Localisation in practice II

Implementing Risk Sharing in humanitarian action

Findings from Bangladesh

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Content

Abstract

Risk in humanitarian action is multi-faceted, spanning safety and security, fiduciary and legal compliance issues, operational challenges, data and information security, and ethical and reputational threats. While an increasing number of humanitarian actors assess and manage these diverse risks systematically, such endeavours typically focus only on the risk thresholds of single entities. An individual risk management could, however, detrimentally affect the risk landscape of the humanitarian delivery chain as a whole. To address this concern, the Risk Sharing Platform (2023) recently developed a framework, suggesting a more collective approach to risk in humanitarian action. However, the practical application of this framework presents challenges for many actors.

Recognising that sharing risks is one component of lived equitable partnerships, this paper gathers the experiences of humanitarian donors and international and local organisations involved in what they perceive as "equitable partnerships" in Bangladesh. While full-fledged examples of implementing the Risk Sharing Framework were not shared, these stakeholders provided valuable insight on how to apply specific aspects of it. This paper outlines hands-on ideas for Risk Sharing activities, particularly in the areas of risk assessment and preventive risk mitigation. It underscores that successful implementation of such activities hinges on three premises: trust, mutuality, equity and adequate resources. Governance and project management structures that flatten hierarchies among donors, international and local organisations, foster collective accountability, and encourage regular exchange and a learning culture are identified as essential for meeting these requirements. The paper argues that agile humanitarian action, characterised by flexibility and adaptability, can embody these qualities and, therefore, represents a valuable approach to addressing challenges in the comprehensive implementation of Risk Sharing.

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Abbreviations

GFFO	German Federal Foreign Office
ICR	Indirect Cost Recovery
ICRC	International Committee of the Red Cross
INGO	International Non-Governmental Organisation
INGO BD	INGO based in Bangladesh
INGO G	INGO based in Germany
LNGOs	Local and national NGOs, originating from the specific humanitarian context in which they work, including grassroot organisations and community-based organisations
NGO	Non-Governmental Organisation
SPreAD	Stärkung der Programm- und Policy relevanten Fähigkeiten humanitärer Akteure in Deutschland – title of the project under which this paper was produced, funded by the German Federal Foreign Office
UN	United Nations

Glossary

Donor	Government entities, funding humanitarian action through public grants
(Humanitarian) Delivery chain	Comprised of all actors involved in the process of designing, implementing and assessing humanitarian projects
Intermediaries	Actors or functions which receive funds from a donor and pass these on (wholly or in parts) to other actors for the implementation of humanitarian projects
International actor	Donors and international organisations
International organisations	INGOs, UN Organisations and the Red Cross and Red Crescent Movement
Local actors	Local authorities, LNGOs, international organisations and other actors that are involved in humanitarian endeavours in a certain crisis context
Local organisations	Local and national NGOs, originating from the specific humanitarian context in which they work, including grassroot organisations and community-based organisations, shortly LNGOs

(Humanitarian) Partners	Humanitarian actors working together in humanitarian projects to achieve a set of common objectives, dividing up responsibilities and planning joint work. They often build a humanitarian delivery chain.
Risk	A threat rated according to its assumed likelihood and potential impact on a humanitarian actor or project
Risk appetite	The amount of risk a humanitarian actor is willing to take
Risk analysis	The second stage of risk management, assessing the likelihood and impact of previously identified threats
(Humanitarian) Risk areas	Categories of humanitarian risk. Here, we distinguish safety, security, fiduciary, legal/compliance, operational, reputational, information, and ethical risks.
Risk aversion	Tendency to not engage in actions involving risks
Risk awareness	Subjective knowledge and perception of risks
Risk assessment	The initial stage of risk management involving a detailed examination of potential threats. These could stem from diverse factors that could potentially endanger the operational integrity or the successful realisation of humanitarian activities.
Risk management	The identification and analysis of humanitarian risks and the establishment of measures to address them
Risk Sharing	Approach in humanitarian risk management that aims to assess and address humanitarian risks holistically and collectively across the humanitarian delivery chain
Risk transfer	A risk treatment where risks are passed to a third party, often down the humanitarian delivery chain
Threat	Any source of damage or loss

Executive Summary

Risk in humanitarian action is multi-faceted, spanning safety and security, fiduciary and legal compliance issues, operational challenges, data and information security, as well as ethical and reputational threats. While an increasing number of humanitarian actors assess and manage these diverse risks systematically, such endeavours typically focus only on the risk thresholds of single entities. An individual risk management, however, could detrimentally affect the risk landscape of the humanitarian delivery chain as a whole. To address this concern, the Risk Sharing Platform (2023) recently developed a framework, suggesting a more collective approach to risk in humanitarian action. However, the practical application of this framework presents challenges for many actors.

