of Engagement with Non-State Actors,¹ the Secretariat has promptly undertaken activities in addition to those already under way as per the management response to the initial evaluation of the Framework, to ensure consistency and coherence in the implementation of the Framework, in particular at country level. The Unit will report on these and other actions aimed at improving implementation of the Framework, building on comments made, to the Committee at its thirty-ninth meeting in January 2024.²

ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE

43. The Committee is invited to note the report and to provide guidance in respect of the following questions:

- How can the Secretariat most effectively address principal risks, such as fraud or corruption, through enhanced compliance and risk management?
- How can the Secretariat more effectively implement the Risk Appetite Framework as set out in the Risk Management Strategy?

¹ Document EB152/39; see also the summary records of the Executive Board at its 152nd session, fifteenth meeting, section 2.

² Document EB152/4.

ANNEX 1

DRAFT ENTERPRISE RISK MANAGEMENT STRATEGY OUTLINE**BACKGROUND**

1. The importance of risk management in achieving results was institutionalized by WHO's reform process, as defined at the Sixty-fourth World Health Assembly in 2011. In 2014, the Office of Compliance, Risk Management and Ethics was established as part of this reform, with the objective of pursuing excellence across the three levels of the Organization in an effective, efficient, transparent and accountable way.
2. Risk management is not new to WHO. The 2015 WHO Accountability Framework clearly includes risk management as a key pillar. In May 2013 the first paper on risk management, including a corporate risk register, was submitted to the Executive Board at its 133rd session. A Corporate Risk Management Policy was issued in November 2015. WHO has been publishing its Principal Risks on its website annually since 2017. Moreover, between 2015 and May 2022, various governing bodies and their subsidiaries have issued 60 recommendations or requested actions for the Secretariat on risk management and risk statements.
3. Since 2017, WHO has institutionalized, through its corporate risk register and internal control self-assessment checklist, an annual assessment of risks and key controls across the Organization. Dedicated risk management functions were also created in each of the regions, and in some programmes, to support risk management activities.
4. The introduction of these risk-related activities were initially judged appropriate and sufficient. However, in the past decade, the complexity of WHO's work has evolved, with increased demands for WHO's engagement in health emergency preparedness and response, beyond its initial focus on normative work. This operating environment calls for adaptation, particularly given the nature of risks that have emerged, such as those demonstrated by the allegations of sexual abuse and exploitation in the Democratic Republic of the Congo, as documented in the final report of the Independent Commission on the review of sexual abuse and exploitation during the response to the 10th Ebola virus disease epidemic in the provinces of North Kivu and Ituri in the Democratic Republic of the Congo in 2021.¹
5. WHO now faces increased operational risks, which require a different, expanded and more proactive approach: risk management cannot be a separate administrative process but must be embedded into the daily decision-making of all actors who contribute to delivering health outcomes, informing their strategic and operational choices as well as related resource prioritization. This includes not only WHO's personnel, but also its partners who help the Organization implement and deliver on its mission, including Member States and international and local nongovernmental organizations.

Key changes introduced by the risk management strategy

6. Operationalization of a risk appetite framework whereby the Organization defines target risk levels for the Principal Risks, in line with the different attitudes prescribed for risks affecting the

¹ Available at <https://www.who.int/publications/m/item/final-report-of-the-independent-commission-on-the-review-of-sexual-abuse-and-exploitation-ebola-drc> (accessed 15 April 2023).

following key success factors in WHO's risk appetite framework: WHO's technical excellence, financial sustainability, compliance and integrity, people's health, safety and well-being and operational excellence.

7. Institutionalizing a corporate approach to risks affecting WHO's objectives and reputation: with the definition of mitigation actions implemented at the three levels of the Organization and related monitoring mechanisms to ensure that risk profiles are kept to acceptable levels. This is done through the introduction of tools and training to guide budget centres in managing in a proactive manner their risk profile.

8. Development of key risk indicators and key performance indicators allowing budget centres and management to measure better their exposure, decide on mitigation actions in time and escalate when risk exposures exceed appetite.

9. Enhanced risk capabilities at the three levels of the Organization: introducing dedicated resources for risk management and compliance in the countries with the highest levels of risk exposures, such as countries with multiple graded emergencies, and strengthening capacities in headquarters and the regional offices to better support countries and build their capacities.

Key principles underlying the risk management strategy

10. Mutual accountability with Member States – WHO and its Member States have a mutual accountability in delivering health outcomes. In so doing, they also have mutual accountability to manage the uncertain events which may affect those health outcomes, namely risks.

11. This mutual accountability takes the form of agreeing on a Programme Budget which clearly defines the risks faced when delivering the General Programme of Work, and prioritizing the resources in Programme Budget and other voluntary contributions aimed at maintaining risks within acceptable limits, as defined by the risk appetite framework and the Organization's results-based management policies and procedures.

