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Responding Amid Uncertainty and Managing Risk in Humanitarian Settings

Summary Findings Report

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Acknowledgments

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EXECUTIVE SUMMARY

Today, humanitarians around the world operate under increasing risk and uncertainty. From Afghanistan to Ukraine to Yemen and beyond, protracted crises, natural disasters, and the growing politicization of aid pose significant dilemmas to humanitarian action, programming, and timely delivery of life-saving assistance. Although these operational challenges preceded the global COVID-19 pandemic, it has strained humanitarian systems and exacerbated and created new dimensions of risk. How organizations perceive and manage this risk impacts where they work, with whom, and how. This dynamic landscape motivates InterAction's dedicated body of work about risk in humanitarian action.

This summary report, ***Responding Amid Uncertainty and Managing Risk in Humanitarian Settings***, presents new research from the *Risk III: From Evidence to Action* project (2020–2022). **It highlights common risk management traps that limit NGOs' ability to meet humanitarian needs and the key strategic changes needed to break them.** Risk III is a partnership of InterAction and CDA Collaborative Learning[1], funded by the US Agency for International Development's Bureau for Humanitarian Assistance (USAID/BHA) and in conjunction with leading international non-governmental organizations (INGOs), including Action Contre la Faim, CARE, Catholic Relief Service (CRS), Concern Worldwide, Danish Refugee Council (DRC), Global Communities, International Medical Corps (IMC), International Rescue Committee (IRC), Islamic Relief Worldwide, Mercy Corps, Norwegian Refugee Council (NRC), Relief International, Save the Children, and World Vision.

Reframing risk management

To better manage and mitigate the increasing level and complexity of risks faced, humanitarian actors and donors have sought to professionalize their risk management policies, systems, and practices. This has led to a proliferation of rules and requirements, both among those delivering aid and those funding it. More attention is given to the compliance risk dimensions, and thus compliance is viewed as both a function of risk management and the outcome of it. The objective of risk management is framed as "ensuring compliance" rather than managing risk to ensure humanitarian programs can reach people in need.

The compliance focus also means the humanitarian community has lost sight of the range of daily decisions and activities used by program and support teams to mitigate possible risks. When risk management is detached from programs or lacks purpose in its design, the consequences can be far-reaching. The effects can be felt in the communities that are most in need, as risk management priorities can inform where organizations work, who they partner with, what aid or programs they choose to deliver, and which groups of people they support.

Additionally, while the strong controls and comprehensive policies typical of a compliance-focused approach may look good on paper, they often reduce risk management to a box-ticking exercise and conversely reduce country teams' ability to manage and respond to risks dynamically as they arise. Organizational resources become more consumed with documentation than with creating a "risk intelligent" culture centered around program delivery. Any risk management policy or system is only as good as the intent behind it, peoples' capacity to implement it, and the

1 CDA's global experience and practitioner-oriented learning model are well aligned with both the goals of Risk III and the partnership with InterAction. For over 25 years, CDA has been a trusted independent learning partner taking an inquiry-based approach to the vexing questions across humanitarian, development, peacebuilding, and private sectors. For more, see: https://www.cdacollaborative.org/.

willingness to make changes when it no longer supports the organization's aims. A compliance-focused approach fails to recognize that an organization's most effective assets in managing risk are its culture and people.

Risk III: From Evidence to Action seeks to address this by reframing *strong risk management* not as compliance but as a people-centered approach that enables and facilitates responsive and quality humanitarian program delivery.

> **STRONG RISK MANAGEMENT**
> A risk management approach that is designed to enable quality and timely humanitarian delivery, performance, and outcomes for crisis-affected people and communities.

How are risk management approaches enabling or hindering humanitarian programs?

The Risk III findings shine a bright light on the critical role people and relationships play in driving strong risk management practice that enables program delivery. This is a headline of the peer learning process, which consulted 179 practitioners from 39 countries, representing 52 organizations. **With their help, Risk III represents the most robust data set and analysis to date related to humanitarian risk management.**

During these consultations, InterAction and CDA explored two central questions. First, what risk management policies and practices helped teams and organizations deliver humanitarian aid to people in need? Second, what policies and practices hindered their work to deliver assistance? Humanitarian staff shared many positive examples of risk management approaches and practices that help them better forecast threats and mitigate risks. These included integrating risk management into program planning and management, resourcing it adequately, and discussing and prioritizing internally.

However, they also identified how risk management approaches create barriers to timely and effective humanitarian assistance. These include impractical, rigid, slow procedures, an over-focus on compliance, and transactional approaches to partnerships. While many of these factors are well known, the research probed further and showed how these negative risk management approaches connect and drive one another, creating **eight common risk management traps** that have left many NGOs and teams 'stuck' in recurring cycles. Understanding how these traps function provides new insights on where to focus efforts to achieve the most effective and dramatic changes to risk management approaches.

THE 8 RISK MANAGEMENT TRAPS

1. Focus on Systems, Not People
2. Staff Disempowerment
3. Weak Risk Forecasting & Readiness
4. Institutional Learning Gaps
5. Transactional Partnerships
6. Compromised Community Engagement
7. Coordination Dilemmas
8. Prioritizing Compliance Over Delivery

Breaking (or Avoiding) the Risk Management Traps: Five strategic changes

Participants shared more than 500 best practices and potential options for strengthening risk management during the Risk III workshops. Although some were organization-specific, many were mentioned across organizations and contexts. Five key strategic changes emerged from these suggestions, which, if implemented, have the potential to break the reinforcing cycles of the risk management traps. These are:

Strategic Change 1: Empower country teams to manage risk at the country level and make decisions in real-time based on the contextual realities and needs.

Strategic Change 2: Build connectivity between risk management and program planning and implementation by integrating it throughout the program cycle to improve forecasting, planning, and mitigation and foster a shared responsibility for managing risk.

Strategic Change 3: Adopt a "do no harm" approach to partnering to reduce risk transfer, ensure continuity of humanitarian activities, support localization, and build partner capacity to manage risk.

Strategic Change 4: Be systematic about interagency coordination to improve information sharing, risk forecasting and mitigation, and collective action on shared issues.

Strategic Change 5: Advance donor policies that support responsive interventions and risk management oriented around crisis-affected people and their humanitarian needs rather than control-driven policies that fuel risk aversion and limit humanitarian action.

Implementing the Strategic Changes

If the humanitarian actors hope to improve risk management policy and practice, that work must focus on people, not systems. Organizations must understand and build adaptive models, capacities, and mentalities that anticipate and accommodate the spectrum of uncertainty inherent in humanitarian crises. That work must be driven internally within organizations and contextualized to their programs, operations, culture, and norms. Those efforts must also account for how an organization coordinates, and how it works in partnership.

With this goal in mind, InterAction and CDA have designed a range of learning materials to support organizations to adopt a people-centered, strong risk management approach that supports humanitarian action in high-risk settings. These include:

Responding Amid Uncertainty and Managing Risk in Humanitarian Settings – A Learning Guide ↗
This guide is an essential resource that humanitarian organizations and staff can use to assess gaps and strengths in their risk management approaches, systems, and culture. It is designed to support and build awareness and preparedness in risk management policy and practice.

Responding Amid Uncertainty and Managing Risk in Humanitarian Settings – A Resource Guide ↗
This guide serves as a collection of resources that synthesizes recommendations and good practices including tips on talking to donors about risk management costs, job description templates for risk advisor roles, and a Q&A on building risk intelligent cultures.

Risk Management 101 Video ↗
The video is an educational tool. It introduces key terms and concepts in the risk management process, including how humanitarian teams contend with difficult tradeoffs that come with mitigating and managing risk. The video, available in multiple languages, can be used in team meetings, project planning workshops, partnership reviews, or onboarding processes.

BACKGROUND

The *Risk III: From Evidence to Action* (2020–22) project, funded by USAID/BHA, is a continuation of InterAction's dedicated body of work on risk management policy and practice in humanitarian action. Building on previous work, InterAction partnered with CDA Collaborative Learning (CDA) to renew peer learning and deepen the growing evidence base on how NGOs cope with uncertainty and manage risk in humanitarian settings.[2] Additionally, the Risk III program aimed to advance solutions for institutional learning and progress in NGOs. The project builds on two crucial findings from previous work:

1. Established risk management approaches do not measurably improve country and program teams' ability to navigate and make decisions to mitigate potential risks and manage them should they materialize.

2. Current risk management approaches prioritize the risk to individual organizations rather than the risk to the humanitarian response and the broader system of actors responding. The current compliance, or rules-based, approach can come at the expense of quality, effective, and efficient humanitarian programs. In crisis settings, this translates to lives lost due to increased complexity, indecision, cost overruns, and project delays.

Framed through these findings, Risk III program worked to:

- Expand and build on emerging learnings on risk management in humanitarian responses (including Risk I, Risk II, and other efforts across the sector);

- Prompt dialogue across and among humanitarian agencies about how risk management approaches impact the organization's ability to deliver humanitarian aid; and

- Develop new approaches and resources that help organizations adopt a strong, people-centered approach to risk management.

This report summarizes the key learning, recommendations, and resources from the Risk III program.[3] It accompanies both the Learning and Resource Guides, which were designed to promote organizational learning and progress towards a more user- and response-focused risk management model for humanitarian operations.

2 CDA's global experience and practitioner-oriented learning model are well aligned with both the goals of Risk III and the partnership with InterAction. For over 25 years, CDA has been a trusted independent learning partner taking an inquiry-based approach to the vexing questions across humanitarian, development, peacebuilding, and private sectors. For more, see: https://www.cdacollaborative.org/.

3 This report is not comprehensive. Rather, it summarizes the central learning and findings of Risk III. It should be read alongside the Learning Guide and Resource Guide, which provide additional evidence, as well as the outcomes and next steps for this work.

