



# Responding Amid Uncertainty and Managing Risk in Humanitarian Settings

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Resources for NGOs

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# RISK CATEGORIES

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### Authors

Lindsay Hamsik, Senior Program Manager, InterAction  
Ruth Rhoads Allen, President and Chief Collaboration Officer, CDA Collaborative Learning  
Sharon Reader, Associate, CDA Collaborative Learning  
Sabina Robillard, Associate, CDA Collaborative Learning  
Sarah Cechvala, Senior Associate, CDA Collaborative Learning  
Hasangani Edema, Program Coordinator, CDA Collaborative Learning

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# OVERVIEW

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*Responding Amid Uncertainty and Managing Risk in Humanitarian Settings – Resources for NGOs* is an outcome of the *Risk III – From Evidence to Action* program (2020 – 2022), conducted in partnership between InterAction and CDA Collaborative Learning.<sup>1</sup> Along with the [Responding Amid Uncertainty and Managing Risk in Humanitarian Settings – A Learning Guide](#), it is informed by and intended to be a resource for humanitarian organizations and agencies seeking to strengthen risk management approaches in humanitarian programs and crisis settings.

This collection of resources synthesizes the recommendations and suggestions gathered through the Risk III program. They build on the “strong risk management” approach, which defines risk management policy and practice as a means to enable and facilitate quality humanitarian action.

These resources can be used alongside the Learning Guide and the various exercises it offers to help organizations identify key weaknesses and areas of improvement within their risk management approach. They can contribute to broader diagnostic and assessment efforts by organizations and be integrated into action planning. The resources and guidance can also be used independently to help organizations and teams think through how to:

- Discuss risk management with their donors and partners.
- Examine important steps toward building a risk intelligent team.
- Develop institutional risk expertise that is program centered.

The resources align with five key strategic change areas that are crucial in addressing common “traps” emerging from the way humanitarian organizations currently manage risk. More information on these traps can be found in the General Risk III findings and Learning Guide. The five key strategic change areas are:

1. Empower country teams to manage risk.
2. Prioritize risk management in planning and throughout the humanitarian program cycle.
3. Adopt a “Do No Harm” approach in partnering.
4. Be systematic about Inter-agency coordination.
5. Advance donor policies that support proactive and responsive risk management.

## Reading Note

The content of the resources in this publication should not be interpreted as prescriptive. The suggestions presented throughout should not be applied as requirements or rules imposed by donors on their partners. As the recommendations and good practices informing these resources were from diverse contexts and circumstances, anyone using these resources will need to ground them in the realities of their own context. The resources in this guide can be used in any order or combination; labels are only intended for ease of reference.

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<sup>1</sup> See [www.cdacollaborative.org](http://www.cdacollaborative.org) and [www.interaction.org](http://www.interaction.org)

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# SIX STEPS TO EMPOWER TEAMS TO MANAGE RISK

Country and program teams are the first line of defense for managing risk in humanitarian programs and response. Recognize their importance and empower them.

Complexity, volatility, and uncertainty are inherent in any humanitarian crisis. No organization can have perfect knowledge of all the possible risks, their probability, and how to respond if they do occur. That is why country and program teams are so critical. They implement programs, help teams apply important rules and processes, and anticipate new and future threats. They know what is possible in their context and have a clear view of how policies and rules function in practice.

In most humanitarian organizations, risk management is typically the responsibility of finance, compliance or legal teams. Risk management processes—and the experts maintaining them—too often become control and approval processes. Policies and systems rarely recognize the critical role country teams play in managing risk in real-time. Instead, standard approaches center on country teams' compliance with procedures and rules.

Intended to reduce risk and increase certainty, the application of a model dominated by controls and compliance can have the opposite effect. It can harm program delivery, affect staff morale, and endanger community acceptance and trust. The outcome is increased risk and less awareness. This dynamic can also deepen divides between headquarters and country teams, where the former concentrates on enforcing a growing number of controls, the latter works to find ways to minimize their impact.

Strengthening capabilities at the program- and country-level is a starting point to build a more risk intelligent culture. Consider the following steps drawn from country and program team members in diverse humanitarian contexts globally.

## Six Steps to Empower Teams to Manage Risk

- 1. Issue clear guidance on the risk management requirements and expectations of different staff roles at different levels.** Communicate this clearly in job descriptions, policies, new staff onboarding, and annual plans. This will help different levels of the organization understand each other's roles and reduce confusion.
- 2. Streamline and adapt processes and procedures based on different types of crises and operating environments with considerations of humanitarian needs, operational presence, and coverage.** Consider how to make policies more adaptive and flexible to facilitate more responsive interventions in settings where it is required or where current rules and controls compromise response timeliness, targeting, and quality.
- 3. Modify headquarter roles and responsibilities from approver to advisor.** When country teams see headquarters as supporters, rather than controllers, they are more likely to share challenges or ask for help when they need it instead of hiding problems. Practical actions include updates to job description language—especially headquarters and regional positions—and having global leaders model this change in their interactions with country teams.
- 4. Delegate more decision-making power to country teams.** Too few decisions are explicitly delegated and too few employees know what they can and cannot decide. Review escalation frameworks across the organization to clarify with whom decision-making rests for certain risks—whether at country or HQ levels. Escalation

frameworks trigger additional support for country teams when certain thresholds are crossed or specific resources are needed to respond to additional risks. Practical ways to build headquarters' trust in country teams and enable this delegation of power include:

- **Target investments in risk management or compliance positions at regional and country levels.** Ensuring the positions are set up to support country offices and teams, build capacity, and strengthen mutual trust.
- **Equip and empower senior and experienced staff in country and regional offices,** so that decisions can be made as close to the response. **Review and revise country office staff titles, responsibilities and levels** (e.g., coordinator instead of officer) so the expectations and accountability mechanisms match the seniority and experience to take responsibility and ownership for managing risks in program delivery.
- **Capitalize on robust recruitment processes, background checks, and talent retention processes** to strengthen assurances and justifications for devolved decision-making power to country teams and frontline response roles.

#### **5. Promote collaboration, communication, and coordination between headquarters and country teams.** Possible steps include:

- Including country leadership in decision-making structures at headquarters to link contextual and delivery realities into strategic discussions on risk management. This can also support senior leaders in carrying forward more effective advocacy in discussions with donors.
- Setting up informal discussions or meetings where different departments can come together to discuss risk issues and share experience.

- Involve country program and operations teams in risk management policy development. They are the end-users of the policies and processes used to manage risk, and are a resource for good practices that can be replicated across the organization.
- Encourage, enable, and prioritize country office or response visits from headquarters risk and compliance staff—not simply when something goes wrong or for surge support to manage a risk event.

#### **6. Strengthen headquarters' understanding of the realities associated with delivering humanitarian programs in difficult settings.**

Highlighted below are several actions and activities that agencies should consider. Each may require a change in organizational culture, hiring processes, or other operating approaches.

- Recruit staff into headquarters roles who have recent experience implementing and coordinating delivery in response settings. Conflict sensitivity of senior leaders is a minimum standard, and efforts should be made to build headquarters teams that have experience implementing in conflict-driven emergencies and other complex operating environments.
- During formal onboarding for new staff joining at headquarters level, prioritize information and time for discussion about the organization's mandate and operations and how risk features in both.
- Create a policy where middle management—at or above a specified level—must spend at least 1-2 months consecutively, every few years, working from a country or regional office to build proximity and relationships between headquarters and country offices.

# Q & A: BUILDING “RISK INTELLIGENT” CULTURES IN HUMANITARIAN ORGANIZATIONS

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Humanitarian organizations have spent significant time and resources to invest in and evolve risk management infrastructure. A varied range of tools, templates, frameworks, policies, and software are all in place to help manage the uncertainty inherent in humanitarian action. Though the infrastructure is in place—and expanding every day—the culture around risk management remains relatively undeveloped in nearly all organizations.

Risk management is first and foremost a people issue, both because people are at risk and responsible for managing risk. Since humanitarian operations are more complex and dynamic than ever, these settings require individual teams and staff to make countless decisions often under tight deadlines. The Risk III program consistently found that organizations navigate uncertainty and manage threats effectively when teams are empowered to respond to, prepare for, and prioritize risks as they emerge. Devolved and clear authorities allow teams to make decisions based on context and implementation realities. They can anticipate what will be successful and what will fail.

Empowered teams do not appear overnight. Intentional changes to policies and systems will be needed. Much of these changes start with building a “risk intelligent” culture across the humanitarian organization. A risk intelligent culture is not only more risk aware but also more risk prepared. With this comes smarter decisions and better outcomes.

