



Consultancy on Risk Sharing
DISCUSSION PAPER

19 June 2020

Acknowledgements and disclaimer

This research was commissioned by the Netherlands Ministry of Foreign Affairs and the International Committee of the Red Cross (ICRC), and carried out by Ed Schenkenberg van Mierop, Marzia Montemurro, Karin Wendt, and Damian Lilly. The content and findings of the report represent the Research Team’s point of view and are not necessarily shared by the commissioning parties.

We would like to thank the following colleagues for their time to engage with us: Segolene Adam, Samar Al-Attar, Elizabeth Bellardo, Sandra Boulos, Salvatore Cantale, Annelies Claessens, Mark Cutts, Yves Daccord, Petra Demarin, Cyprien Fabre, Colin Furness, Lindsay Hamsik, Kasper Hanenbergh, Sayed Hashem, Björn Hofmann, Jonathan Howitt, Andrej Kirn, Jeremy Konyndyk, Win Tun Kyi, Noor Lekkerkerker, Inge Leuverink, Martha Maznevski, Mamar Merzouk, Victoria Metcalfe-Hough, Magali Mourlon, Léa Mouthard, Joseph Odhiambo, Kingsley Okpabi, Stine Paus, Christine Pirenne, Hanne Raatikanen, Jeremy Rempel, Michael Roth, Patrick Saez, Fahad Saher, Katie Sams, Abby Stoddard, Eva Svoboda, Christ Taylor, Maria Thestrup, Andy Wheatley, Barnaby Willitts-King, and Louise Woollen.

Contents

1	Introduction	3
2	Brief overview of the current ‘risk’ landscape	4
3	Taking the next step	9
4	Concluding remarks	12
	Annex 1: Overview of main findings from mapping	14
	Annex 2: Brief note on consultancy	15

1 Introduction

Risk is inherent to humanitarian action given the environments in which it is carried out. In recent years, donors and humanitarian organisations have made significant investments in risk management systems and tools and the issue of risk has come up in various consultations and discussions, including the Grand Bargain. During the Grand Bargain High Level Meeting in September 2018, the Netherlands Ministry of Foreign Affairs (MFA) and the ICRC agreed to take this discussion forward and focus on the idea of risk sharing between donors and organisations. Since then, both have engaged in consultations on this topic, including with the Grand Bargain Facilitation Group and the co-convenors. To have an informed discussion during the 2020 Grand Bargain Annual Meeting on how to work towards better sharing of risks in the humanitarian sector, the Netherlands MFA and the ICRC commissioned research with the aim to map recent or ongoing initiatives to address risk in the humanitarian sector and identify the outcomes/recommendations that could benefit from a collective discussion in a multilateral forum such as the Grand Bargain.¹

Based on a mapping exercise² of relevant initiatives and key informant interviews, this discussion paper³ provides an overview of the current discussions about risk management and risk sharing among a selected group of humanitarian actors and sets out some options in terms of the way forward in the context of the Grand Bargain. Given the short timeframe of the research (28 May to 18 June 2020), the mapping and consultations reflect a limited snapshot of the various initiatives and processes that are addressing risk. A comprehensive look at risk in humanitarian action would require a level of research that goes beyond the scope of this project. That said, this snapshot hopefully provides sufficient analysis of the

METHODOLOGICAL APPROACH

This discussion paper is based on qualitative research methods, incorporating the collection and analysis of both primary and secondary data. The use of both primary and secondary sources allows for triangulation of findings, by capturing both the perceptions of individuals, and the official positioning and strategic choices of the organisations/donors in relevant documentation. Primary data was collected through 42 semi-structured interviews targeting a selected sample of key stakeholders from the Grand Bargain signatories and other relevant stakeholders with both policy and operational perspectives. Secondary data was collected through an initial desk review, which included publicly available documents, as well as documents provided by the commissioning agents and key informants.

¹ For a brief concept note on the project, see Annex 2.

² A one-page overview capturing the results of the mapping exercise is included in Annex 1.

³ The overall project outputs for this study include:

- an overview that maps the various discussions and forums that have discussed risk in humanitarian action;
- a discussion paper;
- a one-page summary highlighting the main findings and three main suggestions for the Grand Bargain community.

state of affairs with regards to risk management and risk sharing in the humanitarian sector for the topic to be addressed in the context of the Grand Bargain. The research has also taken into consideration the COVID-19 pandemic and its implications on possible new or different framings of risk.

Risk is also highly relevant to the events and situations that may occur and affect countries and communities, triggering a humanitarian response. While this dimension of risk towards affected populations is extremely important, in consultation with the commissioning agents, the scope of this discussion paper has focused instead on the risks faced by humanitarian actors in the delivery of humanitarian response, in particular in complex emergencies.