METHODOLOGY

Several data collection methods were used to gather insights, including a desk review of relevant materials and policies; key informant interviews (KIIs) with senior NGO leaders; and a series of peer learning and analysis workshops (see box). Workshop participants included leadership, program, and support staff across country, regional, and headquarters offices. Workshops focused on what features within NGO staffs' operational and organizational environments enable and hinder strong risk management practices. Participants prioritized the most significant barriers and identified good practices and opportunities for solutions to overcome the barriers. The ten virtual workshops included 179 participants from 39 countries and represented 52 local or international NGOs. Systems analysis was used to map the key features of effective risk management and the common hurdles that work against a strong risk management approach, including those applicable to the external operating environments and those internal to a given organization.[4]

SNAPSHOT: RESEARCH SCOPE

- 10 Global Workshops: 179 participants
    - 123 participants in country offices or response-setting roles
    - 36 participants in partner agencies
    - 42% Leadership Level
    - 30% Program Staff
    - 28% Support Services
- Key Informant Interviews: 11 participants from eight INGOs

4 For more, see: https://www.cdacollaborative.org/publication/designing-strategic-initiatives-impact-conflict-systems-systems-approaches-peacebuilding/

EVIDENCE AND LEARNING

Risk is the effect that uncertainty has on an organization and its objectives.[5] To illustrate, risk isn't the chance of a major case of fraud occurring in a humanitarian crisis. It is the chance that a major fraud event will disrupt or affect an organization's objectives by, for example, resulting in the organization shutting down critical life-saving interventions for people in need. In humanitarian settings, organizations and teams face a range of unknowns. There is no way for an organization to have perfect knowledge of all possible risks, their probabilities or possible consequences. Complexity, volatility, and uncertainty are inherent in any humanitarian crisis. The ability to respond to urgent needs and provide life-saving assistance is predicated on managing this uncertainty and tolerating the unknowns. To eliminate uncertainty —reduce risks to zero—would mean not delivering humanitarian assistance at all.

Complexity, volatility, and uncertainty are inherent in any humanitarian crisis. The ability to respond to urgent needs and provide life-saving assistance is predicated on managing this uncertainty and tolerating the unknowns.

Throughout the Risk III program, the term "strong risk management" was used to frame risk management within the broader objectives and aims of humanitarian organizations and humanitarian action. This conceptual framing encompasses proactive and reactive risk management strategies and the capacities and capabilities organizations, and their teams use to manage uncertainty and deliver humanitarian interventions.

To eliminate uncertainty—reduce risks to zero—would mean not delivering humanitarian assistance at all.

STRONG RISK MANAGEMENT
A risk management approach that enables and facilitates responsive and quality humanitarian programs.

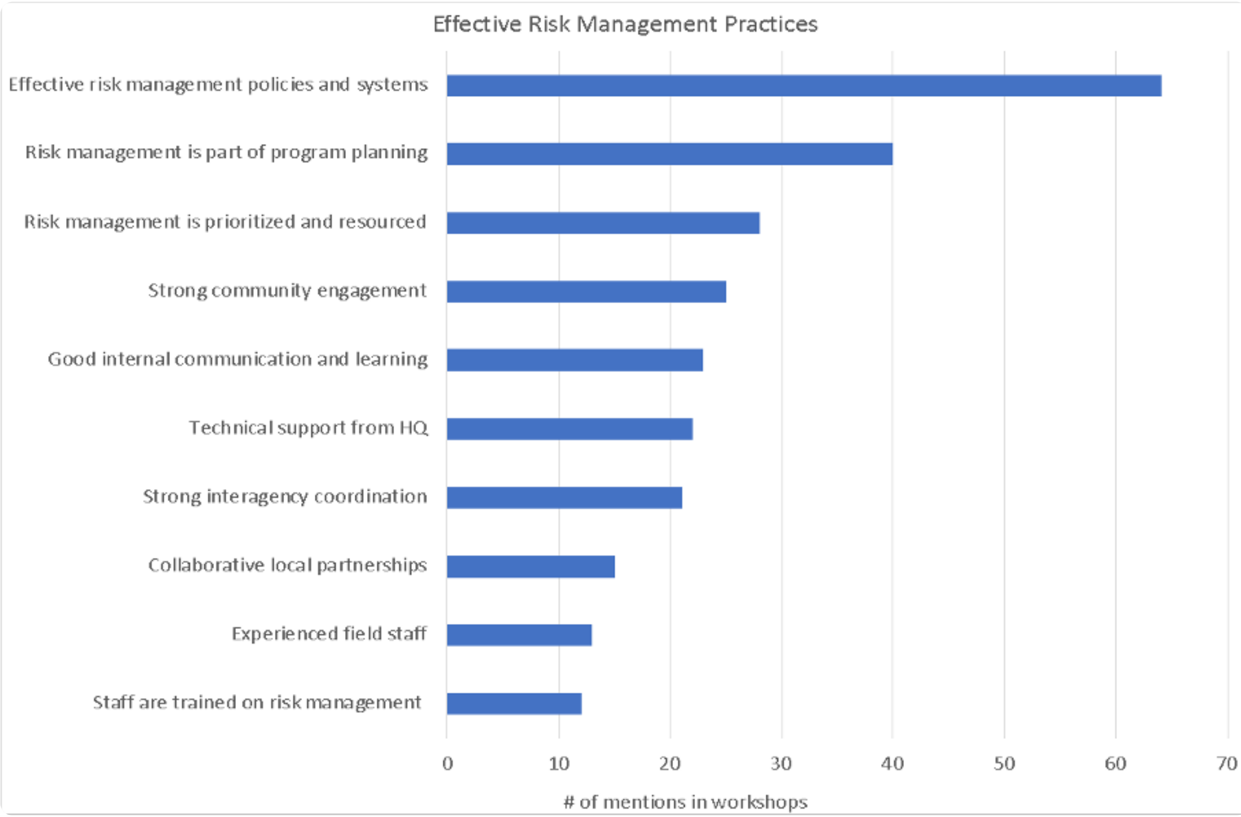
This report lays out emerging findings on:

1. Successful risk management approaches that enable the delivery of humanitarian programs.

2. Risk management approaches that hinder successful program delivery.

5 See for example Risk Management – A Practical Guide. ISO 31000. 2018.

How Risk Management Can Enable Successful Program Delivery



Many positive examples emerged where risk management practices helped organizations deliver aid in high-risk settings.[6] Positive examples fell across ten common groups.[7] Notably, when these practices were not in place or not prioritized, they were characterized as barriers that frequently hindered programs. Overall, good risk management practice was consistent across different workshops. Perspectives diverged when participants were asked which enablers should be key priorities. Organization-specific enablers—such as leadership or clear ownership—were seen as most important only in those workshop participants from a single NGO. Conversely, participants prioritized external factors in workshops with staff from multiple NGOs. For example, those workshops identified community engagement and effective coordination as some of the most important factors.

1. **Clear, effective policies, procedures, and systems for managing risk** guide staff and teams on what is expected of them, support decision-making, and facilitate conversations on how to manage risk between departments and levels. Examples include:

    - Go/No Go processes that help organizations assess the risks linked to new funding opportunities and,

    - Enterprise risk management approaches that help staff see the links between different risks and adopt a more holistic approach.

6 More than 500 cases of good practice were identified throughout the workshops.
7 Importantly, this section only offers a brief description and example of the finding, for more details please see the Learning Guide.

However, participants consistently said that policies and procedures often disrupted or harmed program delivery. Essentially, the focus must be on developing useful and relevant policies rather than policies that are ill-suited for humanitarian contexts and operations.

2. **When risk is considered during program assessments and planning,** it leads to better forecasting, planning, and mitigation measures, which can support program continuity when issues arise. Context analysis and risk assessment are critical tools that help organizations understand their operational environment, identify the range of potential risks, and make informed decisions about how best to mitigate them. Integrating risk management at the program planning stage provides teams with more space and time to plan together and secure the expertise or resources needed to manage risk effectively.[8] As one workshop participant noted, "Our whole team participates in developing the risk matrix, planning mitigation measures, and reviewing risk incidents. It helps create a sense of shared ownership and improve how we capture and share lessons."

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-Workshop Participant

3. **When risk management is a priority for the organization and senior management,** it leads to more investment and a deliberate effort to develop, improve, and roll out risk management policies, procedures, trainings, and systems organization-wide. Leadership is critical for organizations working to build a culture focused on risk management. Risk management is a shared responsibility rather than the exclusive domain of compliance or finance. On a practical level, leaders are also responsible for allocating resources, recruiting staff, and putting the necessary policies and procedures in place to enable a robust risk management approach that works in favor of an organization's objectives.

   As one INGO workshop participant noted, "We made a deliberate choice to call it 'risk and compliance' because it shows risk is more than compliance. It helps us qualify what procedures are really critical and what is not as important."

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-Workshop Participant

4. **Good engagement with local communities** builds trust and facilitates acceptance, safe access, and a better understanding of the context and risks—leading to more effective programs. Teams appear to be more risk aware when they understand how community engagement and risk management are linked. Community engagement helps staff understand dynamic contexts, anticipate potential events, and prepare. When the link between risk management and community engagement are made at all stages of the humanitarian program cycle—including needs assessment, response analysis, and program planning, implementation, and monitoring—affected people and NGOs can realize greater benefits. For example, a safe and secure program feedback mechanism helps organizations access insights and information that community members might otherwise not disclose.

8 Risk registers are useful tools that aid the monitoring and managing of risk during program implementation, and as a means of facilitating discussions between staff and levels.

Communities and affected people are central to program assurance and quality. They offer critical inputs on how programs can be designed and executed so that humanitarian interventions reach the right people in need and achieve the desired results.

5. **Strong internal communication and coordination** strengthen the culture of trust needed to promote information sharing and open exchange on managing risk across teams, roles, and levels. It promotes shared ownership and builds an integrated and holistic view of how risk is assessed, evaluated and managed. Capturing lessons—especially on major risk events—and sharing them widely helps organizations and teams to which approaches are most effective, relevant and useful. Learning promotes risk intelligence across an organization and builds capable teams that understand and can manage common tensions and trade-offs between risk management and humanitarian programs. Overtime, the lessons become common knowledge that teams easily draw on when evaluating a new dilemma and considering actions.

6. **Technical support, capacity building, and oversight by headquarters (HQ) teams to country offices** can help overstretched response teams identify issues that may be missed, specifically related to donor rules or requirements.[9] Response or country teams need to know where to access support and trust that constructive and actionable help will be available and provided. HQ technical support is most valuable when it offers analysis and possible actions that recognize program objectives and contextual factors and treated them as equally important.

   An NGO staff working in a country office in a major humanitarian crisis described how dedicated legal support allowed the program team to navigate uncertainty. "The legal team understand and care about our programming. They have enabled us more than that have stopped us in doing our work."

> *"The legal team understand and care about our programming. They have enabled us more than that have stopped us in doing our work."*
> *-Workshop Participant*

7. **Effective coordination between agencies and stakeholders** (i.e., host governments, donors, etc.) improves information sharing and creates opportunities for collective action to mitigate or respond to possible risks affecting multiple organizations. Collective efforts my originate in formal and informal coordination structures and include different constellations of actors. For example, NGOs implementing a program through a consortium, or working through area-based coordination models, may merge resources to track broader trends and triangulate data. The most successful examples cited were security information sharing and coordination and recent efforts around safeguarding. Typically, formal coordination efforts are most successful when they focus on a specific area of concern, such as safety and security, or where there is significant cross-agency technical expertise to contribute to a community of practice.