Recognising that sharing risks is one component of lived equitable partnerships, this paper gathers the experiences of humanitarian donors and international and local organisations involved in what they perceive as "equitable partnerships" in Bangladesh. While full-fledged examples of implementing the Risk Sharing Framework were not shared, these stakeholders provided valuable insight on how to apply specific aspects of it.

Key Findings

In Bangladeshi equitable partnerships, Risk Sharing is predominantly applied in the domains of project-based risk assessments and preventive risk mitigation. Both international and local organisations have found success in collaboratively developing comprehensive risk registers in workshop settings, fostering a shared understanding of collective risks. An advantageous approach would be to engage donors in such exercises. Joint preventive risk mitigation activities among donors, international and local organisations include, for example, sharing security intelligence, financing insurances and protective equipment, compliance trainings, and flexible funding mechanisms.

Harmonising risk management strategies across the different stakeholders involved in humanitarian projects, as well as responsive risk mitigation, and accountability has proven to be more challenging. International organisations in Bangladesh continue to play a major risk buffer role between funding and implementing parties, shouldering the bulk of responsibility for materialised legal and financial risks. However, some donors, when justifying their actions to the public, cautiously begin to assume responsibility in these areas as well. For donors to take on this responsibility, the occurrence of risks must be unintentional and attributed to challenging humanitarian contexts. Strong preventive risk mitigation measures should have been in place beforehand, and partners must have promptly and fully disclosed the details of the incident. However, this donor practice co-exists with zero-tolerance policies that imply severe penalties for partners in the event of any risks, regardless of the circumstances. Therefore, it is essential that donors clearly communicate their individual approaches to their partners.

Experiences from Bangladesh underscore that successful Risk Sharing requires meeting three prerequisites: trust, equity and mutuality, and sufficient resources. Trust can be gained through transparent, open and honest, communication in informal, unbureaucratic exchange, where revealing shortcomings and challenges does not result in negative consequences. A heightened risk awareness is vital. Equitability and mutuality are facilitated by respective individual and organisational cultures that enforce them, despite hierarchical structures. However, sustaining such a culture requires adequate resources.

To meet these prerequisites, the paper advocates for the implementation of agile governance and management structures. By adopting a team-oriented approach and flattening hierarchies, these structures promote equity, mutuality, and collective accountability. The iterative management style further promotes regular exchange, adaptability, and a culture of learning, fostering trust and transparency.

Shortly on Methodology

The analysis draws on a brief literature review to introduce the concept of humanitarian risk and risk management. To condense lessons from the practical application of Risk Sharing, it further builds on 36 semi-structured interviews with key informants from donor entities, INGOs, UN organisations and local organisations, all of which identified themselves as participants in "equitable" partnerships.

Key Considerations

- Risk Sharing does not need to be fully implemented at the outset; it can be introduced in parts.
- Joint risk assessments and preventive risk mitigation measures are among the simpler aspects to implement. For instance, involving donors in the joint development of risk registers and engaging collaboratively in the creation, implementation and funding of preventive measures.
- Successful Risk Sharing entails trust, equity and mutuality and sufficient resources.
- Trust can be gained through:
    - Strong individual risk awareness and preventive risk mitigation capacities
    - transparency in informal, unbureaucratic exchanges without negative consequences for revealing challenges; and
    - reliability in acting according to communication and a collective risk approach.
- Equity and mutuality arise from individual and organisational cultures promoting these values, challenging hierarchical structures.
- Sufficient resources entail sufficient individual capacities to engage in collective risk management in crisis-proximate settings.
- Meeting these premises needs governance and management structures that flatten hierarchies among donors, international and local organisations, enshrine collective accountability and foster regular exchange and a learning culture. Agile humanitarian action can provide these qualities, offering a means to address the challenges in implementing comprehensive Risk Sharing.