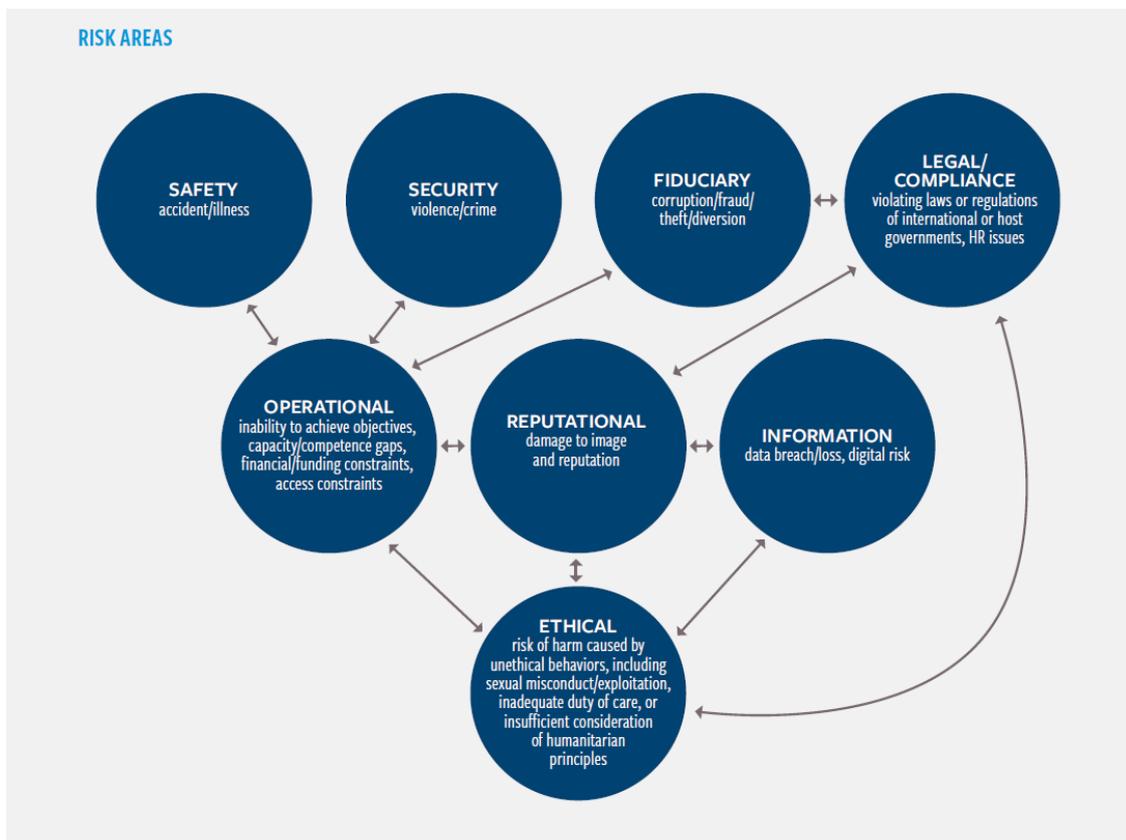
2 Brief overview of the current 'risk' landscape

The growth of resources devoted to humanitarian action in the last decade and the increasing complexity of many operations have led to a growing awareness of the need to manage the risks involved. Donor governments and humanitarian organisations, be they UN or non-UN agencies, have consequently developed relevant policies, tools, and procedures, including enterprise risk management systems, due diligence measures, and compliance frameworks. Several key informants acknowledged that the extensive due diligence requirements from some major donors had rightly pushed their organisations to adopt appropriate internal procedures and measures to manage risk and seek compliance.

Building on a first attempt to categorise risks as contextual, programmatic and institutional through a multi-layered analytical approach,⁴ sector-wide policy has, in the last few years, further detailed the types of risks confronting humanitarian actors. Research by InterAction and Humanitarian Outcomes on NGOs and risk has been a catalyst to approach risks in terms of eight different areas.⁵ The diagram below (taken from their research) portrays these different risk areas, while also pointing to the need to consider them holistically, as the different types of risks are strongly interlinked.

⁴ <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6764.pdf>

⁵ <https://www.interaction.org/documents/ngos-and-risk-how-international-humanitarian-actors-manage-uncertainty/> & <https://www.interaction.org/wp-content/uploads/2019/03/Risk-Global-Study.pdf>



However, the notion of risk is often associated with the specific priorities and perspective of each individual actor in the humanitarian sector. Annex 1 provides a non-exhaustive overview of the different collective initiatives in which risk has been discussed by different actors. As a result of varying institutional approaches and interests, there are vastly different definitions and understandings of risk being used. Even though the InterAction risk areas are providing a helpful framework, donors and other humanitarian organisations have different perspectives when looking at risk and use different categorisations.⁶ For example, based on the mapping exercise, some actors primarily consider risk transfer in light of financial preparedness and risk informed programming. Risk is also an inherent part of new forms of anticipatory funding and innovative financing models for crisis response in the humanitarian sector. As noted, this research has primarily concentrated on risks associated with the delivery humanitarian action and less so with discussions about crisis risks and how these can be averted. That said, there is an obvious connection between the internal/organisational risks, on the one hand, and the external crisis risks, on the other hand.