8. **Adopting a collaborative, risk-sharing approach in partnerships** improves context understanding, builds risk awareness, and generates more effective mitigation strategies. This extends across many partnership types and arrangements. INGOs, UN agencies, and government donors all play a role when considering how to fund risk management capabilities within partnerships and throughout programs, especially in partnerships with local and national NGOs (L/NNGOs). Processes and time for joint program design and planning improves risk forecasting and preparedness plans. Intentional and deliberate efforts to share risk in partnerships also builds trust. With greater trust, partners are more willing to disclose issues of concern, perhaps earlier and more often.

9 In particular, oversight and documents and agreements in the areas of legal, compliance, and safeguarding are very useful for field teams.

The central role that local partners play in risk management cannot be understated. One INGO staff noted “Local organizations know the context, and our constant contact with them allows us to understand the risks and how to mitigate them.”

> *“Local organizations know the context, and our constant contact with them allows us to understand the risks and how to mitigate them.”*
> *-Workshop Participant*

9. **Skilled and experienced country/response staff** who understand risk management and emergency settings improve risk management approaches and decision-making that support programs. Organizations often benefit when they hire local staff for key program management positions, as they have a deeper understanding of the context and potential risks, which can improve acceptance and trust with communities and local authorities. It is also important that everyone in the program team understands the risks and how to mitigate them.

10. **Regular risk management trainings for staff,** particularly those working at the country level, enable stronger risk awareness, planning, and mitigation within their programs. Mandatory training for new staff and refreshers for existing staff can help to ensure the organization’s policies and procedures are well understood and followed.

How Risk Management Can Hinder Successful Program Delivery

An organization’s risk management approach does not operate in a vacuum. It informs and is informed by the organization’s structures, culture, and policies. It is affected and influenced internally and externally. Understanding why an organization manages risk the way it does requires exploring how different organizational features connect and interact. The factors that supported strong risk management practices were compared across different workshops, organizations, job functions, and response settings to evaluate the data through this lens. The same was done for the factors that curtailed *strong risk management*.

The comparison revealed eight risk management traps that frequently occur across organizations and contexts. Most organizations and teams appear to be directly affected by at least two or three traps. The traps show how risk management approaches often fail to produce the desired results. In more severe situations, risk management efforts have adverse effects or harm and interfere with achieving objectives. Each trap has unique but interconnected structures and dynamics. Looking at them as an overall system helps to pinpoint what interventions are needed and where the greatest transformational results might be achieved.

Most organizations and teams within the data sample appeared to be directly affected by at least two or three traps. In reviewing the traps, the most striking takeaway is the impact each trap has on the quality and outcomes of risk management itself. The traps help entrench risk management approaches that lead to several harmful outcomes:

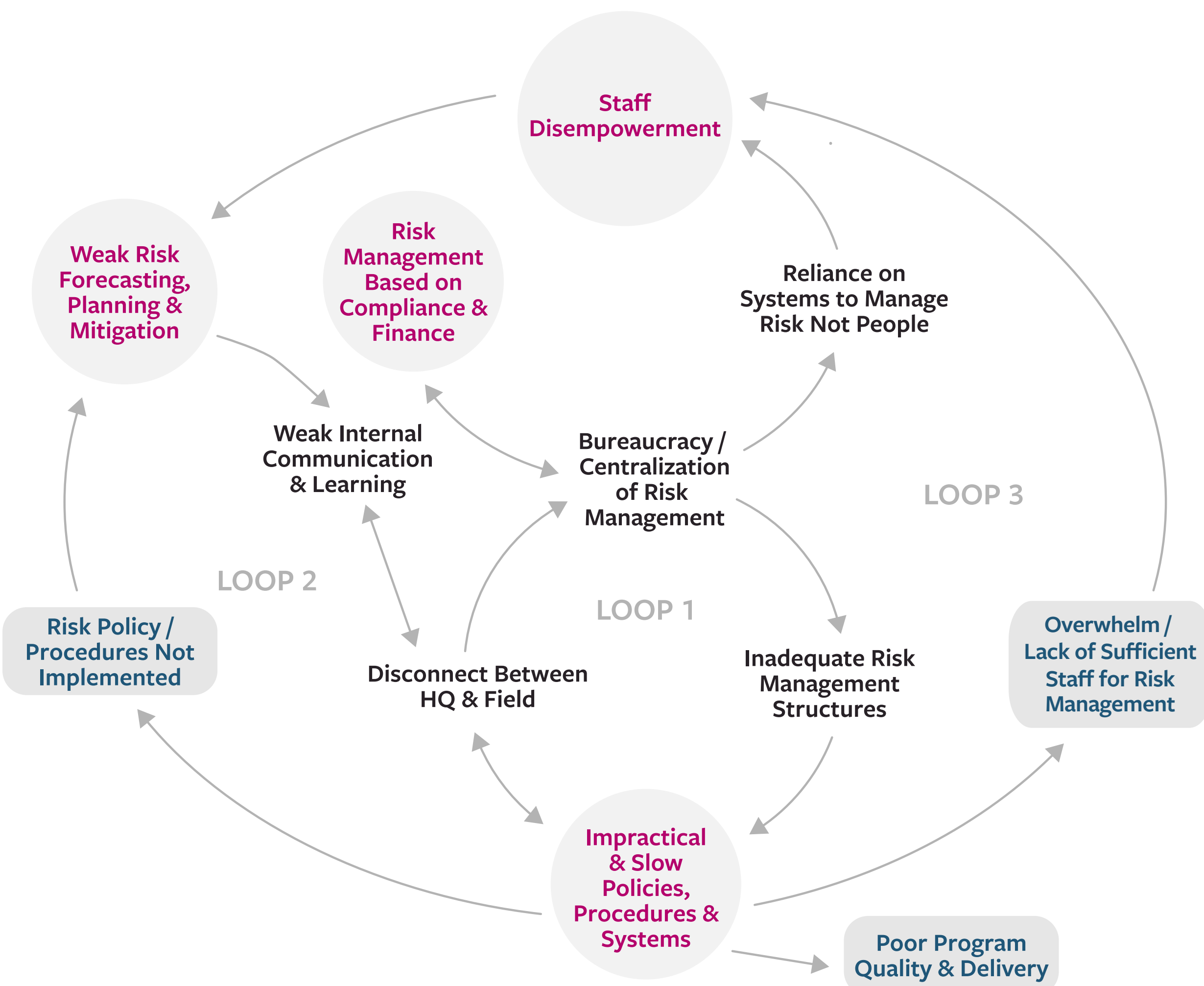
- Risk management is often at odds with program objectives, project cycles, and humanitarian needs on the ground.
- Risk awareness becomes limited or more exposed to bias, causing teams to overlook or underestimate risks.
- Organizations and teams cannot adapt to dynamic risk landscapes or respond to changing conditions in humanitarian settings or across stakeholders.

At an organizational level, the most significant impact of these failures is on the overall quality of risk management itself. Risk management is approached in silos. Inattention to humanitarian program objectives and their processes often leads to risk issues going unnoticed. Policies are not followed consistently. Risk communication up, down, and across the organization is ineffective or severely constrained. Reduced program quality and significant delays become the norm, leading to more tenuous relationships with affected communities and local partners. Frontline staff end up feeling disempowered. Management is removed from and cannot understand the risks to which teams and programs—and thus, the organization—are exposed.

Critically, this makes a case for why humanitarian organizations must think through current risk management models. Reviewing the structure and dynamics underlying these traps can inform future corrective actions. When organizations understand how the traps function, they can anticipate, correct, and hopefully avoid them in the future.

8 Common Risk Management Traps in Humanitarian Action

1. Focusing on Systems, Not People



Due to the high-stakes nature of risk management, organizations tend to centralize risk management functions and build bureaucratic systems and processes for control. Breakdowns and disruptions in communication between headquarters and country teams can mean that risk management systems are not informed by contextual information. Thus, structures and policies can become burdensome and ill-adapted to the realities of the response, the humanitarian needs on the ground, and the operating environment. Weak or inconsistent internal learning and exchange between headquarters and country teams delivering programs perpetuates the problem and allows issues to remain unresolved.

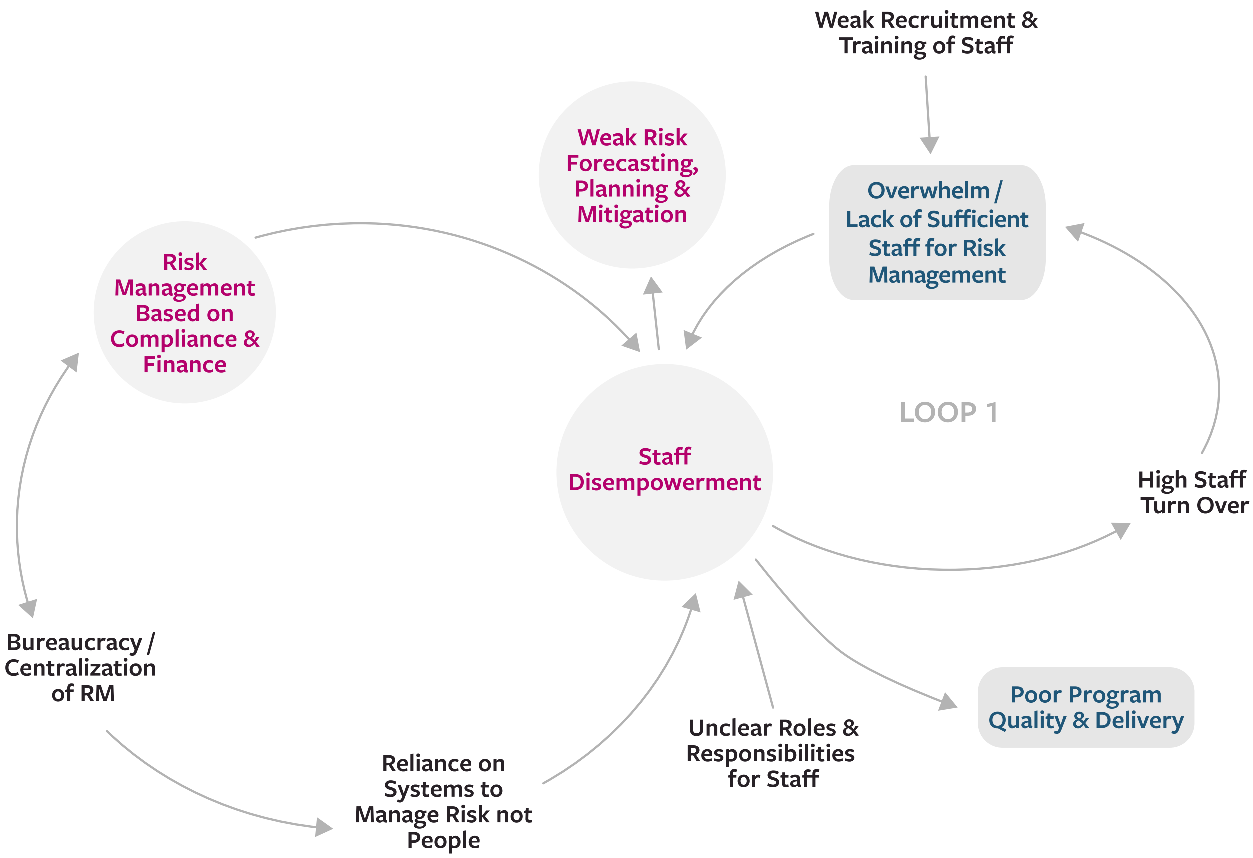
A centralized, bureaucratic approach entrenches itself over time. Organizations with already established risk management systems and technology (e.g., reporting software) overly emphasize existing systems at the expense of resourcing and equipping the people best placed to manage risk. Staff can feel disempowered when their value is mainly in checking boxes and feeding information up the chain. In these scenarios, risk management is less responsive to dynamic environments, uneven, and prone to workarounds. The result is a less mature risk culture, which often perpetuates the top-down compliance models instead of bottom-up approaches. New policies and procedures continue to be impractical or impossible and can later delay programs and overwhelm staff and partners.