How does a humanitarian organization go about improving its risk intelligence and risk culture overall? Here are a few questions to help jumpstart conversations and thinking.

## What is risk culture?

In humanitarian action, risk is managed well when there is a clear understanding of what risk is, and what it means for programs and the organization’s overall mandate. An organization’s risk culture is largely determined by individual employees’ and teams’ understanding, awareness, attitudes, and behaviors around risk and how it is managed and treated.

## So, what does a risk intelligent culture look like?

A risk intelligent culture will look different depending on the organization, its mandate, and its operating contexts, but there are several common traits:

- o **Risk management is owned by people rather than governed by process.** The organization values people’s ability to detect risks earlier and adjust course quickly, guided by process, policies, and procedures.
- o **Timely, transparent, and honest.** People are comfortable talking openly about risk.
- o **A shared language.** Staff and teams have a common vocabulary that fosters collective understanding across different organizational functions.
- o **Continuously improving and learning.** No one has the right answer and policies, and procedures are in regular iteration and refinement.
- o **Commonality of purpose.** Risk management policies and processes are designed in pursuit of the organization’s mandate and to enable programs.



## How do we build a risk intelligent culture?

- o **Framing a common purpose.** The organizations risk management approach must have a clear purpose and outline how it relates to the mandate. It must articulate clearly how the risk management approach applies to individual staff, teams and departments.
- o **Clarify risk management policies and rules.** Too often staff are confused, and unsure which rules apply, when, and to whom. They also struggle because risk management policies do not always offer step-by-step instructions. Risk intelligent cultures have rules that are easy to access and simple to execute.
- o **Modeling by leadership.** Balancing commitment to people and policies is an essential role for leaders at every level. Communicating how policy choices and changes are made builds trust among teams.

## Does this affect how we recruit new staff?

The organizations that manage risk well do so with people who manage risk well. Risk intelligent cultures typically frame risk management as a shared endeavor across all roles and functions. Overtime, an organization's recruitment approaches will evolve to reflect this. As a preliminary step, organizations can update recruitment processes to include risk management capabilities and considerations. The language should be integrated to job descriptions and relevant to different roles, levels and risk ownership, and decision-making responsibilities. Risk management considerations can later be integrated into staff onboarding and talent management processes. This means that risk management is a shared endeavor for all roles and functions.

## How do we train staff and teams to be “risk intelligent”?

Building the risk talent for the future is an ongoing investment. Do not worry about doing everything all at once. Assessing training needs and offering a few foundational learning opportunities are good areas to start. Consider the following actions and when they are most appropriate to implement:

- o **Make sure staff know where to go for information and support.** Teams in country offices often operate in a vacuum, without access to guidelines on which rules apply, to whom, and in what scenarios. Centralize these policies as a first step but also build out a basic introduction on current organizational rules and systems. This can be used to build attitudes and beliefs around collective problem solving and troubleshooting. Update teams about additional information being added or new support available.
- o **Offer frequent staff learning sessions on basic principles and concepts in risk management—including as a core component of new staff induction or onboarding.** Sessions should be scheduled so they become part of standard practice. They should be simple but designed to build a common understanding of risk management processes, different types of risk in humanitarian settings, and how certain types of risk interact with others and can impact program delivery. Trainings should be “light” and participatory to prioritize opportunities for exchange across different teams and departments.

- o **Assess learning and training needs across the organization to determine priorities.** The assessment should consider which training or information sharing mechanisms work best for which topics and for whom. Training needs are so diverse and in-demand that there may be value in different approaches such as quick and easy online meetings to share recent experiences or lessons learned. Other teams or staff may benefit from a centralized resource library within the organization’s intranet that focuses on risk management.
- o **Develop a series of trainings that introduce and center risk management through the lens of operational excellence and quality humanitarian programs.** Each organization will have unique needs and materials. This will take time to consolidate and package. Investments in training materials don’t have to happen overnight. Use the following phased approach and refine training materials throughout. First, make opportunities available to staff based on individual interest and access to self-directed learning. Second, training can be expanded by targeting staff within the organization that may have limited

learning resources available. At the final phase, training should be scaled such that it is promoted and accessible to all staff across the organization and integrated into individual staff learning or performance management plans.

### **How do we encourage our teams to speak openly and freely about risk?**

- o **Leaders must communicate honestly and often, using a common language and vocabulary.** Communications should include new information that staff can learn from, and messages on why risk management is important for the organization and its humanitarian mandate. Leaders should promote the core values of a risk intelligent culture.
- o **Promote information sharing and communication across internal stakeholders,** so that staff can learn from and share different experience across functional roles, teams and response settings. Consider both informal and formal approaches—for example, “learning lunches” or team/country briefings on risk events they faced in their work.

# INTEGRATING RISK MANAGEMENT WITH HUMANITARIAN PLANNING AND PROGRAMS:

## TIPS FOR DESIGNING AN APPROACH (NOT A POLICY)

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To better allocate resources, risk management capabilities and functions must be integrated into and centered within program delivery and humanitarian objectives. Current risk management practice across humanitarian action focuses on compliance. This includes a bare minimum set of controls that are meant to secure an entire organization. The focus on these controls means investments are sometimes directed to areas where they are not needed. For example, each humanitarian crisis is different and constantly changing. Each organization faces different threats and vulnerabilities, and these change across organizations, teams, country settings, and time periods.

Centering risk management capabilities and functions within program delivery is important because it opens a pathway for the organization to understand risk beyond the technical point of view (e.g., security, information technology, legal or fiduciary). Discussing risk through the lens of program objectives allows staff at all levels to make more informed decisions for different contexts and different departments.

Consider these tips when exploring how to break down the silos between the “traditional” risk management functions and humanitarian programs.

- o **Begin a “whole of team” approach when planning for risk.** Core tools like risk registers and analysis frameworks need to be inclusive of multiple job functions—including logistics, finance and IT, security, programs, and more. A more integrated approach allows teams to anticipate possible events and forecast what resources different departments will need to manage risk while also ensuring delivery. More collaborative planning processes promote preparedness, including planning so that the right resources are in place for the whole team.
- o **Budget enough staff time and positions to manage risk.** Currently, humanitarian teams are stretched too thin to manage everything they should. In one instance during the Risk III program, an NGO leader in a high-risk operating setting said, “We’re too busy to be safe.” Don’t let this happen to your team. [See the guidance on how to talk to your donor about risk management costs for additional advice.](#)
- o **Strengthen understanding of risk management practice across program development teams to improve considerations, planning, and budgeting in the design process and program outset.** This includes integrating mitigation measures throughout the program cycle and into all administrative processes. For example, safeguarding in humanitarian programs begins with recruitment processes and candidate screening. It is later integrated as a component of staff onboarding and training. Core risk management processes are not “add-ons.” In many ways, they are functions already existing within a humanitarian organization at global and country levels, and they should be resourced and reflected in project proposals.
- o **Align procurement or recruitment processes with programs.** Qualify new job postings and tenders as “pending/dependent on funding.” Job candidates and vendors can be pre-selected for not yet funded work, and contracts can be issued quickly as soon as grant agreements are signed. Organizations will need to review and update recruitment and procurement policies and processes, ensuring that communications are systematic and transparent, for vendors and potential new employees. Organizations

*“We’re too busy to be safe.”*

can use these “no regrets” approaches to avoid lengthy delays during the start-up phase in their humanitarian programs.

o **Treat every action or activity as a learning opportunity.** Doing so helps teams consider what to do, and importantly, how to think, about risk related issues throughout programming. For example, teams can use After Action Reviews (AARs) to capture when programs are not adequately prepared to manage risks, fail to deliver as a result of risk events, or face obstacles due to mitigation processes or controls. Make AARs ritual and routine—a way of working and getting better, not a paper exercise. Teams can use AARs after any task or activity. Make these fast and informal sessions for simple situations, no longer than 15 or 20 minutes. Quick sessions can be used after any number of tasks—for example, after completing a rapid needs assessment, a food or cash distribution, or a community outreach or monitoring visit. Be inclusive. Everyone, regardless of level or role, gets the same information and has equal opportunity to contribute and reflect. Assign the following tasks to the group:

1. Review the objective, planned activities and intended outcome.
2. Review what actually occurred and any deviations from the plan and objectives.

