

CREWS Risk Management Approach

Draft to be adopted by the CREWS Steering Committee.

The objective of the CREWS initiative is to significantly increase the capacity to generate and communicate effective impact-based, multi-hazard, gender-informed, early warnings and risk information to protect lives, livelihoods, and assets in Least Developed Countries (LDCs) and small island developing States (SIDS).

CREWS Members



Australia



France (Chair)



Germany



Luxembourg



Netherlands



Switzerland

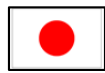
CREWS Observers



Canada



Finland



Japan



Mexico



New Zealand



Norway



UNDP



USAID



ACP

CREWS Implementing Partners



CREWS Risk Management Approach

1. The CREWS Steering Committee is the main decision-making body of the CREWS Initiative and oversees the overall activities funded out of the CREWS Trust Fund. It ensures that the strategic operations of CREWS are consistent with its purpose and objectives, approves operational guidelines and approves and oversees project progress in accordance with the *CREWS Governance Document*.
2. Implementing Partners are responsible for managing and monitoring the use of funds transferred to them by the Trustee for the purposes intended, including carrying out Projects in accordance with (i) the *CREWS Governance Document* and applicable decisions of the Steering Committee and (ii) their own policies and procedures.
3. In this context, an Implementing Partner is responsible to assess, plan, and communicate any uncertain events or conditions that could have a negative effect on a project's objectives or threatens to interfere with an operation or the Implementing Partner's obligations under its *Financial Procedures Agreement*¹.
4. An Implementing Partner is expected to notify the Steering Committee, through the Trustee and Secretariat, subject to its policies and procedures including with respect to disclosure of information, at any time it becomes aware of a materially adverse condition.
5. Risk is assessed and planned for, by the Implementing Partners, and reflected in the project proposal documents submitted to the Steering Committee for decisions on funding, in accordance with (i) the *CREWS Operational Procedures Document N°1 Programming and Project Development* and (ii) their own policies and procedures.
6. Any changes to the risk context of the projects can be updated as required, by the Implementing Partners, in the 6 monthly reports on progress provided to the Steering Committee through the Secretariat in accordance with *CREWS Operational Procedures Note N°2 Monitoring and Evaluation*.
7. CREWS Implementing Partners policies and procedures for project risk management are found at:

World Bank

- (i) *Bank Directive: Operational Risk Management*. This Directive defines the roles and responsibilities for managing Operational Risk for the World Bank.
- (ii) *Systematic Operations Risk-Rating Tool (SORT)*. This tool is used by the World Bank to consistently assess and monitor risks across all operational instruments and country programs.

WMO

- (i) *The World Meteorological Organization (WMO) Risk Management Policy (RMP)*. This policy provides the overall intentions and directions of the Organization as relates to risk management.

¹ Financial Procedures Agreement means an agreement to be entered into between the Trustee and any Implementing Partner or the Secretariat.

UNISDR

- (i) *The United Nations Secretariat's Policy Framework for Enterprise Risk Management and Internal Control*. This policy outlines the purpose, governance mechanisms and principles that guide the adoption of Enterprise Risk Management (ERM).
 - (ii) *UNISDR's Internal Risk Register (November 2018)*. This register guides the definition of detailed risk treatment and response plans on the top risk areas, and the periodic reporting on their implementation.
8. The Trustee provides financial reporting and other information on the CREWS Trust Fund established at the World Bank, to help the Steering Committee manage financial risks. The Trustee uses its established and applicable trust fund (Financial Intermediary Funds) policies and procedures in the administration of the CREWS Trust Fund until funds are transferred to Implementing Partners or returned to Contributors. Liquid assets are maintained in a commingled investment portfolio (the Pool); the assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank, with preservation of capital as the primary objective.
9. The Secretariat will inform the Steering Committee, at its regular meetings, or as requested by the Steering Committee, of performance related to projects, in a simple table, using a color coding (green, orange, red), related respectively to low, moderate and high, based on information provided by, and in consultation with, the Implementing Partners.
10. The information on project performance provided by the Secretariat draws on and complements any information provided by Implementing Partners through their regular reporting and does not alter their responsibilities as set in the *CREWS Governance Document* and reflected in paragraphs 2-6 of this document.
11. The table provided by the Secretariat on project performance relates to three factors, for which thresholds will be established as required:
 - (i) Rate of expenditure, as set out in the project expenditure timeline included in the project proposal;
 - (ii) Rate of delivery of activities, as set out in the work plan included in the project proposal;
 - (iii) Alignment of the project activities with the objectives as set out in the work plan included in the project proposal.
12. Annex 1 provides a template of the project performance status table.
13. The information provided by the Secretariat provides a simplified visualization of the overall status of project performance to assist the Steering Committee in its deliberations. For projects with low-performance ratings, the Steering Committee will identify jointly with the Implementing Partners whether potential remedial measures are necessary.
14. CREWS is a continuously learning initiative. The approach to risk management will be refined and adapted, as needed, based on practice.

Annex 1: Template for Collecting Information on CREWS Project Performance Status

Summary of CREWS Projects Performance Status			Date:		
Project	Implementing Partner	Project Status	High	Medium	Low
1. Name of project...	World Bank	Rate of expenditure	☹	☺	☹
		Rate of delivery	☺	☹	☹
		Alignment with objectives	☹	☺	☹
2. Name of project...	World Bank and WMO	Rate of expenditure	☹	☺	☹
		Rate of delivery	☹	☺	☹
		Alignment with objectives	☹	☺	☹
3. Name of project...	WMO	Rate of expenditure	☺	☹	☹
		Rate of delivery	☹	☺	☹
		Alignment with objectives	☹	☺	☹