Responding to increased scrutiny and pressure from donors, one INGO invested in a new information management system to account for the many risks facing country offices and programs. Staff were trained globally on the new system. After a period of consistent reporting, the system began generating analytics that could be used for board or donor engagement. The effort was deemed a success. The system was frequently mentioned when staff offered examples of the organization's strong risk management practices and improved capabilities. However, positive views on the usefulness and usability of the system were not widespread. Examining the tension between the two exposes the trap. In this case, the design and development of the system did not adequately involve staff and failed to consider their needs.

Using the system was heavy, impractical, and time-consuming. It had no feedback loop nor a mechanism to trigger extra support to country teams when needed. Analytics were used for board and donor reports that country office staff rarely saw. Over time, staff avoided the system if possible and used workarounds to reduce the reporting burden when it wasn't possible to avoid. Staff admitted that data was likely less accurate and less reliable. However, data quality was not a major concern as the system added little value for the teams expected to report into it. In some cases, those that viewed the system positively demonstrated a lack of awareness or an unwillingness to accept the data quality implications. Likewise, the most vocal champions had a limited understanding of the staff's frustration or, in some cases, dismissed it.

This experience is a cautionary tale. If a system to track and monitor risk leads to inaccurate or unreliable data, flawed analytics inform an organization's priorities and approaches. Flawed analytics becomes the basis for new and more extensive controls, which are then imposed on the risk management process and the teams responsible for executing it.

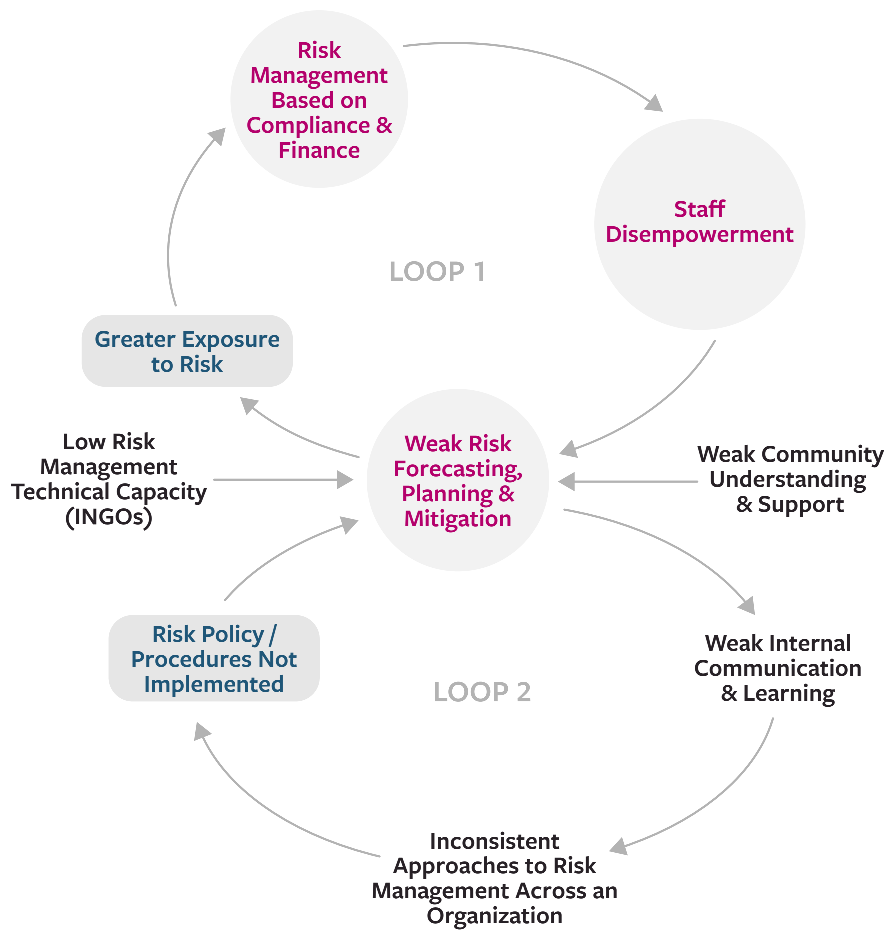
2. Staff Disempowerment



Bureaucratic, centralized risk management systems can disempower staff (particularly country office or response setting staff) and limit their ability to resolve related issues quickly and effectively. These systems often consider risk through a compliance, legal, and financial lens instead of a human-centered perspective, which often frustrates staff. The compounding factors of weak recruitment practices, unclear roles and responsibilities, and poor performance management can overwhelm staff and create situations where staff see risk management as a box-checking exercise, increasing user error. The resulting effects include reduced program quality, burnout, and high staff turnover. Pressure on remaining staff reinforces this cycle. Ultimately, it is staff—individual human beings in different roles in an organization—who make the decisions that impact risk management. When staff are disempowered, they are unlikely to make the decisions and take the actions necessary to successfully forecast, plan and mitigate risk.

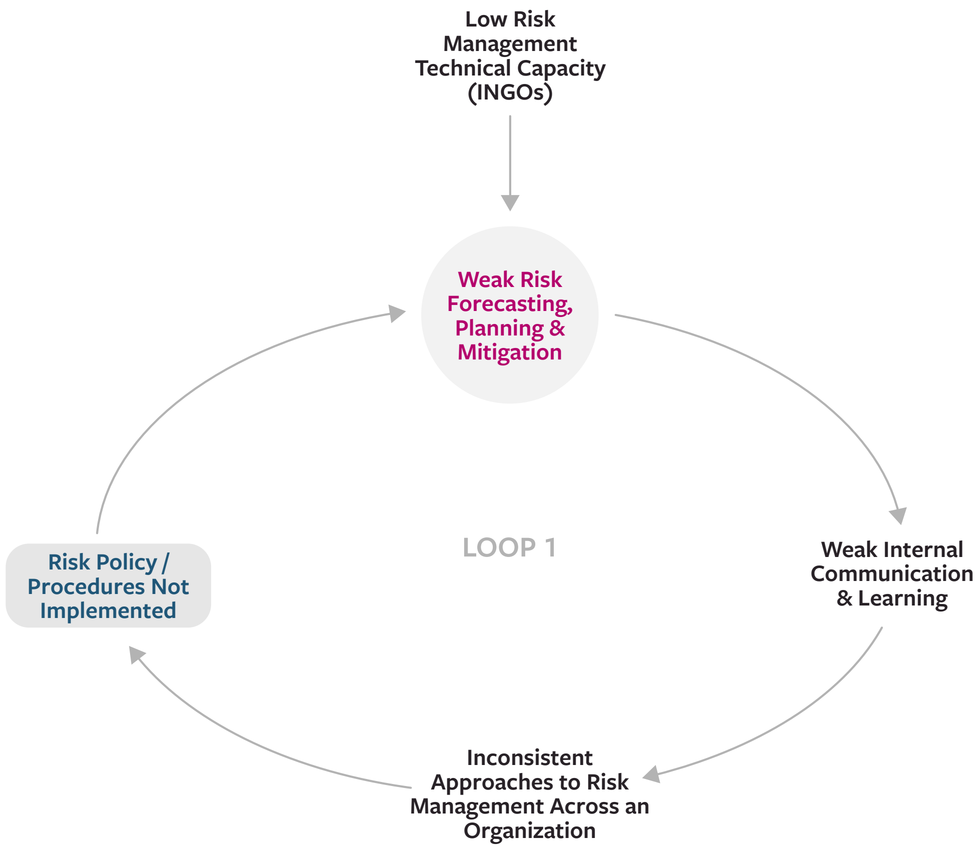
3. Weak Forecasting and Readiness

A risk-aware and risk-ready organization detects new or changing risks, monitors control weaknesses, determines critical priorities, and executes the risk management decisions, solutions, and necessary changes. Forecasting and readiness are functions of soft skills and hardware. They are the product of both culture and systems. Risk forecasting and readiness were weakest in organizations with limited or non-existent technical capacities. Organizations with less mature risk management models and insufficient technical capabilities often depended on rules-based compliance systems. Yet, heavy rules-based systems often lead to control weaknesses or failures, either stemming from efforts to circumvent rules or simply due to human error.



In many cases, this trap has forced teams into a state of constant firefighting. In one experience, an NGO prioritized legal and compliance risks. These priorities came at the expense of the ethical, reputational, and operational constraints their frontline teams contended with. Staff morale plummeted and a sense of disempowerment pervaded the organization as a result. Disempowered teams will struggle to capture and document organizational learning. Without the applied learning, ongoing investments may miss or overlook important areas of vulnerability in the near and longer terms. In contrast, empowered staff identify new and emerging risks and take the right actions to adapt systems and processes quickly and early.

4. Institutional Learning Gaps



Many organizations lack technical capacities for adequate risk forecasting, planning, and mitigation practices. This puts them in a position where they may continuously react to risk exposure instead of proactively communicating about it and learning from experience. Without strong mechanisms to capture, document, and reflect on lessons about risk management, approaches to risk management are often undertaken in an ad hoc—instead of evidence-based—way. This can create inconsistent risk management approaches across the organization, with some staff, teams or country offices not even aware of or following risk management policies. This further undermines risk forecasting, planning, and mitigation capacity, reinforcing a cycle based on reactivity instead of reflection.

"It's a mental exercise to manage risk because it constantly evolves," one workshop participant said. "Managing it is based on intuition… based on discussions with senior staff. What was right yesterday is not right tomorrow. There is a lot of improvisation in it because we are always needing to adapt to new circumstances."