3. Ask the team two core questions:
  - o SUSTAIN: What did we do well, and what were our strengths that we need to sustain in future work?
  - o IMPROVES: What key weaknesses or shortcomings do we need to improve?
4. Keep it short, simple and focused. Prioritize only three SUSTAINS and three IMPROVES.
5. If documentation is necessary, have the team lead take down the three key SUSTAINS and three key IMPROVES. Share them via email or log them in a centralized document all team members can access.

o **Make risk management a familiar topic that is regularly discussed.** Risk issues can be added as a standing agenda item to country senior management team meetings, to promote interdepartmental exchange and perspective. For example, certain forecasted risks may affect programs, finance, operations and security in different ways. Also consider it as a standing agenda item for program start-up meetings, interim reviews, and closeout. Discussing risk management in program opening meetings allows all staff, including junior staff, to discuss possible risk and understand who is responsible for what.

# THREE STEPS TO IMPROVE RISK SHARING IN PARTNERSHIPS

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During the Risk III project, transactional partnerships emerged as a crucial risk management trap. Cases where risk was transferred and later caused harm often arose when partners were treated as sub-contractors rather than collaborators. Cases like these have common patterns. Limited investments in risk management capacity leave the partner with few resources to maintain or strengthen its approach. The net effect is greater exposure to risk—often perceived as a failure of the implementing partner, as opposed to a failure of the partnership to provide adequate support. Trust within the partnership is compromised and the donor loses confidence in the organization’s ability to manage risk. This in turn can reinforce a top-down, compliance-oriented, subcontracting form of partnership, again putting more strain on the partner without providing the support needed to effectively manage risk.

As organizations grapple with what risk sharing can look like in practice, here are a few steps to consider.

## 1. Review the organization’s partnership packages and materials with a lens towards risk-sharing.

Ask the tough questions:

- *What duplications or redundancies exist within your partner or sub-awardee due diligence requirements? Where and how can these areas be streamlined? How would the proposed changes impact your partner? How would these changes affect the overall performance of the humanitarian program? What outcomes do you anticipate for the affected population if the changes are implemented and if they are not implemented?*
- *What kind of partner guidance and budget templates do you use, and do they describe different risk management costs that can be covered? Do you provide a standard and consistent overhead rate for all NGOs across all programs in all crisis settings? Do partnership strategies and tools make risk sharing a component?*

## 2. Understand your partners’ risk management needs and resource them adequately.

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 country level. Risk is managed effectively when there are the resources in place to do so. Without them, risk management becomes a “box ticking” exercise. Instead:

- Include adequate time, funding, and human resources for risk management in program plans, timelines, and budgets.
- Review organizational structures and core funds to assess if they are sufficient to support good risk management.

## 3. Think differently. Diffuse the power dynamic. See risk management as a mutually beneficial exchange.

As one INGO leader explained: “All INGOs need to adopt a risk-sharing approach and attitude—instead of the more traditional donor approach—and see risk management as an exchange where both INGOs and LNGOs can contribute and learn from one another.”

*“All INGOs need to adopt a risk-sharing approach and attitude—instead of the more traditional donor approach—and see risk management as an exchange where both INGOs and LNGOs can contribute and learn from one another.”*

Organizations should collaborate with their local partner in way that acknowledges learning and mentorship needs, time required, and the role of different stakeholders. More collaborative and inclusive program design processes can strengthen joint risk assessments, analysis, forecasting and preparedness. This can include jointly developing risk registers and mitigation planning for programs implemented with partners—including in consortia models. Risk assessments, registers and plans can be revised and reviewed together on a regular basis and used for joint decision-making. Donors must structure program timelines and resourcing in a way that makes this possible.

# NINE DONOR DO'S TO IMPROVE RISK SHARING

Throughout the Risk III program, participants shared practical examples of the role donors have in risk management and risk sharing. Organizations highlighted donor contributions that helped operational organizations manage risk better while also delivering quality humanitarian interventions. The set of Do's also can also support organizations as they think through their roles, responsibilities, and priorities in advancing risk sharing.

Donors can use this list—a set of “do's—to review their own approaches. Humanitarian organizations can use the list to inform their discussions with donors as they plan for humanitarian response and throughout project cycles.

**Do . . .** Fund risk management costs in your proposals.

If proposals do not include risk management costs, be proactive and ask partners why it was not included. For additional support to implement this, see [Tips: Tell your donor the truth “Managing risk is not free.”](#)

**Do . . .** Review risk management policies and approaches to determine the possible harm created for partners. Ask these important questions:

- o How do our partnership/grant requirements contribute to or cause program delays and disruptions? What is the impact on program quality?
- o Can partners realistically meet our requirements and still deliver humanitarian aid where and when it's needed?
- o What risks are we passing down to our partners? How does this affect partner teams, the program, and their organization overall?
- o How do requirements and partner expectations affect the timeliness and quality of the program? What is the impact on the affected community?
- o Can our requirements be met by our partners local partners? Do our policies prevent greater localization?

**Do . . .** Make quick and practical changes to relevant policies, agreements, or requirements such as allowing the full scope of flexible funding available and funding on the longest timeframe possible. These efforts will directly improve staff and knowledge retention—both crucial to effective risk management.

**Do . . .** Revise and update relevant policies and agreements to make program delivery an equally important focus of risk management, as are financial, legal, or reputational risks.

**Do . . .** Adopt a more realistic approach to risk management by establishing policies focused on zero tolerance for inaction, as opposed to zero tolerance for incidents occurring at all. This would facilitate more open information sharing between donors and partners.

**Do . . .** Explore ways to delegate more decision-making authority to donor country offices when their knowledge of the context and risks faced is stronger. This will help facilitate better working relationships between NGOs and donor country offices, and faster responses to issues when they arise.

**Do . . .** Advocate internally within the donor institution (i.e., government donors, foundations, etc.) to limit restrictive policies and procedures. Highlight the practical impacts such policies and requirements have on aid agencies and on the effectiveness and quality of the humanitarian programs. Ask for examples from your partners but be cautious about adding more burdens to them to collect evidence or track data.

**Do . . .** Build in more flexibility to fast-track and streamline decision-making and approval processes when needed.

**Do . . .** Respect the independence of your partners' risk management approaches. For example, do not require your partner to use your organization's risk terminology. Create or revise policies that respect the formats and tools your partners use to identify, assess, and plan for risk.

# DONOR COMMUNICATION TIP SHEET:

## TELL YOUR DONOR THE TRUTH, ‘MANAGING RISK IS NOT FREE’

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Discussions around costs are inevitable as the humanitarian community seeks to manage risk effectively. There is no zero-cost option for risk management.

The humanitarian funding model, through its fixed project budgets on short-term cycles, poses unique challenges that obstruct the funding needed to set up and maintain organizational capacity, and proactively manage risks in programs.

The primary goal of risk management is to optimize the chances of achieving program objectives and quality performance, and there are inherent costs associated with doing so. Building and maintaining risk awareness and readiness is not free. Yet, there is resistance and difficulty surrounding cost conversations when it comes to risk management.

This document offers a few tips to explain different types of costs and propose solutions to donors. It is a general reference, so it should be adapted according to each NGOs experience, needs, and donor relationships.

### STEP 1

#### Explain the Different Types of Risk Management Costs to Your Donors

Risk management costs are typically distributed across three overlapping categories:

- 1. Costs of Entry (Strategic):** expenses associated with establishing organizational capability and infrastructure through techniques, systems, tools and training. These are necessary investments that support the development of critical processes and procedures, that are then rolled out. Without these investments, risk management cannot deliver on its core purpose.
- 2. Ongoing Maintenance (Operational):** These costs maintain effective organizational capabilities to mitigate and manage risk. Delayed maintenance causes diminishing effectiveness. These costs

include strengthening and evolving systems and policies, learning and adapting to changing internal and external dynamics, and ongoing training and culture-building to maintain and refresh staff skills.

- 3. Risk Management in Programs (Tactical):** Risks in humanitarian programs are constantly changing. Each program experiences unique vulnerabilities and threats. Program risk management requires funds to assess, monitor, mitigate, and manage risk. Effective risk management entails proactive action to avoid or reduce vulnerabilities and threats once identified. Staff must prepare and activate contingencies should a risk materialize. Assessing and monitoring risk has costs, as do stepped-up interventions to mitigate risk.

### STEP 2

#### Ask Your Donor for What You Need. Consider and Propose the Following Recommendations to Your Donors.

Risk management cannot be effective if it is treated as a zero-cost extra. Advocate with your donors and suggest concrete solutions oriented around the three cost tiers above. Organizations can build-on and refine several solutions when discussing risk management with donors. The recommendations below can address the three types of risk management costs – Risk Management in Programs (Tactical), Ongoing Maintenance (Operational), and Costs of Entry (Strategic)

- o **Include the necessary costs to assess, monitor, mitigate and manage risks to humanitarian activities and delivery in program budgets.** This goes beyond program support costs or indirect cost rates and entails adequate contingencies in program budgets to cover the costs of addressing risks.
- o **Use multi-year funding instruments.** Predictable and longer-term project funding is central to sustaining risk management capabilities at a



program level. Multi-year funding must also include an adequate program budget to address and respond to risk. This not only supports risk management in programs, but it also allows reliable indirect funding that supports the ongoing maintenance of risk management policy and practice.