12. Clarified responsibilities of implementing partners in managing risks within their control – WHO delivers health outcomes through implementing partners, including health ministries and non-State actors. The effective management of risks by WHO will therefore be highly dependent on WHO's ability to assess the capacity¹ of those implementing partners to identify, prevent and mitigate risks and its ability to monitor the effective management of risks during the implementation of health programmes. This will require implementing partners to commit to facilitating WHO's assessments and monitoring activities, including, where needed, through external assurance mechanisms, such as external risk and assurance reviews, on-site spot-checks of implementing partners and compliance reviews.

13. Strengthened internal accountability through clarified responsibilities across the three levels of the Organization.

Road map to guide the implementation of the strategy

14. Establishing WHO's risk appetite, and for each key success factor, risk acceptability levels with the Global Risk Management Committee has brought risk consideration into the preparations for the

¹ Capacity refers to the people, processes and systems.

programme budget for 2024–2025 . A detailed road map was developed with the following building blocks:

- 2023–May 2024: surge capacity in risk management and compliance at the three levels of the Organization to develop tools allowing WHO to report on its risk appetite for the first time in 2024, building on an approved risk appetite framework;
- May 2024–2025: roll-out and training of tools specific to the management of prioritized principal risks across the three levels of the Organization with a view to maximizing the impact of programme budget investments up to 2027.

15. Beyond 2026: sustaining change with a risk culture informing decisions at all levels of the Organization.

ANNEX 2

DRAFT RISK APPETITE STATEMENT

Preamble

An organization's risk appetite expresses the types and amount of risk it is willing to accept in pursuit of its objectives. In other words, it answers the question of how much risk the organization is prepared to face in delivering its strategy.

An effective risk appetite incorporates much more than a one-off policy statement. Its effectiveness lies in the linkage with the established organizational components (strategy, operating model, planning, and resource prioritization), and the concrete application of the risk appetite in decision-making, at all levels of the organization.

Effective management of risks at all levels of the organization will require providing sufficient guidance to decision-makers, by defining clear principles and boundaries, to reduce risk to an acceptable level, and seize opportunities when they arise.

A discussion of risk appetite should address the following questions:

- Organizational values: What risks will we not accept?
- Strategy: What are the risks we need to take?
- External stakeholders: What level of risks are they willing to bear?
- Capacity: What resources do we have to manage risks?

An actionable framework, based on a fully aligned risk appetite, provides valuable guidance to the management in their daily business decisions.

Statement

WHO's mission, to help people attain the highest possible level of health, requires operating in complex or changing environments where avoiding all forms of risks is impossible. The Organization takes risks in pursuit of opportunities, especially when pursuing innovation in public health, developing life-saving interventions or responding to emerging global health needs.

Accordingly, WHO's overall approach is to take calculated risks. This means balancing risks and impact as a basis for decision-making when facing uncertainty. Recognizing that uncertainty may negatively affect the Organization's success, WHO sets its risk appetite by defining the drivers of its success (so-called key success factors) and describing the level of acceptability that the Organization assigns to risks affecting any of the core principles in WHO's success factors.

WHO recognizes that all risks affecting its key success factors, if not managed effectively, may result in reputational damage or may negatively affect its brand, hence the importance of achieving consistency in applying the WHO risk management framework in daily activities and decision-making.

The statement provides to staff the below guidance regarding risks affecting WHO's key success factors:

Key success factors)	WHO risk acceptability level
TECHNICAL EXCELLENCE	Minimal
<p>What does this mean?</p> <p>WHO shall act as the “directing and coordinating authority on international health work”¹ by delivering public health decisions and services of the highest quality (i.e. relevant, evidence-based and swift) with the view to create measurable impact for people. In doing so, the Organization prioritizes the interest of the people it serves before its own, and seeks to maintain objectivity and independence when making public health decisions. In delivering its work, the Organization will apply the principles of transparency, accountability, inclusion and will aim to respect the dignity and human rights of the people it serves.</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for reaching technical excellence, mitigation actions will be immediately developed and implemented and additional resources will be sought where necessary to support the mitigation efforts. This includes ensuring that innovative approaches, at the risk of increasing financial cost, are adopted where required to achieve impact.</p> <p>The risks affecting this key success factor will have to be reduced to as low as reasonably possible, acknowledging that external factors beyond WHO's control may limit the Organization's ability to bring residual risk levels to LOW, using WHO's risk management's risk grading system.</p> <p><u>Examples of principal risks primarily affecting this key success factor:</u></p> <p>Quality and excellence of WHO's normative work compromised, simultaneous grade 3 emergencies, challenges General Programme of Work assumptions.</p>	
PARTNERSHIPS	Cautious
<p>What does this mean?</p> <p>WHO is a Member State-driven Organization existing in an ecosystem of partners in which each plays a crucial role in achieving the Sustainable Development Goals. Therefore, its success in fulfilling its function to act as the directing and coordinating authority on international health work will depend on its ability to maintain effective collaboration and trust with its Member States, donors, the United Nations and its specialized agencies, high-level political forums, other state-related entities, non-State actors, civil society and communities. In addition, WHO recognizes the critical importance of maintaining and building the trust placed in it by the public.</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for maintaining Partnerships, some mitigation actions will be put in place to balance expected outcomes with risks within available resources.</p> <p>MODERATE residual risks will therefore be tolerated where mitigation actions to bring the risk to a lower level cannot be economically implemented within the available resources.</p>	