An INGO Finance Director how current humanitarian financing trends—short-term projects with inflexible budgets—works against the learning organizations need to do to support risk management at a program level. The

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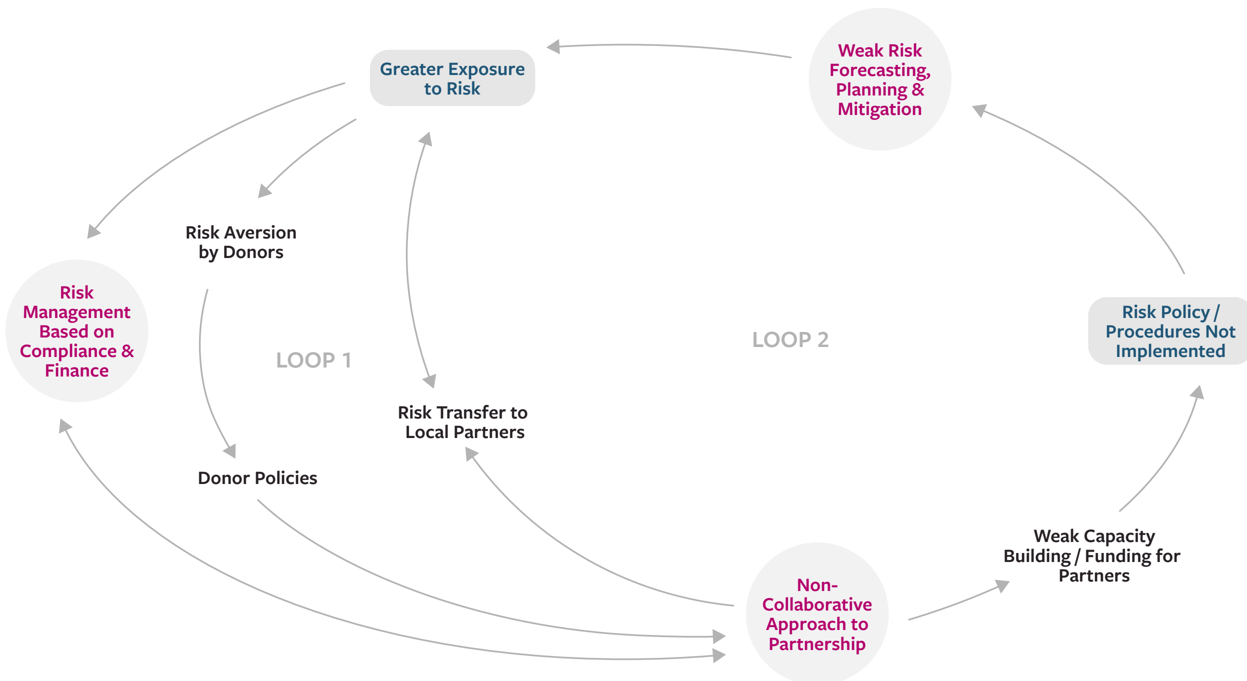
> *-Workshop Participant*

organization's reliance on project funding allowed limited program close-out time, meaning staff did not reflect on learning and areas for improvement. The next project was funded to deliver the same interventions as the one prior and reflected few applied lessons. Former project staff had either left the organization or moved into different grant-funded roles. Without the resource of time and deliberate internal communications efforts around program learning, institutional memory was lost. Evaluations and audits, though conducted, were not applied to future programs or shared for broader learning across the organization. In the end, the INGO missed essential opportunities to learn and improve across country teams and programs.

5. Transactional Partnerships



Partnerships are fundamental in every emergency setting. They underpin almost every dimension of humanitarian delivery. Partnerships help move funding, develop a common assessment of humanitarian needs and plan a coordinated response. Additionally, they are used to pool resources and keep operations running in uncertain environments. They are the mechanisms that make a multisectoral response possible.

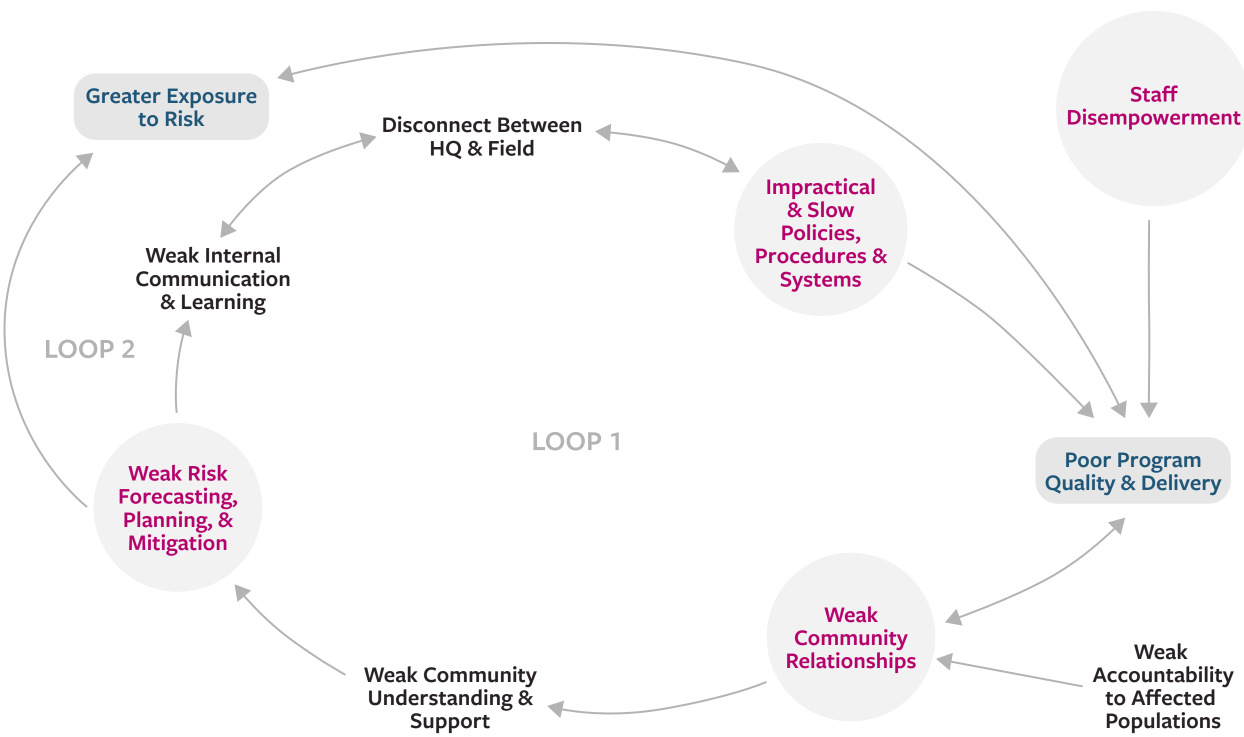
Unfortunately, many NGOs experience—and replicate—transactional partnerships. Transactional partnerships occur when the organization disbursing funds treats the organization receiving funds as they would a sub-contractor or third party. The partner is seen as an external entity, and the funding organization's risk management function works to identify and reduce the threats the recipient organization presents. In transactional partnerships, the funding organization may fail to dedicate insufficient funding for risk management, which will affect both partners and ultimately the partnership's objectives. Without resources, risk management is a paper exercise, at best. The funding organization shifts the burden of risk to the recipient organization without accounting for or ensuring the resources are in place to mitigate risks once identified.

The experience is common across many humanitarian organizations, but it is most strongly felt by local and national NGO partners. Without resources, remedial actions cannot be planned or implemented. Risk exposure for the recipient organization increases when they are least equipped to detect or respond to it. Uncertainty will increase for both parties. When irregularities or issues occur in a transactional partnership, the funding organization will treat them as failures of the recipient partner, as opposed to a failure of the partnership itself in offering adequate support. This perception of failure can fuel uncertainty and cast doubt about the recipient organization with other funders, whether INGOs, UN agencies, or government donors.

Once entrenched, the perception is difficult to reverse. Those partnering with that organization are likely to apply more top-down, compliance-oriented, sub-contracting models, and the cycle repeats itself. Support to strengthen risk management capabilities is never given, and risk cannot be managed effectively.

The emphasis on rules and controls will inevitably create program delays or lead to sudden suspensions in response to any irregularity. Delays and suspensions create immediate risks for the partner closet to the community and implementation. In one case, a L/NNGO was waiting for their funding partner to approve the program activity plan before delivering assistance. The delay was so significant that community members reported complaints to multiple feedback mechanisms that several agencies had access to. Though the L/NNGO did not cause the program delay, the complaints records were later used to justify suspending the partnership on the grounds of 'poor performance.'