- o **Address and cover the additional costs of risk management and compliance requirements in high-risk settings.** This should include additional, field-based indirect cost recovery lines in project budgets. This should be applied as a percentage of project costs, not a direct cost. This approach provides the flexibility NGOs need to adapt to dynamic environments and evolving threats.
- o **Establish a policy** that all humanitarian programs implemented in partnership with local or national NGOs include a 10% standard minimum overhead. This should appear as its own budget line in any partnership or sub-award with a L/NNGO. It should be separate from the first-line recipient's indirect costs.

- o **Include funding for local partner risk management capacity building.** Ideally, this would be drawn from complimentary funding from development donors.
- o **Develop a mechanism that guarantees NGOs can access the necessary resources to establish risk management capability and infrastructure across their organizations.** NGOs need dedicated resources to maintain existing compliance functions that have emerged organically over the years, while also setting up a whole-of-organization approach, drawing on new learning and evolving good practice. The entry costs to establish new, organization-wide capabilities are significant.

### STEP 3 Follow-Up

Don't treat the conversation as a one-off. It will take time to help donors understand that creating a risk intelligent culture requires long-term and sustained investments. Appreciate incremental changes and request timelines to keep the conversation going.

# JOB DESCRIPTION TEMPLATE:

## RISK ADVISOR, HUMANITARIAN PROGRAMS & RESPONSE

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The Risk Advisor for Humanitarian Programs and Response Operations is a role that does not exist as a standard across humanitarian organizations. The role is different from the typical risk management or compliance functions. Instead, it is program focused and aims to bridge the divide between the current compliance-focused model and the needs and realities within humanitarian teams. This template job description is designed to build connectivity and integration of risk management capabilities throughout an NGOs humanitarian program cycle. The job description draws on the learning and best practices identified throughout InterAction’s Risk III – Evidence to Action program (2020-2022). Those findings show a need for additional and long-term expertise, starting first with dedicated capacity in humanitarian divisions.

This job description is a template, and it can be revised or adapted to an organization’s structures and needs. For guidance on how to fund these roles and broader institutional capacity for risk management, see [Tip Sheet: Tell your donor the truth, “risk management is not free”](#).

### Job Description Content

**Job Title:** Risk Advisor – Humanitarian Programs & Response

**Job Type:** Full-Time

**Location:** [Insert applicable location. Suggested to sit in HQ or Regional Office]

**Reports To:** [Insert applicable reporting line, suggested that reporting lines are dotted between the head of Humanitarian Programs and relevant operations lead. Can also consider Regional Director reporting line if role sits in regional office]

**Department:** [Insert applicable organizational department. Suggested to sit in the department responsible for humanitarian programs]

**Job Summary:** The Risk Advisor – Humanitarian Programs & Response, will support and connect [NGO name]’s strategic and operational risk functions, fostering an organization-wide mindset towards a risk management approach that better enables humanitarian program delivery. The Risk Advisor will nurture the organization’s risk management culture, serving as a liaison between country response realities and senior management team decision-making. The advisor will collaborate with a diverse set of teams and portfolios, strengthening risk awareness and preparedness across the organization, country, and rapid response teams. The role will also focus on context and programs in stable settings and/or longer-term development programs that demand additional resources and attention related to unforeseen events.

**Roles and Responsibilities:** Note: The following set of responsibilities are illustrative of the potential tasks that an organization may consider as core to a risk advisor for humanitarian programs and response. They should be adapted accordingly to an organization’s capabilities, structure, and contextual priorities. The job functions are divided across three key areas. The first area is focused on an organization’s risk awareness and preparedness through improved detection, planning, and response (i.e. mitigation). The second area focuses on building and maintaining an organizational systems and capabilities. The last area focuses on the external and internal communications and engagement functions of a role, which is required to work and bring coherence across a diverse global organization, and also collaborate with other emerging experts in the field.

### *Risk Detection, Planning and Response*

- Support frontline response teams to identify, evaluate, and plan actions to mitigate and manage risk, including by applying a holistic approach to risk management across the humanitarian program cycle (i.e. design, implementation, close-out).
- Advise and support regional and country leadership on risk management, including in risk forecasting and preparedness.
- Integrate risk management considerations into decision-making, planning, resource development, and allocation, monitoring, and evaluation, reporting, and contingency activities across the organization's operations in high-risk settings.
- Support data collection and reporting on [NGO NAME] risk assessment/mitigation activities in high-risk field environments for internal stakeholders, including Senior Management Team and key stakeholders with risk ownership responsibilities [INSERT OTHER RELEVANT STAKEHOLDERS AS APPLICABLE]
- Deploy to provide surge support for emergency responses, as needed/requested.

### *Strengthening Organization Capabilities*

- Contribute to knowledge management and learning through the collection and analysis of lessons learned from [NGO NAME] risk assessment/mitigation activities in high-risk field contexts; update related risk guidance, trainings, tools, etc. as needed.
- Promote collaboration among various functions across the organization to facilitate cross-cutting risks and issues to be addressed effectively, including through reviews and updates to systems, structures, procedures, and capacities in high-risk areas and programs or teams that support programs in those settings.
- Coordinate and facilitate periodic risk reviews with organizational functional experts and management to identify key risks and opportunities to [NGO NAME]'s humanitarian programs and operations, to identify critical risks and opportunities and design appropriate responses.
- Build capabilities of frontline response teams in high-risk environments, including the development of applicable guidance, tools, and training for ongoing organizational learning.
- Work with and support local NGO partner capabilities around risk awareness and preparedness, including related to risk assessments and mitigation planning in learning for [NGO NAME] partners to build to undertake risk assessments and mitigation planning.
- Develop guidance and tools and training for ongoing organizational learning, ensuring resources are contextualized and oriented to better facilitate and enable program delivery.
- Work closely with relevant [NGO NAME] HQ and country teams to track best practices in risk management for field operations, informed by industry standards and best practices in field operations and global policy development.
- Identify and cultivate risk champions at the regional and country program level to support mainstreaming of risk management approaches in field operations.

### *Internal/External Relations*

- Serve as a trusted advisor to both country teams and senior management teams, providing analysis and communication on both discrete and longer-term risk management issues.
- Represent [NGO NAME] externally at international, regional and inter-agency meetings, including with UN agencies, donors and other government entities on issues pertaining to risk management in humanitarian settings, including information sharing to inform donor risk management practices and policies.
- Collaborate with peer NGOs and other risk experts to exchange good practices on risk management and share information on emerging global or context-specific trends in risk management.

### **Key Working Relationships**

- **Internal – Leadership and staff in Country Programs operating in high-risk contexts; Regional Leadership; Global Safety & Security; Program Quality, Monitoring, Evaluation & Learning team, Humanitarian Response and Technical team leadership and staff; Ethics and Safeguarding, Global Risk and Compliance; Program/Business Development teams; Global Operations and Supply Chain; Finance; Communications etc.** [Adapt or adjust according to NGO structure and departments]
- External – Key donors including USAID/BHA, PRM, FCDO, ECHO, etc. Implementing partners, peer agencies at global and country levels, UN agencies and counterparts, **NGO Forums, and other relevant coordinating bodies**

**Supervisory Responsibilities:** [Include if applicable to how organization is structuring role. For example, some roles may include temporary supervision/management roles in NGO country programs during deployments, as requested]

### **Essential Qualifications:**

- At least 8+ years' experience coordinating and delivering assistance in humanitarian settings, especially demonstrable success operating in complex and conflict-related crises.
- Proven experience and familiarity with NGO risk management systems and norms across a range of risk types, including compliance, fiduciary, security, reputational, etc.
- Specific knowledge of humanitarian program cycle, including needs assessment, program design and planning, implementation, monitoring and learning.
- Knowledge of IHL, humanitarian principles, and humanitarian standards.
- Knowledge of and familiarity with government donor requirements, including, specifically USAID/BHA, ECHO, and FCDO, as well as UN agencies.

### **Recommended Qualification, Skills and Competencies**

- Deep understanding of humanitarian action and NGO structures, funding mechanisms, and operating models.
- Adept written and verbal communicator with a proven track record of successfully influencing critical partners and stakeholders.
- Strong attention to detail and capabilities in identifying and addressing nuanced business needs.

