Introduction
This Risk Management Appetite Statement considers the significant risks to which ECPAT International Secretariat is exposed in pursuing its objective to end all forms of child sexual exploitation.

The ECPAT International Network comprises 122 network members in 104 countries. The International Assembly is the highest decision making body of the network and approves the strategic framework. The Board of Trustees is responsible for the implementation of the decisions of the International Assembly.

In this Statement, consideration is given to the fact that actions from the Secretariat may cause a risk to individual network members, the Network as a whole, or the Board of Trustees, and that actions from network members or the Board of Trustees may cause a risk to the Secretariat and to the Network as a whole. While the purpose of this statement is primarily to state the risk appetite of the Secretariat, the linkages with the network, its members, and the Board of Trustees should not be ignored.

ECPAT International recognizes that as a child rights organization, it has a moral and legal responsibility to ensure that children are safe when they are in the organization’s care – directly or indirectly.

ECPAT International Secretariat provides resources and support to member organizations and partners who may be working directly with children and young people, many of whom are from vulnerable or marginalized groups, live or have lived in difficult circumstances, and/or are at risk of exploitation.

ECPAT International is committed to ensuring that all of its activities are conducted legally, ethically and with integrity.

Risk Management Framework
ECPAT International (EI) has developed a risk management framework which identifies and manages risk with the first step being this Risk Appetite Statement.

Risk is consistently examined on an ongoing basis in ECPAT’s work, including in proposals for funding and management planning and reporting. In the design of programmes, risk is assessed in terms of factors that could impede achievement of programme/project objectives.
Reputational risk is considered in relation to all decision making. Due to the sensitive, clandestine and criminal nature of child sexual exploitation, risks related to the staff and organizational security are given particular attention and taken into account. Financial risks are addressed in the context of financial planning and existing procedures.

**Risk Appetite Statement**

ECPAT International’s risk appetite statement sets out a vision on how risks are to be viewed and provides the basis for setting acceptable levels of risk tolerance.

The ECPAT International Board of Trustees has responsibility for the Secretariat, the security and safety of Secretariat staff, for the setting and implementation of strategic goals and for the management of risk associated with its activities. To effectively implement the strategic framework EI supports Network members in capacity development so that they can be effective in their own country and region. To implement joint actions, the Secretariat at certain times may provide financial resources to Network members.

In influencing global advocacy to ensure protection of the rights of the child from sexual exploitation, EI collaborates with governments and intergovernmental agencies, United Nations agencies, (international) non-governmental organisations and the private sector.

**Coverage**

**Strategic Risks**

ECPAT International recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives as well as reputation. Every three years at the International Assembly a strategic framework is endorsed to ensure initiatives are prioritised appropriately and are managed and reported on a consistent basis.

EI relies on Network members to deliver the objectives of the strategic framework and acknowledges that it does not have direct control of Network member’s actions.

EI has a **high risk appetite** for those strategic risks that will realise its strategic goals and objectives.

**Financial Risks**

ECPAT International assesses its financial risks both from a strategic and operational perspective. EI requires at all times a balance between adequate reserves and liquidity, and understands that it is not always possible to eliminate all risks.

EI has a **low risk appetite** for financial risk.
**Fundraising Risks**
EI needs to achieve sustainable growth in fundraising for the organisation to achieve its goals. EI recognises that many funders are interested in programmatic funding rather than operational funding. To mitigate this risk EI must develop relationships with funders who understand the way the Secretariat operates.

EI has a **high risk appetite** in identifying and exploring new ways of unlocking fundraising opportunities within the broader markets it operates in.

**Advocacy Risks**
ECPAT International approaches the delivery of its advocacy program both from strategic (impact and reach) and operational (structure and delivery) perspectives. Advocacy for change is based on research and is factually based.

The elimination of sexual exploitation of children requires significant power shifts both politically and economically as well changes in community attitudes and understanding of the current situation. Advocacy for such change is one of EI’s core strengths and it approaches its advocacy activities in accordance with its policies and controls in place to manage the risks inherent in this activity.