6. Compromised Community Engagement

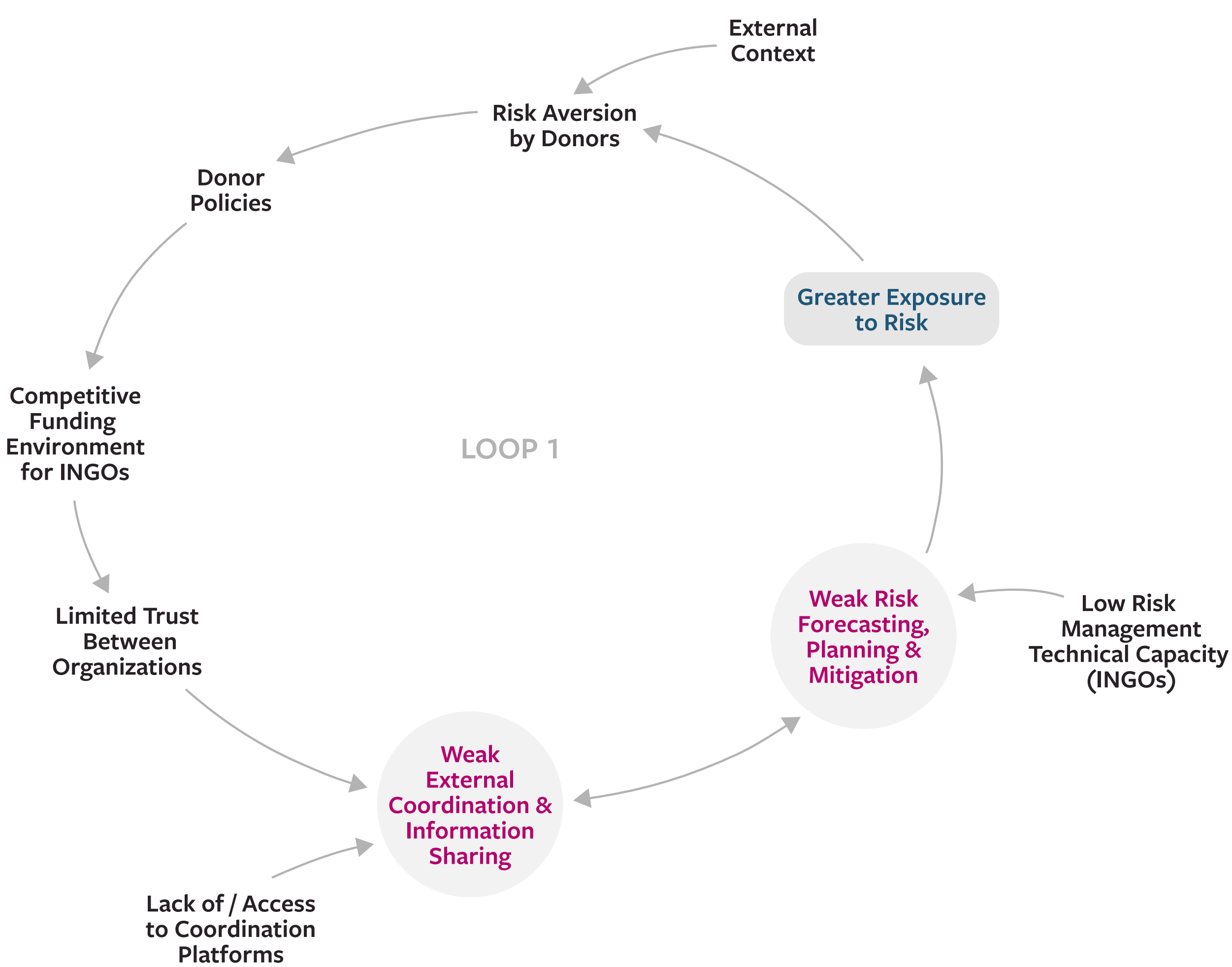


Delayed or poorly implemented humanitarian efforts can weaken relationships between organizations and affected communities. Communities may feel disappointed or, in acute cases, betrayed when implementing organizations cannot deliver on their promises. This situation can be exacerbated if NGOs do not have strong community engagement and feedback systems, which create channels for two-way communication—allowing communities to voice their concerns and questions and allowing organizations to explain any delays or changes.

Once trust between communities and organization is broken, communities may withhold information or withdraw support. Existing threats and vulnerabilities may deepen, while new threats and vulnerabilities can also emerge. Without community support and engagement, the organization loses an important ally in forecasting and preparing for risk. Without preparation, the potential consequences when a risk materializes are even greater, and possible harm could extend far beyond a single program, a single country response, or even a single organization.

Institutional learning or efforts that ignore community engagement as a core function of risk management will perpetuate more approaches that undermine community trust and local acceptance. Impractical approaches will impose more steps and processes that affect the type of assistance delivered and delay programs. If community needs continue to go unmet due to delays or sub-optimal programming, the most likely outcome is more community frustration and fractured relationships.

7. Coordination Dilemmas



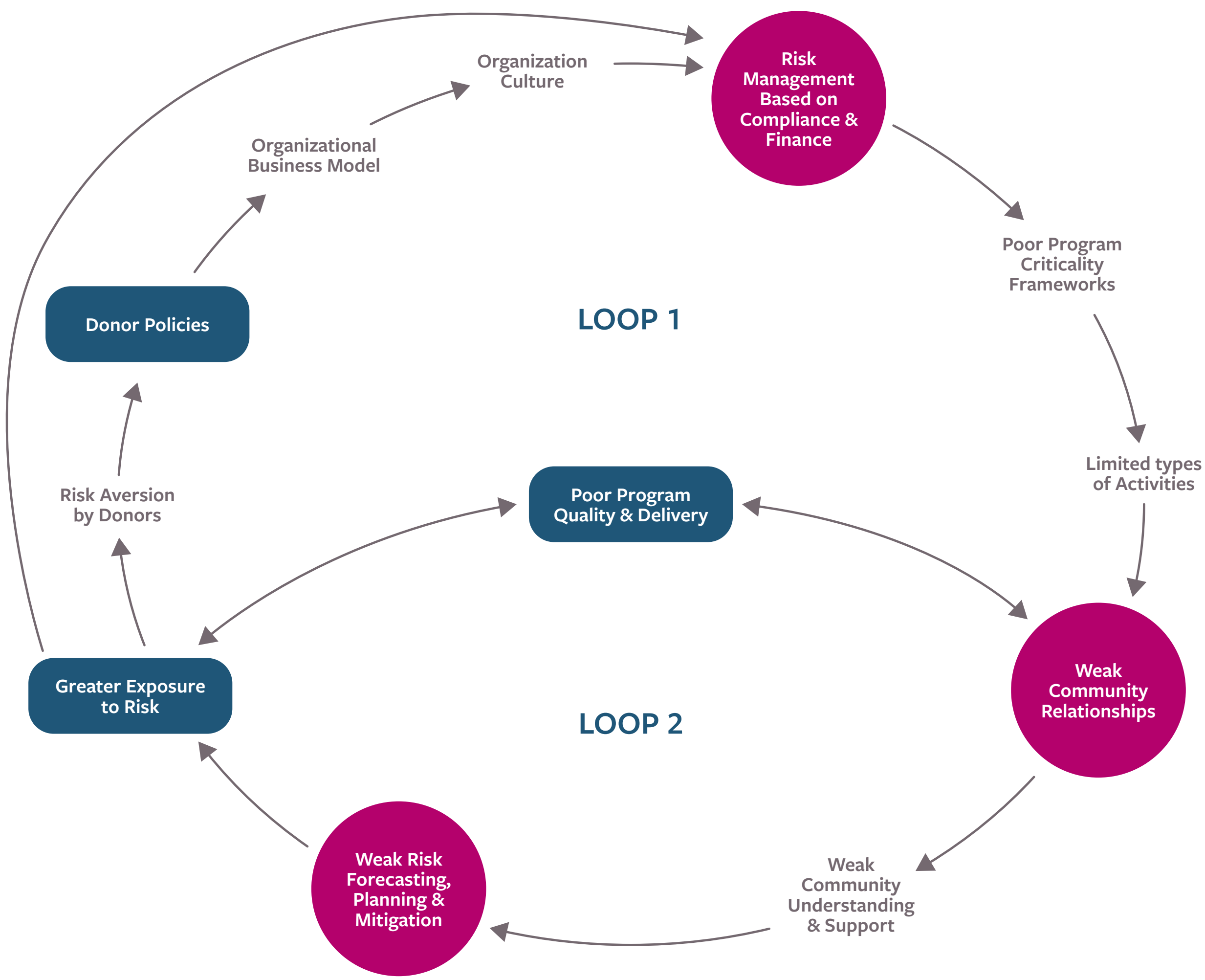
The nature of humanitarian funding often places organizations in competition with one another. The competitive dynamic may be effective in getting "lower costed" programs, but it undermines trust across responding agencies and significantly weakens incentives for organizations to share risk-related information. Information sharing is also hampered by uneven or limited access to coordination platforms, which especially affects smaller and local organizations. Without coordinated information sharing on emerging threats and vulnerabilities, individual risk management efforts may be less effective. Teams will only "know" and be aware of information or developments that are visible to them. They cannot know what threats have materialized in other locations or for other organizations, and what vulnerabilities were exploited. Key "risk owners"—the individual employees who must make decisions about how to manage risks while delivering assistance—have less information on which to base those decisions.

Collective and individual efforts at risk management may be ineffective, particularly for organizations that lack the technical capacity for risk management. Every organization has unique vulnerabilities, capacities, and priorities, but risks that materialize for one organization often have consequences beyond its four walls. Major incidents will increase risk exposure for all humanitarian stakeholders. Experience shows that as more incidents occur across multiple organizations, donors often revert to risk averse practices—the very risk aversion that fuels the high-pressure, competitive funding environment to begin with.

Many workshop participants who were involved in various country-based coordination platforms expressed widespread distrust about sharing risk-related information in such platforms. Where organizations believed the information would not remain confidential, there was limited willingness to discuss operational or programmatic issues that might make an organization "look bad." Information sharing was fragmented as a result, and those platforms could not be used to the full potential to help members address risk issues proactively. It was also a missed opportunity for NGOs to learn from each other's experiences and prepare for possible future events. In the end, the risk exposure of those on the platform was higher than it could have been otherwise.

When organizations invest in information sharing and coordination, the overall effectiveness of risk management improves. However, this cannot be achieved without provisions and boundaries around confidentiality, and the trust and confidence from participating organizations. In one organization's experience, having insights on what other agencies experienced allowed them to continuously improve controls *and* achieve humanitarian objectives. There are many barriers to information on threats and vulnerabilities. Where these barriers can be addressed —and trust can be built over time—humanitarian organizations can improve prevention, detection, assessment and remediation.

8. Prioritizing Compliance Over Delivery



Donor policies often emphasize risk aversion, which can lead them to favor organizations with low-risk profiles and that have had fewer recent "incidents". Because many organizations' survival depends on being selected by donors for projects, organizational leadership may institutionalize risk-averse ways of working that prioritize compliance—particularly in terms of legal and fiduciary risks—over everything else.

Whether or not an organization has explicit program criticality frameworks, this compliance focus often means that organizations will limit their activities to those with minimal risk. Consequently, the organization may not be able to meet the actual needs of crisis-affected communities, weakening relationships and trust in the communities they work and beyond. In other cases, organizations fail to consider or have no systems to assess the impact compliance-driven risk management approaches have on programs. The emphasis on controls and compliance has costs. First, it draws attention, resources and investment away from other types of risk, leaving organizations less prepared and more stretched to respond when risks inevitably materialize. Second, the singular focus on compliance will have cascading impacts—second and third order affects—that create new vulnerabilities and threats. The result is greater risk exposure, not less.

Some organizations will react to the increased risk by reverting to what is familiar, advancing rigid, compliance-focused interventions yet again. At first, this scenario plays out internally and most of the harm is self-inflicted. Later, it can multiply exponentially once external stakeholders hear of possible increased risk. Donors, for example, will often react with more emphasis paid to compliance priorities, either informally or formally. More rules will likely hit multiple organizations in multiple countries. One local NGO workshop lamented about how one organization's failure is every organization's failure. "A donor cracks down on a whole organization because something happened in just one country, and that puts all of us at risk," they said.

> *"A donor cracks down on a whole organization because something happened in one country, and that puts all of us at risk."*
>
> *-Workshop Participant*

In one scenario, an organization created more rigid guidelines than those required by its donor. The guidelines slowed program delivery, even during the most urgent periods when there was a clear rationale for both bulk and fast procurement. The organization had already established several policies and processes to address these situations. The process allowed teams to maintain a standard level of due diligence without sacrificing speed and early action if needed at critical points during an emergency response. When teams attempted to use the mechanism, grants and finance teams were reluctant to approve it. In several cases when the mechanism was used, headquarters teams inserted new steps, requested additional information from field teams, and required changes and modifications to vendor contracts that were inconsistent with the policy. The arbitrary steps created more delays and defeated the intended purpose of the flexible mechanism.