- Savvy strategic, analytical, problem-solving and systems thinking skills with capacity to see the big picture and ability to make sound judgment
- A versatile and flexible professional who is comfortable with evolving priorities and targets, working across different time zones, cultures, and business practices.
- Excellent relationship management skills with ability to influence and get buy-in from people not under direct supervision and to work with individuals in diverse geographical and cultural settings.
- Proactive, resourceful, and results oriented.
- Advanced degree in relevant discipline.

**Languages:** Proficiency (verbal and written) in English and one of the following languages: French, Spanish, Arabic.

**Travel:** Willing and able to travel up approximately 25%. Capacity to live and work in difficult/stressful environments.

**About [NGO NAME]:** [Insert organizational boilerplate language and any other standard talent and recruitment language, including EOE, DEI language etc.]

# REAL RISK SCENARIOS AND THEIR DIFFICULT TRADEOFFS

## USING SCENARIOS AND CASE STUDIES TO BUILD A CAPABLE AND RESPONSIVE RISK MINDSET ACROSS YOUR ORGANIZATION

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Typically, risk planning is done through a standard and often rigid formula. Risks are identified. A brief analysis or discussion determines the likelihood of the risk occurring and the probable impact, each with a rating of low, medium or high. The risk register is completed, and teams move on. With little time to revisit learning or update assessments, teams reinforce a reactive risk management culture rather than a proactive one.

There is growing recognition that a more dynamic approach is needed. Humanitarian organizations are starting to shift away from the standard ‘defend and protect’ to a more capable and responsive ‘mitigate and manage’ approach.

This resource includes eight composite risk scenarios. The details presented in each case are drawn from actual events experienced by humanitarian teams in response settings. The cases depict the difficult tradeoffs and complexity humanitarian teams grapple with when managing risk in operations and programs.

### Why use scenarios to discuss risk?

Real scenarios can help organizations and teams scrutinize issues around policy, decision-making, communications, information sharing, and resource allocation. The risk scenarios can be used as a resource to prompt thinking and reflection.

The scenarios are designed to help humanitarian organizations and teams:

- o Scrutinize processes, systems, and decision-making that may contribute to or minimize the challenges reflected in each scenario.
- o Think about how the organization and teams would cope with similar scenarios.
- o Consider what adjustments are needed to avoid or prevent similar experiences in the future.
- o Build awareness of the operating realities and experience of frontline teams when working to manage and mitigate the risks inherent in humanitarian programs.

### How to use the risk scenarios? And who should use them?

The scenarios can be used as part of a broader learning agenda for an organization. Specific resources and exercises are available in the [Risk Management Learning Guide](#). Each case can also be used as a stand-alone reference or learning opportunity. The cases were written to stimulate discussion and thinking across different teams and functions. They are particularly useful for informal discussions. They can be used by:

- o **Leadership** – Team or department leadership that want to examine internal risk systems and approaches. Case studies are helpful because difficulties can be unpacked and discussed without finger-pointing and without the pressure of having to commit resources.
- o **Program and Country Teams** – as a reference point for program kickoff meetings with internal teams and with partners. Scenarios can help teams anticipate possible future events that could materialize in their programs. Reviewing scenarios helps with preparedness and awareness of what could happen.
- o **Technical Units, Program Development, and other HQ Support Staff** – The scenarios can serve as a reference point for multiple teams, including business development or technical teams who may be designing humanitarian programs. HQ support staff such as human resources, administration, finance, legal, compliance etc. might use the scenarios to assess what obstacles and opportunities could arise in rolling out new systems across different operating settings.

o **Boards** – Governance plays a critical role in risk management, and there is increasing interest from boards to understand risk and how it occurs in humanitarian settings. The scenarios offer a unique

view for boards to understand the complexity and difficult tradeoffs that come with mitigating and managing risk in humanitarian action.

**Review the Scenario and Reflect on the Following Questions:**

- o What would we do if this scenario occurred in our organization? How would this scenario affect our organization and different teams (e.g., operations, finance, HR, business development, legal, other country offices etc.)?
- o What are the short and long-term implications of the risk scenario on the organization, its teams, and beneficiaries?
- o What plans does our organization have for responding to a similar scenario?
- o How would this scenario affect the communities we serve? What is the cost or consequence on crisis affected people and on our programs?
- o How does the case affect the quality of programs and the effectiveness of our humanitarian activities?

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## CYCLONES, CHOLERA, AND CORRUPTION

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My name is Lin. I work in a country office for the NGO All Aid. A few years ago, the organization had a corruption scandal that badly affected our reputation with donors and the public. As a result, All Aid invested heavily in strengthening its risk management approaches, including investing in a new global software system to record all risks and automated processes for approving contracts and procurements. This work was led by global risk and compliance. They did some limited consultations with other departments and country offices in the process but didn't speak much with the teams or staff who would be using the system.

I lead All Aid's emergency response to a major cyclone in this country and the region. The program provides clean water, sanitation, and shelter and non-food items. People are living in exposed areas and have no fuel or clean water. The basic infrastructure is destroyed. Unfortunately, the new systems, that were set up after the corruption scandal, are seriously affecting our ability to respond quickly.

Now, any procurement over \$5,000 requires a competitive tender with at least three quotes and approval by the HQ Director of Support Services. We put out a tender for tarpaulins a month ago and got good quotes from local suppliers that had the items in stock. It was time-consuming, but we collected all the necessary bid details and documentation, and uploaded everything for approval into the new system. The system isn't easy to use or understand and requires a lot of manual data entry. We had to keep going back to the suppliers to ask for more evidence, which wasn't always easy for them to provide, as they were also affected by the cyclone. On top of this, the system is only in English and most of our procurement team speaks French, so I had to take time away from community work to enter all this information. We then had to wait for the global risk and compliance team to process this on their end of the system, which got delayed because someone went on holiday and forgot to delegate sign-off to their deputy. I called my counterpart in HQ to ask if they could speed this up, but they said there is no way to override the system. After two weeks we finally got the approval to go ahead, but the suppliers had already sold their stock to other NGOs and it's going to be two months before more tarpaulins arrive. So instead of being one of the first to respond, we'll probably be one of the last. HQ are now asking why we haven't done more as it doesn't look good in the reports back to the donor. It's been six weeks since we completed the needs assessments, and community members are reaching out to see when we are coming back to deliver.

The Ministry of Health just declared a cholera outbreak in the area after confirming 100 cases. We need to distribute soap and household water treatment kits as quickly as possible. We can't afford to spend three weeks on paperwork and approvals, so we're going to keep our procurements under \$5,000 this time. It will reduce the number of people we can support and end up costing more per item, but at least we'll be able to respond in a reasonable timeframe when people need it most.

I had to upload all our risk and prevention measures for the response to All Aid's global risk tracking system (another lengthy and challenging process), so I included these operational risks and suggested there should be faster approval processes for emergency responses. However, the only feedback we received was a long list of questions about our financial, recruitment, and procurement processes. It seems these new risk management systems are just about documenting everything rather than helping country teams to better forecast and manage risk in programs. I do understand the value of a software system like this, but it feels like I'm becoming a cog in the machine instead of a human being trying to make the right decisions to help other human beings in an emergency.



# RISK SCENARIOS IN HUMANITARIAN ACTION:

## PREVENTING HUMAN TRAFFICKING IN A REFUGEE RESPONSE

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My name is Carlos. I've been working for the INGO All Aid as a National Program Officer for just over a year. I coordinate a program providing education and livelihoods programs for young people in a refugee camp, just over the border from the conflict. Unfortunately, the camp isn't completely safe, as human traffickers often target young men and women in the camp because of the poor living conditions and lack of opportunities to learn and work.

Our program runs from a sub-office in the remote border area near the camp. Last year, a big media story about the camp's poor living conditions and trafficking risks reflected badly on NGOs and led to issues with our donor. All Aid responded by hiring a new Country Director who worked in high-risk settings in other parts of the world. She introduced a new set of policies and procedures we need to follow, covering everything from travel plans to procurement decisions. We understand the importance of risk management protocols, but there was no consultation with any of the sub-offices, and it feels like they were copied and pasted from somewhere else because they don't make sense in this context. It didn't feel like she understood our work at all, and it wasn't clear what our roles were in this new system, besides sending lots of reports to HQ and waiting for their decisions.

We didn't get any training or extra support on the new procedures. The Country Director and the admin team made a short visit to present the new procedures and the consequences for not following them. They weren't interested in any of our concerns. When they left, our team felt confused and afraid of making a mistake.

The new paperwork we had to complete piled up on top of our existing work. Staff had to stay late to keep up with all the new procedures. The Country Director now has to approve all travel plans and program changes, and this slowed our movements and work down. We had to send the strategy for recruiting participants for the new vocational training program to HQ for approval. They added extra steps for us to screen out anyone who might belong to the trafficking ring, but these steps were impossible for us to implement and slowed down the program, which frustrated people in the camp.

