

CGIAR Integrated Partnership: Risk Appetite

Introduction

- The CGIAR Integrated Partnership recognizes that risk-taking is an integral part of delivering on its strategy. As an innovation-driven partnership, CGIAR IP cannot succeed without taking risks and pursuing opportunities.
- Risk appetite refers to the level and type of risk an organization is willing to accept, mitigate, or avoid in pursuit of its long-term strategic objectives.
- Operating in an extended enterprise environment, CGIAR IP bring together multiple stakeholders and partners, each with their own risk appetites and priorities. This risk appetite statement provides guidance as needed to these stakeholders and partners, ensuring a common understanding of how risk should be managed in pursuit of CGIAR IP's goals, and how it should be maximized or minimized in the relevant circumstance.
- This statement is reviewed annually as part of the e CGIAR IP risk management framework, under the leadership of the Integrated Partnership Risk and Internal Control Executive, in collaboration with the Risk Management Leads of the Centers/SO.

Risk appetite approach

1. The CGIAR Integrated Partnership categorizes its risk appetite into three levels based on its willingness to pursue opportunities and manage threats to achieve its objectives.

	Definition	Implications on actions to manage risk	Implications on decision taking	Implications on risk communication/escalation
Low	CGIAR IP seeks to minimize or eliminate risk.	Strong and reasonable preventive controls are prioritized within the operating environment, even if cost of actions may exceed potential event materiality	Risk is minimized due to potential downside impacts.	Increased visibility and communication to the governing bodies.
Medium	CGIAR IP seeks a balanced approach between opportunities and threats.	Actions and controls are proportional value driven, ensuring efficiency without unnecessary rigidity.	Decisions consider both potential upside and downside risks, and benefits versus costs.	Risk visibility is provided as needed to the governing bodies.
High	CGIAR IP encourages evidence-based and disciplined risk-taking.	Risk-return tradeoffs are actively managed, and flexibility is maintained for innovation.	Risk taking is strategic and intentional to maximize opportunities and tolerate failure to be innovative.	Visibility and communication to the governing bodies on a case-by-case basis.

This approach ensures that risk management and internal controls are aligned with CGIAR IP's strategic risk appetite, guiding decision-making and prioritization of controls.

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- It is proposed that Centers/SO adopt a co-developed risk appetite model and customize their specific risk appetite thresholds and tolerance across various domains commonly agreed, thereby fine-tuning their risk appetite statements using the commonly agreed model.
- The CGIAR IP defines its risk appetite through a model that addresses common key areas of risk in relation to its objectives, whether strategic, operational or financial. In this way we can develop related thresholds to monitor risk and guide actions to manage risks (i.e. mitigate or take more risk).

Risk Appetite Across Key Risk Categories

- CGIAR's IP risk appetite is structured across 13 key risk categories, ensuring alignment with its mission, operations, and financial sustainability.:

Common Risk Areas	Risk Category	Risk Appetite Level	Rationale
Strategic	Change Management	Medium	CGIAR IP acknowledges that organizational transformation is essential. It accepts moderate risks to balance innovation with structured implementation.
	Research Innovation	High	As a research-driven organization, CGIAR IP embraces high-risk, high-reward innovation while maintaining ethical and responsible research practices.
	Partners & Partnerships	Medium	Collaboration is central to CGIAR's mission. While partnerships carry risks, due diligence safeguards its reputation and strategic objectives.
	Scaling Impact	Medium	CGIAR aims to maximize the reach of its innovations while ensuring program viability, sustainability, and alignment with long-term goals.
Operational	Business Continuity	Medium	Operational resilience is a priority. CGIAR IP accepts moderate risks to enhance flexibility while mitigating disruptions.
	Talent Management	Medium	Attracting and retaining talent is critical. CGIAR IP takes calculated risks