STRATEGIC PRIORITIES AND PRACTICAL RESOURCES

5 Strategic Changes: Escape and Avoid the Risk Management Traps

The evidence outlines a clear set of problems. It offers an equally clear roadmap of the most important solutions drawn directly from the data. Solutions were classified into five common groups or areas for strategic change. Each area covers the priority actions with the most significant potential to interrupt the risk management traps.

Critically, the strategic changes focus on changing cultures and empowering people, not implementing more policies, systems, and procedures. Breaking these traps could support organizations—and their donors—at all levels: risk management must enable and facilitate quality programs and performance in complex environments.

> Breaking these traps could support organizations—and their donors—at all levels: risk management must enable and facilitate quality programs and performance in complex environments.

Like the risk management traps, the five strategic changes are interconnected and mutually reinforcing. For example, to empower teams to manage risk, an organization might take steps to delegate authority and decision-making to country offices. The findings established clear links where decentralized decision-making improved risk forecasting and mitigation and correlated with more collaborative partnerships. This shows how progress towards one strategic change can support progress in another, affecting multiple risk management traps in direct and indirect ways.

Strategic Change 1: Empower Country Teams to Manage Risk

> *"Systems don't manage risk, people do."*
> *-Workshop Participant*

Many humanitarian organizations have risk management systems, but a risk management culture is often absent. Policy and practice are extensive, covering the entire risk management process, and often emphasizing documentation and reporting. Financial and human resources are allocated to controls, assurance, and oversight. The system works to quantify risk at the expense of managing it.

This more conventional model is particularly ill-suited to humanitarian settings and operations. For some, the analytics help informs high-level organizational risk understanding and strategies. For teams that need to make rapid decisions under ever-changing contexts, however, the model offers little support.

Organizations will need to address the decision paralysis imposed by the current models. Changes must be made so that country teams—those closest to the point of delivery—are empowered in new ways. Though challenging, some equilibrium must be found between centralized oversight and devolved authority. First, organizations should take an outcome-based and user-oriented view. Risk management models must be adapted with more input from response teams and more explicit considerations for humanitarian objectives.

Second, organizations must empower staff to make risk decisions. Though central to any effective risk management approach, the evidence shows a consistent lack of understanding about where risk decisions are made, when, by whom, and to what end. Concrete and practical decision-making frameworks are needed. The frameworks must ensure that problems and possible threats are not simply "counted" but rather addressed through clear risk response strategies and action plans. Staff often have the skills and expertise to define appropriate response strategies, but they are often hampered by internal and external barriers or greater emphasis given to more documentation, tracking and information collection. In prioritizing these, decisions are not taken to initiate the proactive remedial interventions needed.

Over longer horizons, empowered teams are the building blocks for organizational culture. The same can be said for an organization's risk culture. Strong risk cultures or risk intelligent organizations have a collective sense of responsibility. Risk intelligent teams are an assurance and integrity mechanism, that can support compliance agendas. Known risks are known broadly across the organization, and ownership to mitigate them is shared. Risk intelligent teams also monitor events that might affect humanitarian programs. They update assessments and plans in line with changing factors and shifting priorities in the risk landscape, adapting as needed and where possible.

Without risk intelligent teams that can make decisions, humanitarian organizations will achieve only the most basic risk management capabilities. At best, risk management functions will react slowly to problems that were neither anticipated nor prepared for. Alternatively, risk intelligent and empowered humanitarian teams will help steer organizations away from trouble and prepare it for what comes next.

To realize this strategic change, organizations should consider the following priority actions:

- **Adapt escalation frameworks to clarify where decision-making rests for certain risks, whether at country or HQ levels.** Update frameworks should include clear thresholds or triggers that activate additional support when needed, so teams can address possible risks once they are detected and prioritized and before they start.

- **Assess risk management policies and processes for unintended consequences or harm in relation to achieving humanitarian objectives,** including what tradeoffs they entail and a basic understanding of the costs and benefits of different methods. Involve country teams in developing, reviewing, and revising risk management policies and procedures as they are the policy users. If they can't use the policies, the policies don't work. Design adaptive or flexible policies and procedures that allow response teams to make decisions based on changing priorities in the risk landscape and humanitarian needs on the ground.

- **Address barriers between headquarters and country teams,** shifting the risk management culture from one where headquarters must "approve" or "authorize" to one focused on "support" and "advise." This can be reflected across multiple interventions, including leadership messaging, more participatory and inclusive reviews and updates to current practices, and changes to job description language. Headquarters roles should include specific and explicit functions related to "support" to country teams. More efforts should be made to decentralize technical expertise and traditional risk management functions, positioning them in country or regional offices and closest to programs.

- **Make a clear and explicit connection between enterprise risk management systems and humanitarian crisis analytics** so that risk decisions are informed by recently assessed and forecasted needs, as well as operational presence and coverage. Without specific links, traditional risk governance—i.e., enterprise risk management systems—will struggle to evaluate what degree of risk is acceptable and can be tolerated in pursuit of the organization's humanitarian objectives and its technical area of expertise within a coordinated response—i.e., water and sanitation, education in emergencies, nutrition, etc.

Strategic Change 2: Build Connectivity Between Risk Management and Program Planning and Implementation

Organizations that manage risk well do so when teams and divisions all work toward a common goal. This isn't about shifting more rules or processes to individuals. Rather, different functions and organizational capacities are leveraged to manage risk effectively and in a way that best optimizes humanitarian programs and performance. Siloed approaches to risk management—when different units make their own risk assessments and prioritize plans based on narrow departmental interests—are often inefficient and lead to opposing risks being managed with little to no effect at all. Likewise, a siloed approach will not be able to anticipate, or plan for, how certain risk response strategies may affect program goals and objectives. Affects can be broad ranging from delays, changes to who receives aid, where it is delivered, how it is delivered and by whom, or changes to the type of assistance provided. All these outcomes have implications on program performance. They would also result in new and cascading risks that the organization will eventually be forced to contend with.

> *"We hold a risk management workshop at the start of projects to bring all staff, including junior staff, together to discuss risks and who is responsible for what. This has helped to improve risk mapping and mitigation."*
>
> *-Workshop Participant*

Holistic or integrated risk management approaches—in the context of this learning called "strong risk management"—frames risk management as something to enable and facilitate programs. At a basic level, several NGOs already report positive outcomes simply from building connections between "traditional" risk management functions and program units. In one organization's case, multiple departments collaborated and jointly assessed possible risks to an upcoming program. A multidisciplinary view across finance, logistics, programs, security, and leadership led to more accurate predictions of future events and more collaborative and realistic planning.

Collaborative models build shared ownership around risk. Interestingly, shared ownership of risk appears to align with fewer "control" or rule errors and avoidance. Instead of time spent trying to circumvent controls, staff spent more time working together to plan risk response strategies. Unsurprisingly, collaboration also improves information sharing. When teams connected risk management with important stages across the humanitarian program cycle, they were more likely to share lessons and apply learning in their team and beyond. Though more research would be needed, these findings suggest that a collaborative risk management process results in more even and consistent application of controls and rules. As such, collaborative risk management should be assessed in relation to broader assurance and integrity efforts.

Realizing this strategic change may include several actions described below.

- **Make risk management a core component of program planning and project management and a shared responsibility across teams.** From assessing needs to designing a response to program closeout, the humanitarian program cycle provides an important framework for multidisciplinary approaches to risk management. Examining, evaluating, and responding to the changing risk landscape should be included across all major phases of a program. Different program milestones can be used as common collaboration moments, where teams come together for joint work and planning. Each team will naturally have different risk assessments and priorities depending on the phase. Using the humanitarian program cycle to connect risk management functions can improve risk detection and analysis. Priorities can then be jointly defined, and mitigation measures quickly planned and prepared. When done across and throughout a program, teams will have a shared understanding of what might happen, what it means for the humanitarian program and the organization overall, and who's responsible for what.[10]

As one workshop participant described their organization's process, "We hold a risk management workshop at the start of projects to bring all staff, including junior staff, together to discuss risks and who is responsible for what. This has helped to improve risk mapping and mitigation."

- **Clarify which risk management processes apply to whom, in what settings, and for which circumstances.** Risk management requires ownership and sustained support. Staff should understand their own risk management responsibilities and know where to access additional expertise and guidance. A simple list of the organizational experts and decision-makers on different risk areas (e.g., operational, security, informational, etc.) should be available to all teams. This includes individual employees or teams responsible for policy development and updates. As roles and ownership become clear, updated processes should help staff access resources when stepped-up technical or expert advice, corrective action, or increased investment is needed to mitigate and manage possible risks. Standards and expectations should be set for departments and senior leaders that "own" a specific risk area (e.g., fiduciary, operational, ethical, etc.) At a minimum, expectations should include efforts to advance a shared approach to understanding risk identification and response.

- **Resource risk management adequately.** Risk management is about understanding what is happening and what is likely to happen next. To do this well, organizations consider risks when determining how to allocate resources. Pose the question: what investments are needed in people, processes, and technology over one, three and five years? Unfortunately, staff are often too stretched to give risk management the time it needs to be implemented effectively or to respond and adapt to emerging risks when needed, especially at the country level. Adequate resources—in the form of staff time, expertise, and funding—was one of the most critical determinants of whether an organization addressed and broke free of the traps. Program budgeting and personnel costing should anticipate different positions' risk management responsibilities and expectations. Whether a program reporting officer, finance director, or human resources coordinator, all staff have a role to play. For successful and unsuccessful proposals, document when donors suggest that "cost-per-beneficiaries" are too high or otherwise suggest the program costs need to be lowered. If possible, organizations should develop a light mechanism to capture and account for this type of experience. Though common, it can be hard to track or identify repeated trends as efforts to lower operating costs often present as informal "suggestions" rather than specific requests in writing. Efforts to develop a better picture of risk management resourcing should apply to both successful and unsuccessful proposals or other funding applications.

- **Capture and apply learning and share it internally and with peers.** Learning must be a core component of any risk management agenda, but it must go beyond understanding processes and policies. Learning agendas must capture failures and successes so that teams and programs in other settings can predict and prepare for similar events. Organizations should also explore ways to make sensitive reports—such as special investigations

10 There is a growing body of reference material that may help organizations think through the intersection of risk management and program performance. In 2020, an interagency working group of humanitarian organizations operating in cross-border Syria developed several tools and training materials, including how to set up a risk management framework and guidelines and templates on risk analysis. See for example Risk Management Approach – Tools and Training.

or audits—available to staff. Case studies based on real experience are useful tools to evaluate risk management performance, tensions and tradeoffs, and areas for improvement.