We have built good relationships with leaders in the camp. They warned us people from the city are targeting girls and boys who are not in school or training and taking them to the capital to work as domestic slaves or prostitutes. They urged us to expand enrollment for our new program. Last year, we would have immediately worked on the way to do this, but the rigid new protocols paralyze the team.

We didn't feel able to make this decision by ourselves. Our area coordinator had months of back-and-forth with HQ before we got permission to make a modest expansion. During that time, we found out that two dozen young refugees were trafficked out of the camp. Our sub-office has been steadily losing staff. Some of them are burned out by the increased work and reporting burdens. Others are frustrated that our programs are slower and less effective, which has damaged our relationships with the communities. Each time a colleague quits, the work burden increases on those of us who are left. I am now covering three people's jobs and just received a bad annual review because I can't keep up with everything anymore. And worst of all, we can see the risk to the refugees increasing. If we can't keep our education programs running and relevant, many more young people will end up in the hands of the traffickers. That's my motivation for trying to stay, but I don't know how long I can keep this up without burning out.

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## FOOD DISTRIBUTIONS IN AN EVOLVING CONFLICT SETTING

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My name is Adil, and I just took on a new job managing INGO All Aid's food assistance program in a country with a protracted internal conflict. The program has been running for just over a year, but a lot has changed in that time. At first, there was only sporadic fighting in the areas where we work, but the conflict has gradually moved south and now the fighting is much more intense.

The dry season is coming soon, so I need to review the program plans to make sure we are ready to scale up our food distributions as needed. A risk assessment and risk register was completed at the start of the program that was quite comprehensive, but also generic and not specific to the local context. For example, there is nothing about the ethnic dimension to the conflict and how that could affect our work in communities. The risk register seems to follow the donor's global template, which is more focused on threats related to fraud, corruption, and security, than operational risks.

It also doesn't look like the risk register and mitigation plans have been updated since the program started and there is no clear process in place for monitoring threats and how they are evolving. I asked the program team about this, and they say they are not responsible for risk management as it's led by HQ. Most of them didn't contribute to risk assessment and what went into the risk register. The one person who was, says she got the sense it was just something HQ needed as part of the program reports for the donor as they never got any feedback on it, and it was never mentioned again.

I've worked in active conflict areas before. To keep people safe and programs running, it's important to detect and monitor potential risks and plan mitigation measures. I suggested we organize a workshop with our national and international staff and community stakeholders to review and update our risk management plans for the dry season, but country leadership said forgotten crises like ours don't have funds or staff to support risk management like the more high-profile responses do. Country leadership says we need to focus on planning distributions.

The dry season started, and the team is working long hours to get enough food into communities so malnutrition rates don't skyrocket. Last year, food distributions targeted women to increase the likelihood that children received rations, and the risk assessment said this was safe. But we haven't updated our risk analysis since the conflict intensified, and now there are many more men from a militia in the area. They began attacking women on their way home from distributions. They steal their food, use some to feed their soldiers, and sell the rest on the black market. Not only did our distribution strategy put women at risk and fail to get food to children, but it meant an armed group was able to get resources to sustain itself.

In a coordination meeting, a peer NGO leading nutrition response in the area reported an alarming increase in severe acute malnutrition cases of children under 5 in the last several weeks. The NGO asked us for a meeting to discuss our food security interventions in the area. I tried to use the current situation to jumpstart the team's risk planning so we could develop a new strategy, but the team is discouraged, confused, and paralyzed by what happened.

There is a total breakdown in the program. We did disclose everything as soon as we were aware, but the risks now are so great that the donor and our HQ suspended the program, launched an internal investigation, and began a country-office restructure. We lost so many staff so quickly that I'm afraid we won't be able to remember or capture what went wrong or what we learned. If that is the case, nothing is preventing this from happening again once the program re-opens.

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## STRUGGLING WITH THE PAST DURING DISASTER RISK REDUCTION

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My name is Maria and I work at the Global Headquarters for an INGO called All Aid. We've just been given a large grant for a disaster risk reduction program in four countries that are very vulnerable to climate change. I am responsible for global program coordination and liaising with the donor.

My manager told me that it was important to work with the five country offices to put together a global risk register. I had never put together a risk register before and asked my manager if I could attend a training, but she said that training is only once per year, and I had just missed it. She couldn't tell me who else in HQ I could talk to who had experience with risk registers. She told me they were mostly to keep the donor happy and to just "do my best."

I knew that there had been disaster risk reduction programs in some of these countries in the past, so I tried to find any evaluations, reports, or internal learning from those programs. Unfortunately, everything I found was just about hitting program outputs and targets, and there was nothing on how these programs had confronted and dealt with different risks.

Next, I reached out to the Country Offices to see if I could talk to any of the staff who had worked on these programs. Unfortunately, because program staff salaries are tied to projects, as soon as the project funding ran out, All Aid had to let these staff go. There doesn't seem to be any attempt to capture their lessons learned or experiences before they left. In general, there has been so much turnover in the past five years that only a handful of drivers and administrative staff are still the same.

I tried to work with our Country Leadership to do some brainstorming around what possible risks we could anticipate in the program, but they were under so much pressure to get programs launched that they barely had time to speak with me. I managed to scrape together some basic information from each country to fill out the risk register. I handed it in to my supervisor and told her I didn't think it was very strong, but she glanced at it and said, "good enough".

All the disaster risk reduction programs were supposed to work through the central government and ministries that were responsible for disaster management. While All Aid staff may not have had any institutional memory of working with these government officials, many of the government officials remembered working with All Aid. More specifically, they remembered successfully asking All Aid for bribes and 'favors' during these previous DRR projects in order to help them move along quickly. Some government officials insisted on All Aid only buying from approved "government sources" that we suspected were personal friends and allies. This was not a risk we had been anticipating, and the projects all slowed to a halt as each Country Office tried to figure out how to deal with this issue. They didn't have any lessons from the past to rely on for guidance, and neither did I. In addition, even though the Country Offices were dealing with similar issues, they were hesitant to talk to each other about the issue.

Each Country Office eventually figured out a way to manage the situation, but the projects ended up being seriously delayed and the donor wasn't happy. I tried to talk to the different Country Programs to document what had happened and what lessons they had learned, but I didn't get much of a response. The offices were under such pressure to make up for the delays they didn't have time to speak with me, and I think there is a bit of reluctance to talk about what ended up being an embarrassing situation. I just found out that I'm being moved to another project and I'm doing my best to write down what I've learned. But I'm not sure where these kinds of 'lessons learned' should be stored so that the next person in my position can find them and avoid these risks in the future.

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## LOCAL PARTNERSHIPS AND REMOTE MANAGEMENT

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My name is Sara, and I recently joined the international NGO All Aid's Partnership Unit. The unit was set up when the security situation deteriorated, and All Aid had to switch to remote management. Both HQ and donors were nervous about working through local NGOs, so the Partnership Unit was set up, and I was hired as national staff to manage our relationship with local NGOs.

There are many good local NGOs, but only three can meet the strict partner screening requirements required by our donors. This means every INGO wants to work with them and they are overwhelmed. My friends who work for these NGOs say they can't turn down projects because each one comes with such little overhead that they're barely keeping the lights on.

We decided to partner with Local Action, where I once worked. They needed to put new policies in place to meet donor requirements, such as child safeguarding and anti-corruption. We didn't have a lot of time, so we ended up just copying and pasting All Aid's policies and having Local Action sign them.

Local Action is managing a cash program in a remote IDP camp in an active conflict area. The partner vetting process took so long, and we were under such pressure to start the program that we didn't have any time to plan together or discuss how to manage risks. There was no funding in the partnership agreement for security costs, such as satellite phones, a security officer, or a field office close to the camp. Even direct project costs like salaries were low: two months into the program, another INGO hired away Local Action's most experienced project manager (they offered him a much higher salary) and Local Action had to scramble to hire a replacement, who was much less experienced.

Local Action staff confided in me that they found All Aid's risk management policies to be unrealistic and unnecessary in the context. They said they don't take the policies seriously because they seem more about meeting donor requirements. The Local Action team understands the context well, but I worry they are desensitized to some of the threats after working in this crisis for so long. My time in the partnership unit is taken up with writing donor reports and chasing Local Action for paperwork, and now it's been over a month since we discussed the program and how to manage risk. I know things are happening that aren't being shared, and I worry it's only a matter of time before someone gets hurt.