Public scrutiny is an inherent component of EI’s advocacy. Some of ECPAT’s work may generate controversial or negative perceptions and media coverage which will affect its reputation. It may also generate risks for member organisations in countries where public scrutiny is not welcomed or legally restricted. EI will seek to ensure transparent and clear communication in order to mitigate this risk and that key stakeholders are informed and consulted as needed.

EI has a **high risk appetite** in advocating for the elimination of sexual exploitation of children.

**Programme Risks**
ECPAT International delivers programming through a range of thematic areas and across different regions and globally. Research, communications and awareness raising are core elements across our programming.

The risks of failing to act often outweigh the risks of engagement and therefore, program decisions are based on analysis and assessment of risk.

EI has a **high risk appetite** when it comes to engagement of/with stakeholders, partner agencies, staff and resources. However, EI has a **low appetite** for failure to deliver project objectives as a result of factors within our control, including lack of management supervision, planning and provision of adequate tools.

**Child Protection Risks**
ECPAT International’s programming sometimes involves direct contact with victims, children and young people. Such involvement requires **always** the highest standard of protection
measures, including for implementing partners and agencies, and to the extent possible, for external suppliers.

EI has a **low risk appetite** when it comes to child protection issues. EI has **zero tolerance** for child exploitation or abuse by any staff, partner or other related person or entity, regardless the legality of the act, or the relation with ECPAT’s programmatic actions.

**Fraud & Corruption Risks**
ECPAT International accepts that the world it operates in could have an exposure to the risk of fraud and corruption. These practices, as well as the misappropriation of resources, are in direct contravention to EI’s values. EI’s reputation for integrity and competence should not be compromised including in relation to key stakeholders, supporters and Governments.

EI has **no tolerance for fraud and corruption**.

**Compliance Risks**
ECPAT International is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles. Commitment includes compliance to regulations in the host-country of the Secretariat, both for the organisation and for individual staff members and visitors.

While minor breaches may occur from time to time due to the complexity of EI’s operations, substantive breaches will not be tolerated and such breaches will be remedied as soon as practicable.

EI overall has a **low risk appetite** for non-compliance.

**Information Technology Risks**
ECPAT International requires its information management systems and procedures to be adequate and relevant for its intended purpose. EI’s internal control processes need to ensure the development and implementation of robust technology systems to potentially mitigate significant and malicious threats to ECPAT assets and information.

EI has a **low risk appetite** to the non-availability of systems and **no appetite** for misuse of information.

**Safety Risks**
ECPAT International aims to create a safe working environment for staff where people are protected from physical or psychological harm.

EI recognises that due to the sensitive, clandestine and criminal nature of child sexual exploitation, risks related to the staff and organizational security can be high.

EI will do all in its power to mitigate safety risk but in particular has **no tolerance** for non-compliance with accepted work place health and safety practices and for practices or
behaviours that may lead to staff being harmed while at work, including psychological harm from continuous exposure to the thematic areas the organisations work on.

The Covid-19 pandemic continues to have a substantial impact on the ECPAT Secretariat office. A focus on regional and international advocacy events and network coordination meetings, with a team of mostly international staff in its Bangkok office has required staff to adjust planning and projects to on line communications whilst working from home. This can cause stress and isolation.

EI has a **low risk appetite** for lack of staff well being

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**Risk Appetite Implementation**

ECPAT International and the Senior Management Team will be responsible for the implementation and compliance with this Statement.

**Communication**

The Risk Appetite Statement is published on EI’s website.

**Reporting & Monitoring**

ECPAT International monitor this Risk Appetite Statement via the Risk Register which has a number of risk metrics which assists Management in assessing whether outcomes are consistent with the overall risk appetite.

**Review**

The ECPAT International Board may determine at its discretion to have a formal review of the risk appetite statement and risk management policy framework process undertaken. This review will be coordinated by the Operations Department and proposed changes to the Risk Appetite Statement would be endorsed by the Board.

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Board of Trustees, 14 September 2021