¹ Constitution of the World Health Organization, Chapter II.

FINANCIAL SUSTAINABILITY	Cautious
<p>What does this mean?</p> <p>WHO's financial resources are deployed to execute its vision, mission and strategic priorities. The success of its work will depend on its ability to finance, in a sustainable manner, the key activities and core functions required to deliver the General Programme of Work (GPW).</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for maintaining Financial sustainability, some mitigation actions will be put in place to balance expected outcomes with risks within available resources.</p> <p>MODERATE residual risks will therefore be tolerated where mitigation actions to bring the risk to a lower level cannot be economically implemented within the available resources. For example, new strategic initiatives could be initiated if recognized to create impact and help the Organization deliver its mandate, before financing is fully available.</p> <p><u>Example of principal risks primarily affecting this key success factor:</u></p> <p>Unsustainable financing.</p>	
PEOPLE'S HEALTH, SAFETY AND WELL-BEING	Minimal
<p>What does this mean?</p> <p>WHO shall fulfil its duty of care towards its workforce and the people it serves, when delivering on its mission, by protecting them from harm and promoting their well-being.</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for maintaining People's health, safety and well-being, some mitigation actions will be put in place to balance expected outcomes with risks within available resources.</p> <p>Where the core principle (in bold) is put at risk and the level of uncertainty is deemed high for reaching People's health, safety and well-being, mitigation actions will be immediately developed and implemented and additional resources will be sought where necessary to support the mitigation efforts.</p> <p>The risks affecting this key success factor will have to be reduced to as low as reasonably possible acknowledging that external factors beyond WHO's control may limit the Organization's ability to bring residual risk levels to LOW, using WHO's risk management's risk grading system.</p> <p><u>Examples of principal risks primarily affecting this key success factor:</u></p> <p>Sexual misconduct, misconduct, workforce well-being and mental health.</p> <p>Within this category, WHO has promulgated a zero-tolerance policy for sexual misconduct and inaction against it, which means "that WHO staff and collaborators cannot stand by or ignore incidents of sexual misconduct. By simply becoming aware of an incident of sexual misconduct, specific responsibilities and meaningful actions are engaged on the part of WHO staff, collaborators, managers and supervisors, at all levels of the Organization. There is also zero tolerance in WHO for any form of retaliation against victims/survivors or bystanders who disclose, report or submit a complaint of sexual misconduct or who participate in an investigation of allegations of sexual misconduct conducted under the authority of WHO's Office of Internal Oversight Services (IOS). WHO takes all reports or concerns raised regarding sexual misconduct seriously, engaging in actions on a priority basis."¹</p>	

¹ Policy on Sexual misconduct, March 2023.

COMPLIANCE AND INTEGRITY	Minimal
<p>What does this mean?</p> <p>WHO expects its workforce and stakeholders it engages with to “Act with Integrity”, meaning that they must act in the best interest of WHO and people’s health, in line with WHO’s values and code of conduct. As an organization, WHO is committed to complying with its internal and external commitments and standards, which include internal policies, rules, regulations and procedures, donor agreements or applicable international regulations.</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for maintaining Compliance and integrity, some mitigation actions will be put in place to balance expected outcomes with risks within available resources.</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for reaching Compliance and integrity, mitigation actions will be immediately developed and implemented and additional resources will be sought where necessary to support the mitigation efforts.</p> <p>The risks affecting this key success factor will have to be reduced to as low as reasonably possible, acknowledging that external factors beyond WHO’s control may limit the Organization’s ability to bring residual risk levels to LOW, using WHO’s risk management’s risk grading system.</p> <p><u>Examples of principal risks primarily affecting this key success factor:</u></p> <p>Fraud and corruption, breach in data protection.</p> <p>In this category, WHO has promulgated a zero-tolerance policy against fraud and corruption, which means “that the Organization maintains a clear and firm stance in responding to all detected instances of such practices. This includes taking timely actions on substantiated cases of fraudulent and corrupt practices, such as disciplinary action, recovery of funds, termination of contractual relationships, referral to law-enforcement, administrative and judicial authorities at national level, debarment and other compensatory or sanction mechanisms, as deemed relevant and applicable by WHO.”¹</p>	
BUSINESS CONTINUITY AND OPERATIONAL EXCELLENCE	Cautious
<p>WHO recognizes that successfully delivering on its mission depends on its ability to ensure its freedom to operate, to secure the operating continuity of its critical systems and functions, as well as to deliver administrative services in an efficient manner to enable its activities.</p> <p>Where the core principles (in bold) are put at risk and the level of uncertainty is deemed high for maintaining Business continuity and operational excellence, some mitigation actions will be put in place to balance expected outcomes with risks within available resources.</p> <p>MODERATE residual risks will therefore be tolerated where mitigation actions to bring the risk to a lower level cannot be economically implemented within the available resources.</p> <p><u>Examples of principal risks primarily affecting this key success factor:</u></p> <p>Cybersecurity breach, business services disruption (including security incidents), failed business optimization in the enterprise resource planning system (BMS).</p>	