			in HR policies to foster an inclusive and dynamic workforce.
	Data Management	Low	Security, integrity, and compliance are prioritized. Risks such as data breaches and misuse are minimized through strict controls.
	Health, Safety & Well-being*	Low	The safety and well-being of CGIAR's IP workforce and stakeholders are non-negotiable, with strict adherence to regulations.
	Ethics & Integrity*	Low	CGIAR IP maintains zero tolerance for unethical behavior and strong governance mechanisms to ensure transparency and accountability.
	Legal & Regulatory Compliance	Low	Strict adherence to global and local regulations is a priority, minimizing risks related to non-compliance.
	Infrastructure	Medium	CGIAR IP takes measured risks in infrastructure investment, balancing efficiency, sustainability, and innovation.
Financial	Funding	Medium	CGIAR IP actively explores diversified funding opportunities, accepting moderate risks while ensuring financial stability.
	Financial Risk	Medium	A prudent but flexible approach allows CGIAR IP to seek financial growth while maintaining strong financial oversight.

Note: Risk categories marked with an asterisk (e.g., Ethics, Health & Safety) have an aspirational risk

Risk appetite statement

- CGIAR IP's risk appetite statement is summarized below:

Low	Medium	High
*Health, safety and well-being Legal and regulatory compliance *Ethics Data	Change management Partners and partnerships Scaling impact Funding Talent Business continuity Financial	Research innovation

<i>*Categories for which the aspirational risk appetite is zero</i>	Infrastructure	
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Low

We aim to minimize or eliminate risks within our areas of operations to effectively maintain a robust control environment. It is essential to exercise caution when exploring opportunities in these areas.

Medium

We are willing to accept some risk in certain areas in which we seek a balanced approach to risk-return trade off.

High

To achieve success and effectively deliver on our strategy, we actively promote and encourage evidence-based and disciplined risk taking.

Governance & Oversight

To ensure effective risk management CGIAR's governance structure defines roles and responsibilities for decision-making and oversight:

- IP Board, Centers Boards, & Global Leadership Team (GLT): Provide strategic oversight, set the risk appetite framework, and ensure accountability.
- Integrated Partnership Risk & Internal Control Executive: Leads the risk management process, ensuring alignment with CGIAR's IP mission and strategy.
- Management Teams of Centers/SO: Identify, assess, and monitor risks in their respective areas, ensuring compliance with risk appetite thresholds.

Roles and responsibilities of relevant committees, executives and stakeholders in relation to governance and oversight are set out in the CGIAR Integrated Partnership: risk management policy document.

Monitoring & Reporting

Monitoring & Risk Indicators:

- The Integrated Partnership will track adherence to CGIAR's IP risk appetite through a structured risk management framework.
- Key Risk Indicators (KRIs) will be established for each key risk category to monitor deviations and trigger action plans.

Reporting Mechanisms:

- Periodic risk assessments are integrated into governance meetings of the IP/Centers/SO and operational performance reviews.
- Significant risks and trends will be documented in risk registers and presented to the Global Leadership Team and governance bodies.

Escalation Process:

- Top- priority risks exceeding CGIAR's IP approved appetite will trigger an immediate review by designated risk owners.
- High-impact risks are escalated to the Global Leadership Team (GLT) and relevant committees for mitigation strategies setting and decision-making.

Review & Updates

The Risk Appetite Statement will be reviewed and updated annually to ensure alignment with:

- CGIAR's strategic objectives,
- Evolving risk landscape and external factors.

The review process follows a top-down and bottom-up approach:

- Top-down: The Global Leadership Team and governance bodies set the overarching risk appetite framework, ensuring strategic alignment and accountability.
- Bottom-up: Risk teams at Centers/SO together with risk owners provide insights on emerging risks, practical challenges, and mitigation effectiveness, ensuring a grounded and informed approach to risk management. The overall risk appetite levels are based on an average assessment from CGIAR Centers, ensuring a balanced and representative approach across the organization.

This iterative process ensures that the risk appetite remains relevant, adaptive, and effectively embedded across CGIAR.

Relevant documents

2. CGIAR Integrated Partnership: Risk management Framework
3. CGIAR Integrated Partnership: Risk Management Policy
4. IP Risk and Oversight Plan
5. Terms of Reference of the Risk and Internal Controls Function