And then my worry comes true. On the way to a cash distribution, an armed group ambushed a Local Action convoy, attacking the driver and project manager and stealing the cash. Apparently, they had been getting threats for a while, but they didn't tell All Aid, because they thought we might close the program and they would lose the funding. And without a security officer and satellite phones, they couldn't plan their movements to avoid the armed groups. Now the program has been suspended and communities are not getting the cash they need to meet their basic needs. Some people in the camp are accusing Local Action of faking the attack so they could take the money. Because the program has been suspended, Local Action can't pay their staff salaries and a lot of them have left.

HQ and the donor are also very upset. The program is not meeting its targets and the armed group who stole the money has links to a designated terrorist organization, which has led to difficult questions with our donor government and potentially the media. The donor has told us we need to tighten up our partner vetting process and HQ has introduced new compliance measures that any local NGO will struggle to meet. I believe in the project and working with local partners, but after this year, I'm afraid that we are setting ourselves – and our partners – up to fail.

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## EPIDEMICS, CONFLICT, AND COMMUNITY TRUST

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My name is Mohammed; I work for All Aid, an INGO working in a country with a protracted internal conflict. I've worked in this area for a long time, and though this country is often considered a "forgotten crisis," our small team has built up trust with community members with over a decade of education and livelihoods work. During weekly meetings with community leaders, they would talk to us about the latest news on the conflict, and we were able to adjust our programming to stay safe.

Then Ebola was discovered in this area. The country suddenly began receiving a lot more attention and support, but it was also receiving a lot more pressure to act quickly. An emergency team came in to start building treatment centers, and we had to hire new staff to do emergency hygiene promotion. The message from HQ was that we needed to act fast to stop the spread of the epidemic and save lives, so we didn't have time to involve the communities in regular consultations or planning. The emergency team barely had time to consult those of us who'd been working in the country for a long time.

The health promotion activities focused on the importance of drinking safe water and regular handwashing, but community members told us they don't have access to safe water or soap, so they can't follow the advice. They said they lost patience with our health promoters and so they see no reason to speak with them. Some people are saying All Aid is just using the epidemic to make money to pay salaries, not to solve community problems. These frustrations are now creating new security problems: last week, community members threatened our hygiene team and stoned their vehicles.

After the attack on All Aid's vehicles and team, HQ told us to update our security posture and added more steps to assess and mitigate risks for any community visits. Not only does this create more work for our community-facing staff, but it reduces and delays our community visits. The relationships with community leaders continued to deteriorate - we're now lucky if we get a chance to talk to the community leaders once a month, and because they're frustrated with All Aid, they have been less open with us about everything. I feel I am no longer up to date with what is happening with the conflict and that it's only a matter of time before something happens.

And indeed, for the first time in the decade I've worked in this country, we had a major security incident. Two weeks ago, armed gunmen broke into our warehouses where we had been storing materials to build treatment centers. They held our staff at gunpoint and stole building materials. This armed group is notorious for attacking NGOs but previously hadn't operated in this part of the country - if I had known they were in the area, I would have advised our health team against prepositioning supplies like this. Before the Ebola outbreak, community leaders used to warn us about things like this. But, as I mentioned before, since our community relationships have deteriorated, so has our information about the conflict.

The epidemic continues to spread, and about 200 displaced people arrive daily from hard-hit areas to access medical treatment. The two areas we work in have already seen about 1,500 people arrive in the last week. Construction is on hold until we get new supplies to replace the stolen materials. The community prevention campaigns are still on hold, but HQ just notified us that we could expect approval to adjust our program interventions slightly for soap distributions and borehole repairs. However, it might all be too little too late. Once trust is lost, it is a difficult thing to gain back.

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## COORDINATION IN A FORGOTTEN CRISIS

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My name is Anna and I work for humanitarian INGO, All Aid. We just secured a significant donor grant for one of our country offices supporting people displaced by a protracted internal conflict. Initially there was a lot of attention on the crisis and many organizations launched programs, but as the conflict continued donor interest waned, and funding has been harder and harder to come by.

I have come to the country office to support coordination and during briefings, have been hearing about the challenging security situation. For example, there are many checkpoints on the way to the IDP camps and there are always new demands to pass through. The Country Office is still scaling up so it has limited resources to plan and anticipate risks and is just dealing with issues like this as they come up. There is a well-established inter-agency coordination group that meets in the regional capital. I am the first person to attend the meeting on behalf of All Aid in over a year. The country team seems happy to have someone there, but I've gotten mixed messages about what I can share. My program team asked me to get more information on how others are dealing with the checkpoints. But then the Country Director said we shouldn't share anything that could get back to donors, make us "look bad," or affect our chances during the next round of grant applications.

In the coordination meeting, we discuss the security situation. Everyone shares the latest information on checkpoint locations. Local authorities began asking some agencies for beneficiary lists at the checkpoints and elsewhere. The coordinator reminded us that agencies all agreed to stick together and refuse the requests because they are a protection risk. But when the coordinator spoke to the government minister this week, he told her some NGOs had shared their lists, so he did not understand why others had a problem with it. The coordinator said that this kind of disunity makes us all look bad in front of the government and makes it hard for us to advocate for our principles and collectively manage risk. In the coordination meeting, no one admitted to sharing their lists, including me. I decided not to admit that All Aid has agreed to share lists with local authorities to pass the checkpoints and access the camps. I knew this could make us "look bad" in front of the others.

The next week, opposition armed groups started to ask for lists of recipient names. They said if the government has this information, they should too. We drew the line at this and refused to share our lists. The soldiers at the checkpoint said, "other agencies are happy to share the information so we must be hiding something" and then they cut off our access to some of the camps.

The issue of sharing recipient lists came up again at the next coordination meeting, but agencies were still reluctant to discuss the issue publicly. I found out later that a smaller group would usually have coffee after the meeting and share their checkpoint strategies, but they were all people who had been in the country a long time and knew each other well and, as I was new, I wasn't invited.

A month later, one of the armed groups attacked one of the camps and had a list of all the families who lived there. They took some people away and damaged some of the tents. The government was furious and shut down access to the camps for weeks while they 'vetted' every humanitarian agency. Colleagues at HQ told us donors had heard about the situation and were considering reducing funding for the response because it seems that NGOs weren't able to handle the risks. This will make funding next year even more competitive, which probably won't make the coordination more open or effective. I just don't see the point of coordination if we can't be honest and real about the risks we all face.

# RISK SCENARIOS IN HUMANITARIAN ACTION:

## WHEN CASH TRANSFERS AND REGULATIONS CLASH

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My name is Alex. I work for All Aid, an INGO delivering humanitarian aid in a protracted internal conflict. The response is only 50% funded. Food prices have increased considerably. Needs are acute, but households only receive half of a monthly food ration due to funding shortfalls. I run an emergency cash program for 10,000 households, the only one of its kind in the area. Families use our cash to offset delays or smaller rations from general food distributions but also to pay medical or school fees.

We received a new grant from a government donor. The requirements say no funds can directly or indirectly benefit one of the conflict parties, the same one that controls the areas where we operate and where needs are greatest. The proposal submission timeline was so fast that our HQ did not get enough input from the country team. The program timeline, donor requirements, and level of monitoring are just not realistic. For example, 90% of our program targets female-headed households. It's impossible for us to verify if assistance would "indirectly benefit" a conflict party or combatant.

To meet the donor requirements, we created a new beneficiary assessment and registration process, which entails more information collection in the community. It is time-intensive, so the first cash distribution was delayed two months. Staff spends more time on paperwork and less time with the community. We also cut beneficiaries by 500 households, so we had enough money to hire more support staff.

We have an amazing local NGO partner. Their strong relationships with local communities and authorities, and their context knowledge helps us cope with insecurity, keep staff safe, and adapt programs quickly if needed. Our partner monitors the cash programs. They track if cash met people's needs and how families used that aid. Our partner is small and doesn't have all the policies to meet the donor's requirements. We spoke with our donor in-country to see if we could continue working with the local NGO, even though they don't meet the requirements. They said they would have to check with their HQ. We had to suspend the partnership in the interim. The local NGO stopped paying their staff salaries last week. Our monitoring capacity is now cut in half without our partner. Our staff are overworked and tired. We still haven't heard back from our donor on the HQ opinion.

Five months have passed. The new procedures worked. We are sure funds went to people in need. The new process is slow, so we only distributed cash to 4,000 households. The other 5,500 must wait. We heard that families who didn't get cash are skipping more meals and taking girls out of school. The community is upset with the delays. Last week, community members harassed and threatened our area coordinator. They accused us of "stealing money." Our convoys were stopped at new checkpoints unexpectedly. When we worked with our local partner, we were more prepared for context changes.