1. Introduction

1.1. Background

Discussions on risk and risk management in humanitarian action have evolved considerably in recent years. Previously, the focus was often on individual threats and risks, each considered and approached separately, such as the unintended negative consequences of humanitarian action (Anderson 1999; Terry 2002; Moore et al. 1999), the consequences of the politicization of aid (Mackintosh and Duplat 2013; Healy and Tiller 2014, 4; Roepstorff, Faltas, and Hövelmann 2020; Hughes 2022, 20), or the security of aid workers, particularly in conflict contexts (Aid Worker Security 2023). In 2016, Stoddard et al. then introduced a holistic approach to humanitarian risk, mapping out eight interconnected areas: safety, security, fiduciary, legal/compliance, operational, reputational, information, and ethical risks (Stoddard et al. 2016; Stoddard, Czwarno, and Hamsik 2019b). More recently, the Risk Sharing Platform (2023) has developed a collective approach to humanitarian risk – the Risk Sharing Framework. This framework addresses emerging challenges and new developments in the humanitarian risk landscape, such as the impact of the climate crisis (Steinke 2023), new opportunities and threats evolving from advances in digitalisation and data analytics (Düchting 2023), and the intensification of working in partnership with local organisations (Stoddard, Czwarno, and Hamsik 2019b). It recognises the interconnectedness of risks and seeks to engage all relevant actors in the humanitarian delivery chain in the collective identification, analysis, and treatment of these. This shall reveal previously neglected risks and treatment opportunities, relying on the different capabilities of the diverse stakeholders. In addition, it is an opportunity to reduce dynamics where risk treatments of one actor create new or intensified risks for other actors within the system, potentially negatively impacting the overall risk landscape of a humanitarian endeavour.

Risk Sharing is a collective approach to humanitarian risk...

While the Risk Sharing Framework was welcomed by many humanitarian actors, it was also met with fundamental scepticism. Asked in the Grand Bargain Self-Reporting Exercise, whether their institution took any steps to share risks with partners, 33.9 per cent of the Grand Bargain signatories did not respond (IASC 2023). Among those who responded, donors emphasised the importance of compliance with their accountability and due diligence requirements in shared risk management endeavours. Some additionally mentioned improved communication and a developing shared understanding of risks. United Nations (UN) agencies, in their responses, demonstrated a commitment to strengthening internal controls and compliance, with initiatives aimed at supporting partners through funding and capacity building to reduce non-compliance and operational risks. In contrast to the more self-centred approaches of donors and UN organisations, focusing on Risk Sharing as a means to reduce their own risks, a few international Non-Governmental Organisations (INGOs) expressed a commitment to a more collective approach, exploring collaborative ventures and knowledge-sharing platforms with their local partners. However, except for a few innovators working primarily on partner trainings, sharing safety and security risks and due diligence simplification, most submissions indicated a lack of concrete actions taken towards Risk Sharing. This reveals a considerable gap between (often limited) commitments and practical application. Many actors are yet to transition from initial approval to concrete action. Even the developers of the Risk Sharing Platform find themselves grappling with the implementation of their Framework. A recent tabletop exercise conducted by them aimed to uncover potential shortcomings and challenges when putting it into action.

...but key actors do not know how to apply it.

Against this background, this paper collects experiences in joint risk management among humanitarian partners committed to applying a more equitable approach to partnership in humanitarian action in Bangladesh. These experiences reveal pitfalls and best practices of early forms of Risk Sharing and point to three important premisses: trust, equity and mutuality and resources. The paper argues that these prerequisites must be met for the successful implementation of Risk Sharing measures and underscores the value of agile management and governance structures for meeting these foundational requirements. In doing so, the paper contributes insights into the practical implementation of Risk Sharing, presenting concrete options for donors, international organisations and local organisations.