During the interviews as part of this research national and local NGOs voiced the need for risk sharing in terms of better duty of care to staff, the lack of proper staff insurance or safeguards, and the need for meaningful localisation. For donors, their understanding of risk often has a strong fiduciary element, with a focus on the prevention of fraud, waste, and abuse. Since they are accountable for

⁶ There also appears to be a correlation between and the type of approach to risk and the number of risk categories actors identify. A rule-based control model is likely to see many categories in an effort to cover the various risks.

the appropriate use of tax-payers money, they also have a strong concern for reputational risk. Each donor government has their individual approach to risk management based on their domestic legislation and political context. Similarly, while there have been attempts at common approaches among UN agencies and non-UN agencies, they too each have their distinct preferences and

HAS COVID-19 ALTERED THE LANDSCAPE?

The interviews confirmed that the current COVID-19 pandemic has introduced a new layer of risk and has propelled risk to the forefront as all humanitarian actors need to accept greater risks to continue humanitarian action. Better sharing of risks is now even more essential and a discussion about how to achieve this even more urgent.

Programmatically, stakeholders interviewed noted that no existing risk management framework took into account the extent of the impact such as the pandemic has had. Some INGOs have raised the fear of imminent liquidity crises with clear implications for duty of care, operational continuity, and presence. This has added another layer to the existing discussions around the localisation agenda. From a funding perspective, the majority of respondents noted how humanitarian funding has become more flexible as donors have largely not specified sectors or areas for response. This is left to the agencies, which have noted that the main impact of COVID-19 is actually a secondary (or indirect) one: e.g. food shortages; loss of livelihoods; severe poverty, which adds to pre-existing needs and may last well beyond the current crisis. It is unclear whether and for how long donors will maintain such flexibility and let the agencies lead on the prioritisation of needs and designing responses. It is therefore essential that discussions on the response to the COVID-19 pandemic be associated with broader ones on the future of humanitarian funding.

perspectives related to risk management, often linked to the mandate or mission. While collective discussions on risk management and risk sharing offer the possibility of system-wide enhancements in standards, it is worth highlighting that achievements are often realised on a bilateral basis, which is why a bilateral approach may at times be preferred.

Sensitive risk discussions have covered issues such as counter-terrorism legislation. Donors have different degrees of appetite to discuss this issue and may be concerned at reactions at the national level from other parts of government. Other differences are seen in relation to the issue of the understanding of risk tolerance and risk appetite, which varies from one actor to another. There is a zero tolerance approach to certain types of risk and inaction for addressing these risks, such as sexual abuse and exploitation by staff, which are controllable and ought to be eliminated.⁷ But this does not mean that there is zero risk of these incidents occurring. Not all risks can be prevented in humanitarian action. Still, key informants explained that in their national contexts some stakeholders are calling for “zero incidents,” which is not feasible given the nature of humanitarian action. A zero-risk

⁷ See <https://hbr.org/2012/06/managing-risks-a-new-framework>

tolerance approach to risk in humanitarian action reduces the number of people that can be reached, and it runs counter to the humanitarian imperative to leave no one behind. Many of those people who are in urgent need of care are found in high-risk areas of complex emergencies where a certain level of risk must be accepted to operate at all. A rule-based control model in risk management is only suitable to address some risks categories.⁸ It needs to be accepted that even if humanitarian organisations can have optimum controls and policies in place, they will still be confronted with significant loss due to so-called residual risks, i.e. risks that remain even after controls are put in place to mitigate them.

There has been some attempt to promote the harmonisation of risk management approaches and measures through a number of initiatives. Within the UN system, the High-Level Committee on Management that reports to the Secretary-General's Chief Executive Board oversees a Task Force on Risk Management which has developed guidance for embedding risk management, developing risk appetite statements, and sharing risk information. Several UN agencies (for example UNHCR and WFP) have created risk organisational structures and developed relevant policies, guidelines, and tools with practice being spread across the UN system, also linked to the issue of programme criticality. Many of the large NGOs have made similar investments and the issue of risk is being discussed through NGO forums including InterAction and ICVA. Risk has been relevant to several thematic issues (e.g. prevention of sexual abuse and exploitation - PSEA) addressed by the IASC and has been included in the work-plan of several of the IASC Results Groups. There is currently though no platform involving all types of actors (donors, UN and non-UN) that discusses risk comprehensively. This is not problematic *per se* as different risk areas often require specific knowledge and action to address them. In some instances, concrete and frank discussions towards a shared solution on a specific issue over time has led to progress on that issue. That said, there is a need for connecting the dots given the interlinkages between many risk areas. The Grand Bargain localisation commitment and the counter-terrorism discussions elsewhere, for example, are intimately linked. Risk categories are clearly interconnected and need to be addressed in a holistic way. The way forward might be for the Grand Bargain provide a pivotal spot where cross-cutting themes are raised at the right level, and appropriate linkages are put in place so that an initiative on one risk does not inadvertently undermine an initiative on another.

