

**Industrial Development Board**  
**Fifty-first session**  
Vienna, 3–6 July 2023**Programme and Budget Committee**  
**Thirty-ninth session**  
Vienna, 15–17 May 2023  
Item 13 of the provisional agenda  
**General Risk Management**

## General Risk Management

### Report by the Director General

In its conclusion 2016/8, the Programme and Budget Committee “invited the Director General to report to the next sessions of the Industrial Development Board and the Programme and Budget Committee on UNIDO’s general risk management strategy and suggest comprehensive measures for addressing the financial and administrative impact of member States leaving the organization including with a view to reversing the trend of withdrawal”. The present report provides an update to the report presented at the fiftieth session of the Industrial Development Board ([IDB.50/8](#)).

## I. Background: Update on the risk management strategy

1. This document updates the May 2022 progress report to the Industrial Development Board ([IDB.50/8-PBC.38/8](#)) with an overview of initiatives carried out since the second quarter of 2022.
2. Previous reports by the Director General provided updates on the reference maturity model for risk management as a United Nations-specific framework, by which UNIDO measured the progress of its risk management strategy. It also identified the goal of “an advanced level” as a realistic target which the Organization aimed to attain in the medium term.
3. The reports also highlighted the first training on Enterprise Risk Management (ERM) provided to UNIDO personnel. The course combined fundamental concepts of risk management with concrete applications to the work of UNIDO. By the end of 2021, the course received formal accreditation from the Institute of Risk Management in London.

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## **II. ERM implementation at UNIDO**

4. In the second half of 2022, the Director General implemented a reorganization to modernize UNIDO, make it fit for the future and to better integrate risk management across all the different organizational units in the Organization.

5. UNIDO is in the process of aligning its risk management practices with its strategic objectives and programmatic activities to adopt a more systematic and Organization-wide risk management process that is firmly embedded in strategic planning and resource programming.

6. In this context, the update of UNIDO's corporate risk register 2023 commenced with a focus on results-to-risk mapping, verification and consolidation, with an alignment to the proposed biennial programme and budgets 2024–2025.

7. UNIDO plans to further strengthen and, where required, build capacity on risk management by developing mandatory risk management training, with particular emphasis on project-related risks targeted at project managers and personnel implementing projects. The course will be launched in the first quarter of 2023 and will subsequently be offered at regular intervals

8. The Organization's risk management strategy provides a framework to assess all risks individually, including the risk of Member States withdrawing. It also identifies risk owners and proposes integrated action combining bottom-up engagement in the field with normative outreach and, ultimately, political action.

## **III. Action required of the Committee**

9. The Committee may wish to take note of the information contained in the present document.

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