¹ Policy on the prevention, detection and response to Fraud and corruption, 2022.

Application

For principal risks, target risk levels have been set by WHO's Global Risk Management Committee as an application of the risk appetite statement and are periodically monitored to report where current levels of risks have exceeded acceptability levels. The Appendix lays down the target risk levels set by the Global Risk Management Committee for 2023.

For programmes and projects, the application of the risk appetite statement will require senior management to define target risk levels during their planning phases to inform the extent of mitigation needed during implementation.

In a health crisis, the expectation of Member States and other key stakeholders is that WHO will immediately deploy its resources to deliver the required support to countries in the form of emergency response operations. The speed with which WHO is expected to deliver on its mission involves **greater complexity**, and an **inherently riskier environment**, in which it is difficult to maintain the same level of risk acceptance, as compared to serving under stable environments.

As such, WHO is generally willing to consider **accepting a greater level of risk during a health emergency**. When delivering health services during a graded health emergency, the levels of risk acceptability may be higher than the ones set for stable and non-emergency environments.

In emergency situations, senior management¹ at the three levels of the Organization where relevant **jointly defines the risk acceptability levels, upfront** (for example, at the onset of a graded emergency) and documents why the risk acceptability levels defined for non-emergency situations cannot be maintained. Once the levels of risk acceptability are endorsed by Executive Management,² the designated officers in charge of the operational oversight of a graded emergency response ensure that the appropriate mitigation actions are reflected in the operational plans and implementation of the given response. All mitigation actions embedded in the activities contributing to these emergency responses should be consistent with the level of risk acceptability agreed and related target levels set.

For both acute and protracted phases of an emergency or crisis, zero-tolerance policies promulgated at the level of the Organization will, however, still be maintained and adhered to, unless authorized by Executive Management.

Updates

The WHO risk appetite statement will be reviewed and adjusted as required by the changes affecting WHO's environment and resources.

¹ Following the delegations of authority, roles and responsibilities as set out in the current Emergency Response Framework.

² As set out in the current Emergency Response Framework.

APPENDIX

TARGET RISK LEVELS 2023

Risk Id	Short risk name	Primary key success factor	Risk acceptability	Target Risk level
1	Unsustainable financing	Financial sustainability	Cautious	Moderate
2	Simultaneous grade 3 emergencies	Technical excellence	Minimal	Significant
3	Vulnerable supply chain operations	Operational excellence	Cautious	Moderate
4	Failure to interrupt poliovirus transmission by end 2023	Technical excellence	Minimal	Moderate
5	Ineffective polio transition	Technical excellence	Minimal	Low
6	Incomplete transformation	Technical excellence	Cautious	Moderate
7	Cybersecurity breach	Operational excellence	Cautious	Moderate
8	Business services disruptions/security incidents	Operational excellence	Cautious	Moderate
9	Failed business optimization of BMS	Operational excellence	Cautious	Moderate
10	Incoherent partner engagement	Partnerships	Cautious	Moderate
11	Challenged GPW assumptions	Technical excellence	Minimal	Low
12	Inability to measure impact	Technical excellence	Minimal	Low
13	Sexual exploitation, abuse and harassment, sexual misconduct	People's health, safety and well-being	Minimal	Moderate
14	Quality and excellence of WHO's normative work compromised	Technical excellence	Minimal	Low
15	Failure to manage misinformation or disinformation campaigns	Partnerships	Cautious	Moderate
16	Fraud and corruption	Compliance and integrity	Minimal	Moderate
17	Workforce well-being and mental health	People's health, safety and well-being	Minimal	Low
18	Breach in data protection and policy	Compliance and integrity	Minimal	Low

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