The current landscape sees several challenges with regard to how the issues of risk, risk management, and risk sharing are being addressed in different initiatives:

- First, there is no comprehensive approach being taken at the moment. While tackling one type of risk or another, most of the initiatives have been largely *ad hoc* and disconnected from one another. One single forum on risk in humanitarian action does not seem feasible, and possibly not even desirable. However, in view of the interdependent nature of the different risk areas and their mitigating measures, it would be important to ensure a holistic dialogue that focuses on how the different areas are interconnected and that involves the

⁸ Ditto

multiple stakeholders.

- Secondly, it is an axiom that humanitarian actors are not all the same. Donor governments have different perspectives as do operational humanitarian organisations. As stressed by many key informants, there are significant power imbalances and vested interests in the humanitarian sector without a level playing field and equal burden in terms of risks shared between the different actors involved. The equal say of signatories in the Grand Bargain forum does not do away with the asymmetrical relationships between different actors in terms of size, institutional mandates, capacity, and influence. While there may be a nascent consistency in the way the notion of risk is understood within different stakeholder groups, the way it is translated into practice varies significantly, with donors and operational actors on the ground still coming from very different perspectives. It should also be kept in mind that for many NGOs, the UN agencies are in fact donors and their due diligence or compliance requirements are not necessarily lighter than those of donor governments.
- Thirdly, the concepts of risk transfer and risk sharing appear to come from different perspectives. Risk sharing implies co-ownership, a process through which all parties take an active part in dividing responsibility for managing risks between them, be it in equal parts or not. This notion fits well with the interdependence that exists in humanitarian action. Risk transfer, by contrast, reflects the notion of a shift of responsibility and liability in case the risk materialises. It arbitrarily puts the ownership with the recipient, who mostly cannot but accept the level of risk that is transferred. Such practice goes against the collective responsibility to address humanitarian need. It also tends to put residual risk with whoever is at the end of the chain of operational delivery. The majority of stakeholders interviewed acknowledged that the humanitarian sector is characterised by ‘risk transfer’ rather than ‘risk sharing’ - the risks involved in the delivery of response have largely fallen to operational organisations and the central theme in many of the conversations held for this research was the trend to push risk down the chain of actors towards downstream partners. In particular, local NGOs are being asked to assume greater risk without the necessary support for investment to manage this risk.
- Fourthly, levels of risk appetite and perception of priority risks differ between actors because of their institutional affiliation or mandate. Some have very little appetite and will insist on zero-risk tolerance in relation to certain (or all) risk categories, which is at odds with the realities of humanitarian environments. Others will agree to some level of risk but this may vary greatly as well. Assuming that the varying risk appetites of different actors will not change, any fruitful dialogue on risk sharing requires that all actors involved are clear on precisely what level of risk they are they willing to assume on what category of risk.
- Lastly, the stringent accountability frameworks put in place by donors tend to be linked to a perception that operational organisations need to do more to manage and assess risks in the most difficult environments. At the same time, the question is how much more organisations need to do to satisfy the donors. The body of evidence has yet to be built on the correlation

between the increase in compliance mechanisms on the part of agencies and an increased level of trust on the part of donors. Meanwhile some donors point to the fact that humanitarian organisations do not understand their risk management approach and expectations.

In short, while major advances in risk management have been made in the past few years, which have largely accepted as a necessary and helpful step for all humanitarian actors, there is yet to be a more substantive discussion on how to ensure risk transfer becomes risk sharing.

3 Taking the next step

Key informants noted that while they were often part of conversations on how to deal with risk within their own agencies, many were unaware of inter-agency discussions on risk sharing, although they indicated their interest to engage in such opportunities, should they exist. For such a dialogue to take place and to address the challenges noted above, based on the conversations, the fundamental issue of trust, which touches on a wider discussion than risk alone, needs to be addressed as a matter of priority. Trust speaks to the quality of the relationship between donors and humanitarian organisations, and it calls for a transparent and honest dialogue around goals, incentives, and capacities. From the consultations, it appears that trust can be enhanced both at the working level and through a more strategic discussion between donors and organisations at the political level.

Based on the mapping, there are many examples of discussions in initiatives and forums at the working level, including the Grand Bargain and elsewhere, where there are opportunities to make progress in terms of risk sharing. Discussions on the joint management of security risks or PSEA have their distinct platforms where progress is being made. The Grand Bargain's dedicated discussions on the localisation or cash-based responses workstream, which have touched on risk, were also singled out by many key informants as particularly relevant to contribute to a better understanding between donors and humanitarian organisations on the conditions and requirements to move forward on those commitments. Key informants from local NGOs particularly highlighted that while they have in recent years seen some good practice on partnerships (progress also indicated by ODI's Grand Bargain Annual Independent Reports 2019 and 2020) there is still a way to go to achieve a real shift in culture towards genuine partnerships. Solutions that the Grand Bargain could help further promote include multi-year partner agreements, especially with national and local NGO, that focus on strengthening risk management capacity for which core funding is needed, instead of short-term project contracts. Donors, which could include UN agencies in relation to NGOs, should also be clear on what (other) costs related to risk management they are willing to cover, including making clear what percentage of overhead costs of local NGOs they are prepared to fund, as UNHCR has recently done. In boosting the risk management capacity of national and local NGOs, donors could also be more consistent in their approaches. Provided that they receive the necessary support, international NGOs could work with national and local NGOs in fulfilling all the necessary pre-award requirements to be able to obtain direct funding and build risk management into their organisational processes at HQ and locally (field). UNHCR, UNICEF, and WFP have established a UN Partner Portal to facilitate a

harmonised, efficient, and easy collaboration between the UN and partners, including the sharing of information on the vetting of implementing partners⁹