The team is disheartened. We've focused all efforts on reducing the risks that matter most to our HQ and the donor, but our staff are more at risk and the program can't deliver quickly enough to meet humanitarian needs. We had a team meeting, and we think it's not possible to work safely in the area and still meet the donor requirements. Next year, we will likely suspend operations and move programming to a more secure area under government control.

# GLOSSARY:

## KEY TERMS IN RISK MANAGEMENT IN HUMANITARIAN RESPONSE

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This glossary offers a starting point for NGOs working to strengthen their organizations' risk management understanding and competencies. The glossary provides definitions for key words and concepts commonly used in NGO discussions on risk management in humanitarian programs. The glossary can be used to:

- Build a shared language across NGO staff and teams when discussing risk.
- Develop a common understanding of risk across different organizational functions and levels.
- Provide a reference point when aligning old and new organizational policies, processes and systems.
- Bring coherence and consistency to how NGO teams identify threats, forecast weaknesses, and prepare for possible risks.
- Though not an exhaustive list, NGOs can use this glossary to encourage mutual and consistent understanding of common activities and elements of risk management policy and practice.

### General Terms

**Uncertainty:** The effect of incomplete information, knowledge of events or circumstances, and an array of other unknowns that cannot be quantified, which affects an organization's decision-making, priorities, and approaches.

**Threat:** A danger in the environment; a potential cause of harm.

**Risk:** The effect of uncertainty on organizational objectives, whether positive or negative.

**Likelihood:** The potential or probability of certain threats and subsequent risks, materializing.

**Impact:** The potential effect of a risk on the organization if realized, or what consequences might arise and what they would lead to.

**Vulnerability:** Weaknesses or gaps that can be exploited by threats.

**Risk Management:** Organizational practices, procedures, and policies that reduce the probability of risks being realized and limit the harmful consequences if they are.

**Enterprise Risk Management:** An organizational approach to risk management that considers, combines, and prioritizes assessed risks across all areas (e.g., security, fiduciary, operational, informational, and reputational) in order to strategize and implement mitigation measures.

**Strong Risk Management:** A risk management approach that enables quality and timely humanitarian delivery, performance and outcomes for crisis affected people and communities.

**Risk Appetite:** A general overview or organizational strategy that offers insights in the risk levels an organization deems acceptable.

**Risk Tolerance:** The level of risk an entity is willing to assume in order to achieve a potential desired result, or the degree of uncertainty that an organization or stakeholder can handle.

**Residual Risk:** The remaining risk after all appropriate mitigation measures are taken.

**Program Criticality:** The urgency or potential impact of the program, in terms of saving lives and relieving suffering. The concept of program criticality is being willing to accept greater levels of residual risk for life-saving programming.



**Risk Register:** A tool to assess, prioritize and mitigate organization-wide risks. This involves ranking risks in all categories by their perceived degree of likelihood as well as the level of impact they would have on the organization if realized and then developing strategies to mitigate them, including outlining ways that procedures and practices may need to be adjusted.

**Risk Assessment:** The process through which risk is identified, analyzed, and prioritized for mitigating action.

**Risk Identification:** The process of determining any event or factor which may do harm to the objectives of the organization.

**Risk Analysis:** The process of identifying and analyzing potential issues that could impact programs and objectives.

**Risk Monitoring:** The ongoing process used to track and evaluate identified risks, as well as the planned set of actions, both proactive and reactive, related to prioritized risks.

**Level of Risk:** An estimation drawn from combining likelihood and impact, or the consideration of the probability of an event and the consequences that would flow from it. This typically generates unrealistic estimates as likelihood is often overstated.

**Risk Treatment:** The process by which an organization improves existing or develops new rules, controls, frameworks or adaptations to reduce or modify potential risks by reducing the

likelihood of occurrence or the impact should the occur.

**Risk Owner:** A person or entity responsible for managing threats and vulnerabilities that could be exploited. Typically, a risk owner is someone for who the particular risk is relevant to their role and who has authority to manage and make decisions about certain risks.

**Risk Profile:** The prioritized set of the most significant risk identified through a risk assessment process. This is not a complete inventory of all risks.

## Risk Response Strategies

**Risk Response Strategies:** The option selected to treat the risk. This may include avoiding a threat, exploiting an opportunity, reducing the vulnerability to it, enhancing an opportunity, transferring a risk, sharing a risk, and accepting a risk. Any combination of these strategies can be deployed at one time and in different ways across an organization.

**Risk Avoidance:** Ceasing the activities that give rise or exposure to risk, thus eliminating any and all likelihood of the threat occurring, or its ability to impact the organization to any degree.

**Risk Mitigation / Reduction:** Implementing measures to reduce vulnerability or exposure to threats and reduce the possible impact should risks materialize. This can include various treatments such as controls, actions, new processes etc.).

**Risk Transfer:** Voluntary or involuntary arrangement between two or more parties. Risk transfer deliberately shifts responsibility to mitigate and absorb the consequences should risks materialize. Risk transfer is done with additional risks being incurred.

**Risk Sharing:** Reducing risk through sharing or transferring part of the risk to other parties (i.e., partners or using insurance), without the other party incurring additional risks, or with due recognition and resources to support the other party to manage additional risks.

**Risk Acceptance:** Risk acceptance implies a cost-benefit analysis. Certain identified risks are deemed acceptable, as the potential loss or harm from such risks is not great enough to achieve the desired level of risk reduction. The potential loss from accepted risk is considered tolerable.

## Types of Partnerships

**Transactional Partnerships:** Top-down, directive model, where the partner is treated sub-contractor to the funding entity or donor, rather than part of the decision-making process.

**Supportive Partnerships:** The partner receives a benefit beyond the monetary amount of the contract, including institutional support, technical assistance and mentoring and has at least some degree of strategic and project-design input.

**Collaborative Partnerships:**

International and national partners are on an equal footing with decisions made jointly on how programs will be designed and implemented, with funding shared fairly and used autonomously.

**Risk Categories**

**Operational Risk:** The risk of technical or human error, or capacity deficits, leading to operational failure/inability to achieve objectives. Includes financial risk (the risk of unexpected fiscal outcomes or being unable to finance activities) as distinct from fiduciary risk.

**Fiduciary Risk:** The risk that money or materials are not used for intended purposes (i.e. fraud, theft, waste or loss).

**Legal & Compliance Risk:**

The risk that laws and relevant regulations are violated by the organization or associated personnel.

**Safety Risk:** The risk of accident or illness.

**Security Risk:** Physical risk to individuals and assets from acts of war, violence and crime.

**Reputational Risk:** Damage to the organization's image and reputation that results in future harm or losses.

**Ethical Risk:** The risk of harm caused by unethical behaviors, including sexual misconduct and exploitation, inadequate duty of care, or

insufficient consideration of humanitarian principles.

**Informational Risk:** The risk of confidentiality breaches, data loss or theft.

**Risk Management Traps**

**Risk Management Trap:** A reinforcing cycle or loop of practices that trap humanitarian organizations into ill-suited risk management models often leading to the unintended effect of increased risks and diminished program performance.

**Focused on Systems, Not People:** Organizations often place more emphasis on creating and implementing their risk management systems and technologies (e.g., reporting software) than on empowering people that must use systems and processes to make decisions about risk.

**Staff Disempowerment:**

Bureaucratic, centralized risk management systems can disempower staff (particularly field staff), limiting their ability to resolve risk-related issues quickly and effectively.

**Weak Risk Forecasting &**

**Readiness:** Many NGOs do not have the resources and technical capacity to carry out strong risk forecasting, planning, and mitigation across all levels of the organization, which can lead to greater risk exposure.

**Institutional Learning Gaps:**

Without strong mechanisms to capture, document, and reflect

on institutional lessons about risk management, approaches to risk management are often undertaken in an ad hoc, instead of an evidence-based, way.

**Transactional Partnerships:**

When partners are treated as sub-contractors, rather than collaborators, it leads to risk transfer and a lack of investment in their risk management capacity, which can increase risk exposure and erode trust in the partnership.

**Compromised Community**

**Engagement:** When the relationship and trust between an organization and local communities is damaged, due to a lack of prioritization and investment in community engagement or as a result of program disruptions or delays, it weakens access to and understanding of the local context, thus potentially increasing exposure to existing and new risks.

**Coordination Dilemmas:**

Competition between humanitarian organizations weakens incentives to share information related to risk, which increases risk exposure for all actors.

**Prioritizing Compliance Over**

**Delivery:** Donor policies and previous incidents can lead organizations to institutionalize risk-averse, compliance-focused ways of working, which can limit where organizations work and reduce the quality and timeliness of their programs.