- **Build risk intelligent cultures and invest in the risk talent for the future.** Organizations must develop a clear vision for risk management that aligns with humanitarian strategies and objectives. Organizations will need to invest in culture and talent, so that risk management is everyone's job and strategies address the full spectrum of risks. Organizations must update and strengthen policies, systems and skills so that employees are able to prevent, quickly detect, correct and escalate critical risk issues. As organizations work to develop risk intelligent cultures, they also plan for complementary education and trainings. In greatest demand, staff need introductions to key concepts and terms. Longer-term talent investments should explore experiential learning and mentorship.

Strategic Change 3: Adopt a "Do No Harm" Approach to Partnering

Humanitarian organizations must stop evaluating risk solely based on the risks posed to their own institutions and instead evaluate risks to the humanitarian objectives overall. This is especially true for partnerships. Organizations typically evaluate the risk posed *by* the partner rather than the risk *to* the partnership overall. Applying a "do no harm" approach to partnering can help organizations avoid things that would unduly burden partners or unfairly transfer risk to them. At a minimum, those that disburse funds should consider the risks posed to each partner and take concrete actions to safeguard partners from program disruptions or failures. Concrete actions include investments and resources that allow for the burden of prevention to be shared and a reasonable sharing of responsibility when risks materialize. Additional attention is needed to address the harm posed to partners by lengthy investigations or punitive risk management methods.

Strategic Change 4: Be Systematic About Interagency Coordination

Humanitarian crises occur in uncertain settings. Managing that uncertainty and reaching people in need will always come with tradeoffs. For example, balancing staff security may often find itself at odds with program effectiveness or financial oversight (e.g., operational risk, fiduciary risk). Humanitarian action requires organizations to consider and balance the tensions across different decisions—evaluating the upside and downside of different decisions is what risk management is all about.

The major gap organizations have yet to address is how risk management systems, processes and decisions internal to *one* organization can have broader implications for other actors and a coordinated humanitarian response. Many humanitarian organizations mistakenly view their risk management policies and practice as closed systems. One organization's risk management approach can, indirectly or directly, affect another organization, a specific humanitarian sector, a programing location, or a response writ large. For example, one organization's choice to pull out of a remote location may cause subsequent withdrawals from other actors, with only one or two organizations choosing to remain. The remaining organizations might have limited capacity and be unable to deliver technically and logistically complex activities the community needs. Another recurring experience is when one donor chooses to suspend a partnership, and other funders follow suit.

There is a strong rationale to improve and be more deliberate about interagency coordination on risk management. A 2020 report from an interagency humanitarian group working cross-border to Syria explained it well, saying, "Managing the risks related to strategic choices require close cooperation with stakeholders…and organizations need to anchor these discussions in their strategy formulation and implementation processes."[11] Recently, efforts to understand and consider the strategic dilemmas in risk management have gained traction in global humanitarian policy discussions.[12] These efforts help build a common understanding of the costs and consequences of certain choices and priorities.

Deliberate coordination efforts at operational and tactical levels also demonstrate a range of success. Safety and security information sharing has realized important returns. Dedicated communities of practice such as those created around safeguarding and preventing sexual exploitation and abuse (PSEA) have helped organizations center and make critical progress around ethical and reputational risks. Collective action to address shared threats in the external environment has also had positive outcomes. Successful examples included coordinated efforts to refuse to disclose beneficiary lists to conflict parties or common approaches for responding to burdensome host government regulations.

The threats inherent in high-risk environments rarely discriminate. They will affect all organizations, albeit unevenly or at different times. This is especially true when hostile actors or entities attempt to interfere with or benefit from humanitarian action. Actors will use different tactics to probe the humanitarian network for weaknesses. Detecting these threats is imperative so that the risks that materialize for one organization do not materialize for others. Many disincentives work against the transparency and trust needed for information sharing on risk, but organizations can begin thinking through the following actions and considerations.

- **Evaluate what positive and negative risk management outcomes have occurred as a result of strategic cooperation,** or an absence of it, in different humanitarian environments. What can be learned and applied from these experiences?

- **Consider what type and level of coordination is needed to better manage risk, and what type of coordination might increase risk.** For example, area-based coordination or consortium programs may create opportunities for joint bulk procurement, which can maximize cost-effectiveness or ensure higher-quality products. But programmatic or seasonal timing could mean the goods will need to be warehoused for much longer than planned. This type of coordination will often have an imperfect cost-benefit analysis and take different forms depending on organizational capacity, response sector, presence of other agencies, etc. Organizations should anchor these considerations in the humanitarian program cycle, especially throughout implementation.

- **Create incentives and opportunities that encourage employees to join communities of practice or pursue other peer-to-peer exchanges. Determine the best model to provide similar incentives to partners.** For example, program-based coordination efforts have helped drive common approaches to informational risks through joint data protection agreements. There are far fewer documented examples of coordination across support service experts. However, several communities of practice are in place for human resource experts and humanitarian logisticians. These groups were not formed explicitly to address risk but likely were an outcome of

11 No author. 2020. "Risk Management Approach – Tools and Training." https://www.humanitarianresponse.info/en/operations/stima/risk-management-approach
12 See for example Risk Sharing Initiative which was first established in 2020 by The Netherlands Ministry of Foreign Affairs and ICRC. https://interagencystandingcommittee.org/grand-bargain-official-website/risk-sharing-platform-january-2022-update

the uncertainty and complexity that humanitarian professionals must contend with. Incentives and opportunities should work to be accessible and relevant to different staff at different levels and in different functions.

- **Continue to make the case with donor and funding entities on how predictable, reliable, and long-term funding can improve staffing continuity. When peer-to-peer exchange is available, experts can identify new opportunities and solutions to address risks that are jointly felt.** However, stepped-up coordination efforts on risk management cannot be treated as an add-on to employees' existing workloads. This is especially the case for frontline, national, and partner staff. Coordination competencies must be recognized in personnel costs and the staffing structures that are funded. Without it, peer coordination will be ad hoc at best and will do little to help organizations jointly identify and prepare for the inherent and almost inevitable risks in humanitarian environments

Strategic Change 5: Advance Donor Policies that Support Responsive Interventions and Risk Management Models Centered Around Crisis-affected People and Their Humanitarian Needs

Donors play a critical role in how risk management systems and approaches are designed and whether those approaches support program delivery over control. Humanitarian organizations and teams at all levels recognize the important and influential role donors, particularly government donors, can have. Humanitarians appear to be a very strong sense of fatigue with regards to effectively educating donors on the importance of a people-centered risk management approach and helping them understand how their efforts can increase risk exposure and fuel uncertainty for their NGO partners.

When examining areas for focus, the workshop participants and the Risk Leadership cohort consistently chose other priorities over those that were seen as primarily donor-driven. For example, few participants or groupings of staff offered attention to or solutions for *Trap 8: Prioritizing Compliance Over Delivery*. Instead, participants and the risk leadership cohort were more likely to focus on strategic changes or risk management traps that they had a direct ability to affect or change. Despite consistent donor engagement on the problem of increased requirements, NGOs continue to face expanding rules and requirements, more demands, and increased oversight. Donors, too, are in the midst of a self-made trap that flows onto organizations delivering humanitarian assistance. Alongside more rules, donor investigative and oversight mechanisms have become more punitive and costly for organizations, especially NGOs.

Fatigue is understandable, but NGOs and other response organizations must continue to work with and encourage donors to understand how risk management models can often work against quality programs. This will be an important priority for the governments that are among the largest humanitarian donors. As a first step, donors should review rules and requirements alongside partners. Donors need a clearer understanding of how their risk management approach affects partners and humanitarian action at the response level and on a global scale. They should evaluate their approach for how it has or might:

- Block delivery or cause harm.
- Add to or create new risks for partners.
- Contribute to program delays.

- Incentivize sub-optimal programming or lower-quality interventions.
- Decrease or pose barriers to more accountable programs.

Humanitarian donors, especially governments, will need to adjust expectations and transform mindsets on risk management. To do so, program delivery and performance should be explicit goals stated in any risk management framework or approach. Program delivery should be treated equally, alongside other risk management priorities such as preventing and controlling fiduciary, legal, or reputational events.

Practical Resources

An essential principle throughout the Risk III program is that action must always correspond with evidence. The evidence gathered through Risk III pointed out important dilemmas NGOs grapple with at all levels and in all response settings. It also pointed to a clear and urgent need for a solution, but InterAction and CDA approached the idea of solutions cautiously. The evidence demands special recognition that risk mitigation and management must be contextualized for each organization, their teams, partners, and the settings where they deliver assistance. If we hope to improve risk management capacity, we must focus on people, not systems. We must understand and build adaptive models, capacities, and mentalities that can anticipate the spectrum of uncertainty that comes with humanitarian action. That work must be driven internally within organizations and contextualized to their programs, operations, cultures and norms, as well as their ways of working in partnership and coordination. Risks cannot be managed solely using systems— meaning the resources outlined below are not prescriptive. Rather, they are intended to support learning so that humanitarian organizations can adopt more proactive models in support of program delivery.

Drawing on the evidence, these findings informed two sets of resources that organizations can use when assessing their own approaches and methods. The resources were designed to:

1. Support building adaptive models, capacities, and mentalities that anticipate and accommodate the spectrum of uncertainty inherent in humanitarian crises, and
2. Facilitate contextualization of actors' programs, operations, culture, and norms, as well as ways of working in partnership and coordination.

The resources include:

Responding Amid Uncertainty and Managing Risk in Humanitarian Settings – A Learning Guide ↗
A resource that can help organizations and staff evaluate gaps and strengths in their risk management approaches, systems, and culture and take strategic and operational action. It is designed as an integrated approach to support and build awareness and preparedness in risk management policy and practice across different departments, experts, and operating settings. It can be used for a more comprehensive workshop but also as individual modules for specific needs among smaller teams.

Responding Amid Uncertainty and Managing Risk in Humanitarian Settings – A Resource Guide ↗
This collection of practical documents for implementers is drawn directly from the recommendations and good practices identified throughout the program. Contents include tips on talking to donors about risk management costs; job description templates for risk advisor roles; and a Q&A on building risk intelligent cultures.

Risk Management 101 Video ↗
This video introduces key terms and concepts in the risk management process, including how humanitarian teams contend with difficult tradeoffs that come with mitigating and managing risk. The video, available in multiple languages, can be used in team meetings, project planning workshops, partnership reviews, or onboarding processes.

These products are intended to be used and interpreted by organizations and humanitarian staff for their needs and contexts. In doing so, new evidence and learning will be generated, continuing to advance our shared understanding of how to achieve strong risk management.