We have also heard suggestions for further opportunities in terms of fiduciary risk sharing. For example, one potential avenue is the current conversation on the potential of the Core Humanitarian Standard (CHS) in addressing donors' due diligence requirements. CHS verification obliges those agencies who wish to be verified to take the necessary actions to fulfil the CHS commitments. There is strong evidence that the CHS commitments cover the large part of several donors' due diligence requirements.¹⁰ In exchange, there will be only one audit, instead of many, which could result in considerable efficiencies and cost-savings in terms of audits, thanks to harmonisation. For this to work, however, donors would need to agree that their due diligence could be outsourced to a third party, for example, a certification body.

Another conversation that would fit the Grand Bargain's objective for increased efficiency that was brought up by key informants is the pricing of risk as a quantitative or monetarised approach to risk sharing. It is a practice that is widely accepted in the corporate sector. The reinsurance industry is also ready to be part of such a conversation and could look, for example, at residual risk or anticipatory financing in relation to (potential) humanitarian crises beyond natural disasters. Such conversations between donors and organisations might see progress at the working level and would contribute to improving the trust that they have in each other. Is there a commitment from donors to support NGOs' requests for sanctions licenses or 'humanitarian carve outs'? For example, if NGOs wish to operate in a country under a sanctions regime, NGOs should feel they have a direct line with donors to push for humanitarian licenses, such as in relation to working in parts of Syria. Key informants noted that in negotiating such arrangements, there is a significant advantage when the donor representatives involved, have practical, field-based experience in complex humanitarian emergencies.

However, while certain aspects of risks can be prevented and can be addressed through a rule-based control model, they also need to be fully integrated into the humanitarian planning process. While humanitarian organizations have introduced policies and procedures on risk management, they are not always fully embedded in their operational planning process. Risk management is also almost absent from the Humanitarian Programme Cycles and formulation of Humanitarian Response Plans. Beyond rules and systems though, there also needs to be an enhanced form of dialogue for risk to be prevented and/or mitigated.¹¹ Essential in creating trust is that such a dialogue provides a safe space to be open about challenges and to share and learn lessons. Where such dialogue can best happen is an open question that also depends on the future of the Grand Bargain in comparison to other forums.

⁹ <https://www.unpartnerportal.org/landing/>

¹⁰ https://mcusercontent.com/97c1e801983a79a50132f395e/files/82d78f6c-6bd8-4aee-ac66-206ac09b0cc0/Increasing_CHS_Verification_Recognition_Discussion_Paper.pdf

¹¹ <https://hbr.org/2012/06/managing-risks-a-new-framework>

Risk related to counter-terrorism, for example, has been discussed in several forums - as demonstrated by the mapping exercise – collectively among the various actors, and certainly bilaterally.¹² The Good Humanitarian Donorship (GHD) initiative has also focused on the issue how other parts of government, i.e. those that put in place the regulations and often become obstacles, can be engaged in the dialogue. One option might also be joint awareness raising efforts with other parts of government undertaken by the humanitarian unit of donors together with agency representatives.

Beyond the working level and in order to take the next step and develop a meaningful conversation on risk sharing, there is a clear need for a strategic and focused discussion that engages the senior level of the donors and humanitarian organisations around tangible proposals. Such a political level engagement would need to provide an indication of the degree of risk that the different actors involved consider necessary and appropriate and are prepared to take responsibility for to ensure the delivery of humanitarian response. This could also help break-down the structural imbalances between UN agencies and international NGOs on the one hand and local NGOs on the other, to ensure a complementary approach to the delivery of humanitarian assistance and ultimately a more appropriate sharing of risks. The political level engagement can be generated by embedding a discussion on risk and risk sharing in a broader and deeper dialogue related to humanitarian action.

Such a wider dialogue could be framed in terms of a notion of (what could be called) ‘good humanitarian partnership’.¹³ Nearly three decades have gone by since the adoption of the UN General Assembly Resolution 46/182 (1991) that underpins the design of the current international architecture, and there is a plethora of (*ad hoc*) platforms and mechanisms where donors and the three families of agencies that deliver humanitarian response (UN agencies, the International Red Cross and Red Crescent Movement, and NGOs) coordinate their work collectively and bilaterally. And yet, there seems to be a gap between what the different parties expect that the other can and should do and deliver. Trust is lacking and accountability is at stake. As noted, in addition to bilateral consultations, donors and organisations should have a space where they can meet and be honest about their challenges. The choice of forum should be based on the contents and type of exchange that is sought, not vice versa. The question where donors and agencies decide to hold their conversations may be less important than the principles and commitments that underpin or guide their consultations as they provide an accountability framework.

The Grand Bargain is one of the few current multi-stakeholder mechanisms that brings donors and humanitarian organisations together. As several risk areas are discussed in other forums, it could provide a platform that brings together these different strands of work currently taking place, take stock of the state of progress, address gaps and move forward from a strategic perspective. For this to happen, continuous senior level engagement and buy-in on principles and commitments is

¹² Bilaterally as in donor – agency, but also as in donor group – agency (e.g. ICRC donor support group; OCHA donor support group; etc.) Clearly, donors and agencies are less transparent on some of their bilateral discussions.

¹³ Principles of Partnership were adopted in 2007 by a forum called the Global Humanitarian Platform that brought the three families of operational organisations together (including also local NGOs). These principles could also be seen as a relevant framework for the donor – organisation relationship.

needed. Key informants highlighted that some of the initiatives to further the donor-agency conversation that initially received sound political backing lost their clout after some time. Notwithstanding the value of their active and ongoing conversations, this happened to the GHD initiative that started in 2003 and to some degree to the Grand Bargain when some of the workstreams went into too much technical detail and a significant bureaucracy emerged. Discussions on the future of the Grand Bargain are due to start in the coming months. For the Grand Bargain to embrace risk sharing as part of a comprehensive discussion on good humanitarian partnership, it appears that it is in need of a reframed vantage point, essentially one that goes beyond efficiency.

4 Concluding remarks

The overall conclusion of this research is that while there has been considerable progress with regard to understanding the areas and impacts of risk in humanitarian action and also policies and procedures developed in recent years, the next step should focus on risk sharing in the sector. In recommending further steps in this direction at the collective level, we suggest six actions, which address the ‘what’ of the discussion on risk sharing and the ‘where’ of the appropriate forum as intimately linked questions. In light of the commitments, they have already made, the Grand Bargain Signatories might want to consider to:

1. Take a comprehensive view of risk and promote a holistic approach focusing on trust

Risk management discussions should be embedded in a deeper dialogue between donors and operational organisations that looks at trust and mutual expectations and that takes a holistic approach recognising the inter-linkages that exist between different risk categories. Risk sharing fits extremely well within the notion of ‘good humanitarian partnership’.

2. Clarify the meaning and implications of risk sharing

Different actors have different definitions or understandings of the various terms related to risk in humanitarian action. Language matters and nuancing is necessary. Sharing risks implies co-ownership, a process through which all parties take an active part in dividing responsibility between them, be it in equal parts or not. To move from risk transfer to risk sharing, it is necessary to be clear on who takes what responsibility. Likewise, there is a need to develop a consensus on the meaning of zero tolerance, and residual risk in the context of risk sharing.

3. Agree on an acceptable level of risk and engage the senior level

Given that risk is inherent in humanitarian environments, and for risk to be shared, there is a need to look at what might constitute an acceptable level of risk keeping in mind that different actors may have different views on this linked to their institutional affiliations. The issue of an acceptable level of risk requires political engagement from senior levels.

4. Identify the appropriate forum to discuss risk sharing linked to principles and commitments

The Grand Bargain is one of the few current forums that bring together the donors and operational organisations. As a multi-stakeholder platform, it could ‘connect the dots’ between the various

discussions on risk in the sector and facilitate a holistic approach and bring a strategic perspective with political backing. Linked, but separate, the GHD initiative is an important forum when it comes to donor policies and practices given the 24 principles on which it is based. As for operational organisations, the CHS standard provides crucial benchmarks. There is merit in connecting these principles and benchmarks, and to compare and consolidate these with the Grand Bargain commitments, as it might provide the basis for the good humanitarian partnership framework.

5. Develop a risk sharing agenda jointly

For the Grand Bargain, or other appropriate platform to discuss risk sharing, there are several opportunities. A next step, possibly one that could be taken by the expert meeting that the Netherlands MFA and ICRC have planned, is to develop an agenda that can be widely promoted. This agenda could include opportunities for risk sharing such as the discussion on donors' due diligence measures in relation to CHS verification or the pricing of risk, together with issues such as trust, aligning risk appetite and tolerance, and others noted above. This agenda should also cover the issue on the appropriate forum to coordinate efforts aimed at risk sharing.

6. Capture the lessons on risk from the response to the COVID-19 pandemic.

COVID-19 is a risk compounder and may be opportunity to increase risk appetite if the right lessons will be captured and learnt. New risks (duty of care, supply chains, etc.) have come on top of those already present in crises. There is a need for an assessment of whether donors have assumed more risk appetite and become more flexible (particularly around reprogramming and un-earmarking) in their funding to scale up the response to the pandemic. However, the underlying risks within humanitarian crises remain the same and, in many respects, it has been business-as-usual to the ways in which risks are managed. The question is whether or not the more flexible arrangements will have a lasting impact on the way humanitarian response is delivered in the future.

Annex 1: Overview of main findings from mapping

This table provides an overview of the main recent and current risk-sharing initiatives in the humanitarian sector. The overview is complemented by an excel file providing more detailed findings from the mapping exercise.

It should be noted that:

- The mapping should not be considered exhaustive, but the results provide a snapshot of where/how risk-sharing has been discussed.
- The mapping has been carried out based on desk-based research and key informant interviews, and it includes both formal and informal initiatives.
- For ease of reference, in this overview the initiatives have been grouped under different themes, and then displayed chronologically. The themes identified do overlap, and some initiatives could be relevant also under other themes than the one where they have been added.
- The overview primarily includes initiatives which look at risk-sharing from the angle of “risk to humanitarian response”. Initiatives looking into risk financing/preparedness have been included in the more detailed mapping in the separate excel table, but only to the extent that they cover a “risk transfer” aspect.
- The overview excludes organisation-specific reports on risk approaches and academic research into risk impact/definitions more largely. Primarily, the mapping has targeted efforts which include an element of “sharing”, i.e. dissemination of information, knowledge, processes etc across more than one actor/stakeholder, or for the benefit of working towards common approaches.

Initiative	Stakeholder(s)								Objective	
	Evidence/study/research project	Exchange/dialogue	Policy/guidance	Donor (gov/EU)	UN	RC/RC movement	INGO/NGO (incl local actors)	Financial institution/private actor		Academia/think tank
Financial preparedness										
Innovative Finance Foundation: A risk insurance mechanism to scale-up UN-CERF										Oct-16
HPG/Inspire Consortium: <i>Risk-Informed Approaches to Humanitarian Funding</i>										May-20
Misc: <i>Risk Transfer Mechanisms: Innovations in humanitarian assistance</i>										Jan-19
Future Humanitarian Financing: <i>Risk Financing and Risk Transfer</i>										
Security Management										
UN/NGOs: <i>Saving Lives Together</i>										2006 (updated 2015)
NGOs: <i>Global Interagency Security Forum (formerly EISF)</i>										2006 (GISF 2020)
NGOs: <i>International NGO Safety Organisation (INSO)</i>										
Counter-terrorism/de-risking/compliance										
Harvard Law School/Brookings: <i>Counterterrorism and Humanitarian Engagement Project</i>										2012 onwards
NRC: <i>Toolkit for Principled Humanitarian Action; Managing CT Risks</i>										2015 (updated 2020)
World Humanitarian Action Forum: <i>Shared Risk: Shared Responsibility</i>										Nov-18
GHD: <i>'Non-paper' and discussion on risk-sharing in relation to counterterrorism</i>										May-19
NGO Voice: <i>The Impact of EU Sanctions and Restrictive Measures on Humanitarian Action</i>										Nov-19
Misc: <i>Compliance Dialogue on Syria-Related Humanitarian Payments</i>										2019/2020
CHA: <i>CT Measures and Sanction Regimes: Shrinking Space...</i>										Feb-20
Human Security Collective: <i>De-Risking & Financial Inclusion Civil Society</i>										
Localisation/partnership (incl PSEA + COVID-19)										
ICRC/EISF/LWF: <i>Going Local, Going Safely: The localization agenda and SRM</i>										Jun-18
InterAction: Pledge on PSEA by and of NGO Staff, and subsequent program to support NGOs										Mar-2018 onwards
InterAction/HO: NGOs & Risk, Phase 2, <i>Managing Uncertainty in Local Intl Partnerships</i>										Mar-19
OCHA/Centre for Humanitarian Data: <i>Data Responsibility in Humanitarian Action</i>										Mar-2019 onwards
Global Mentoring Initiative: <i>No Shared Risk - No Partnership</i>										Feb-20
GISF: <i>Partnerships and security risk management: from the local partner's perspective</i>										Forthcoming
CHS Alliance: <i>PSEA Implementation</i>										
IASC/UN: <i>UN Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners</i>										
Insecurity Insight: <i>Aid Security and COVID-19</i>										
Regional Risk Communication and Community Engagement (RCCE) Working Group										
Risk-sharing more specifically										
InterAction/HO: NGOs & Risk, Phase 1, 2 (and 3)										2016, 2019, (TBD)
UNHCR: <i>Risk Management 2.0</i>										2018 onwards
WFP: <i>WFP's 2018 Enterprise Risk Management Policy</i>										2018
UN High Level Committee on Management: <i>Risk Information Task Force</i>										2019-2020
NGO Voice/Bond: <i>Risk Workshop-Risk Sharing to reach the Grand Bargain?</i>										Mar-19
ICRC/NL: <i>Risk Management in the Humanitarian Field: towards a more balanced approach</i>										Nov-19
ICVA/PHAP: <i>Webinar Series on Current State of Risk Management in Humanitarian Sector</i>										Nov-2019 onwards
RC/RC: <i>Integrity and Risk-Sharing (Spotlight session at 33rd International Conference)</i>										Dec-19
GB Secretariat: <i>The Grand Bargain Risk Sharing Initiative</i>										Jan-20
ICVA: <i>Briefing Paper Series on Risk</i>										Jan-20
CAC/DRA: <i>Humanitarian Principles and Partnerships in Conflict Contexts</i>										Mar-2020 onwards
ICVA: Conf 2020, <i>Protecting principled humanitarian action: an honest conversation on risk</i>										Mar-20
CHS Alliance: <i>Making AidWork Better for People - Increasing recognition of CHS verification</i>										
Misc: <i>Towards Risk-Sharing, Perspectives on localization and risk management...</i>										Jun-20
GHD/IASC: <i>Meetings on opportunities/risk of UN reform for humanitarian action</i>										

Annex 2: Brief note on consultancy

Risk-Sharing Consultancy

May 2020

Founded in 2014, the Humanitarian Exchange and Research Centre (HERE) is a Geneva-based independent think-tank addressing the gap between policy and humanitarian practice. In close collaboration with humanitarian actors, HERE delivers evidence for policy-makers and practitioners to understand the quality and effectiveness of humanitarian action. This note addresses the Terms of Reference (ToR) issued by the Netherlands Ministry of Foreign Affairs and the International Committee of the Red Cross (ICRC) for a consultancy of risk-sharing.

a) This Consultancy

Reflecting changes in the operational context as well as significant regulatory developments impacting humanitarian financing structures, risk management in humanitarian action has increasingly come to the fore in global policy discussions. The current COVID-19 pandemic has introduced a new layer in an already complex field. In keeping with the ToR, the research will seek to fulfil a need for better conceptual and operational clarity around risk management approaches, in an effort to influence progress on more effective risk-sharing models. The objective is to map out recent and ongoing initiatives that address risk in the humanitarian sector and identify the outcomes/recommendations that would benefit from a collective discussion in a multilateral forum such as the Grand Bargain bearing in mind the COVID-19 pandemic and new approaches to risk.

Drawing from the ToR, we see a research project hinging on three main tasks:

1. Mapping existing initiatives and ongoing conversations on risk management and risk sharing issues in the humanitarian sector;
2. Categorising and identifying the aspects that can (or should be) be tackled through multi-stakeholder policy fora, in particular the Grand Bargain;
3. Analysing the impact that the COVID-19 pandemic is having on (new) risks and risk management approaches among humanitarian actors (i.e. donors and agencies).

b) Our Approach and Methods

In carrying out the mapping, we will review current initiatives in light of the types of risk suggested in the ToR, i.e. fiduciary, political/reputational, operational, legal, security and safety, information, and ethical. Arguably, the second question entails an assessment linked to the added value of certain forums, especially, but not only, the Grand Bargain, in discussing risk or aspects of risk. Several of the Grand Bargain workstreams have touched on risk or aspects of risk. The third question is one that has a real-time character. The COVID-19 pandemic may create an atmosphere in which joint approaches in risk management become feasible. For all three questions, it must be noted that the quality of the research and analysis will largely be dependent on the availability of key stakeholders to share information about existing initiatives, a challenge given the tight time frame of the project.

Primary data will be collected through semi-structured interviews targeting a selected sample of key stakeholders from among the Grand Bargain current architecture and other relevant individuals with both policy and operational overviews. Secondary data will be collected through an initial desk review of public and non-public documents. As each donor and agency may have different approaches to and understanding of risk management and risk sharing, an in-depth analysis would require a careful review of

a substantial number of actors in each group. As agreed with the commissioning agents, on the basis of purposive sampling approaches, using existing literature and interviews, the research will provide a broad understanding of how different actors may view risks differently.

c) Output

This project will produce three related outcome documents:

- One-Pager “Food for thought” for the GB Signatories, including HEREs observations and 3 main suggestions for the Grand Bargain community.
- Narrative paper (8-10pp.) with analysis of interviews and documents, addressing the three research areas.
- Annex: table of mapping of existing initiatives.

d) Timeline and Research Team

This consultancy will take place between the last week of May and 17 June, when we will submit the three outcome documents to the commissioning agents. The four member research team will be composed by:

Ed Schenkenberg van Mierop is the Executive Director of HERE, and has more than 25 years of experience in humanitarian affairs. He has led major reviews and evaluations commissioned by donors, UN agencies, Red Cross and Red Crescent organisations, and NGOs. He will be the team leader and particularly focus on the third research area.

Marzia Montemurro is HERE Research Director and has extensive research experience in the fields of forced migration and humanitarian action, including reform and financing. Marzia will focus on the various forums covering risk and risk aspects.

Karin Wendt is HERE Researcher and has conducted a range of reviews and studies on humanitarian policy and practice. Karin will particularly cover the mapping exercise in relation to the first research question.

Damian Lilly is independent consultant with more than twenty years’ experience working for the United Nations (UN) and non-government organisations (NGOs) in the fields of humanitarian affairs, peacekeeping, protection, and human rights in a variety of contexts and countries.