1.2 Methodology and structure of this paper

Bangladesh stands out as a humanitarian context where the implementation of equitable partnerships has shown notable advancement compared to other countries (Pellowska 2023). The country boasts a diverse humanitarian landscape, featuring the coexistence of INGOs and UN organisations alongside prominent "national" or "local" organisations that operate independently of foreign donor funds and, at times, extend their work to other countries, too. These big "local" or "national" players, UN organisations and INGOs are complemented by a multitude of smaller, community-based organisations, building on a vibrant and engaged civil society. Many major organisations have "localisation strategies" in place that frequently prioritise collaboration with selected smaller, community-based organisations. Some of these selected partners are offered longer-term strategic partnerships, involving a more equitable approach to humanitarian project design, implementation and organisational development. Given that these partnerships have already established collaborative working modes, aligning with the requirements of Risk Sharing, this paper has chosen to evaluate their approaches to and experiences with Risk Sharing. The aim is to uncover early pitfalls and identify best practices in the context of joint humanitarian risk management.

Findings from 36 interviews with people working in Bangaldesh and beyond

As a deliberate choice, we selected the humanitarian context of Bangladesh to conduct in-depth key informant interviews and small focus group discussions with diverse interview partners involved in strategic local-international partnerships to collect their experiences with the implementation of early forms of Risk Sharing. While the Risk Sharing Framework was developed in June 2023, our 36 interview partners, including 3 donors, 19 INGOs (with 5 representatives from INGOs in Bangladesh, 4 from Germany, and the remaining from other global headquarters), 13 local and national organisations (LNGOs) from Bangladesh, and one UN organisation, reported various efforts to share risks in the Bangladeshi humanitarian context and beyond. To allow them to speak freely, all discussions were anonymised. All names have been changed and are hence marked with "*" to signify this. The changed names are gendered but do not indicate the interviewees' nationality.

Situating the insights of our interviewees from Bangladesh in the wider debate on humanitarian risk (sharing), this paper starts with a literature review to briefly introduce risk and risk management in humanitarian action (chapter 2). It presents the eight areas of risk and situates the perception of our interviewees therein. As the discussions with our key informants reiterated the important role of partnership in risk (management), the chapter closes by discussing the relation between the two. Chapter 3 introduces humanitarian risk management, including its different phases, and situates the concepts of risk transfer and Risk Sharing therein. Chapter 4 proceeds with detailing the sharing experiences of our interviewees in different risk management phases. While these experiences point to best practices in joint risk assessments and preventive risk mitigation, they clearly indicate limitations and bottlenecks in harmonising risk management approaches and in joint responsive risk mitigation and accountability for damages. Chapter 5 condenses these insights to premises of Risk Sharing and proposes to apply governance structures and management practices of agile management to meet these requirements.

Effective Risk Sharing has premises

1.3 A few important terms

This paper explores the Risk Sharing experiences of donors, international actors and local organisations in Bangladesh engaged in partnerships characterised as equitable. "Local organisations" are local and national Non-Governmental Organisations (NGOs) that originate from the specific humanitarian context in which they work, including grassroot organisations and community-based organisations. They are referred to as "LNGOs", in short. The term "local actors" includes LNGOs, local authorities, international organisations and other stakeholders that are involved in humanitarian operations in specific crisis-affected communities on the ground. INGOs, organisations of the United Nations (UN) and the Red Cross and Red Crescent Movement. While they are international actors, rooted in civil societies outside the crisis contexts they work in, they can also be regarded as "local actors" when implementing their own humanitarian operations in crisis-affected communities. Therefore, clearcut definitions are not always possible. The term "international actors" comprises international organisations and donors. "Donors" are government entities, funding humanitarian action through public grants. Together with international organisations (often functioning as "intermediaries") and local organisations, they form a "humanitarian delivery chain", working in partnership to conduct operational humanitarian projects.

2. Risk in humanitarian action

What defines humanitarian risk? How is it perceived by humanitarian actors in Bangladesh? And what role do partnerships play in shaping these risks? These pivotal questions guide the focus of this chapter, delving into the core elements of risk management in humanitarian contexts, with a focus on Bangladesh. The initial section 2.1, introduces the framework of Stoddard, Czwarno, and Hamsik (2019a) to delineate eight key areas of risk. However, these vary for different actors within the humanitarian delivery chain. Consequently, section 2.2 examines how the diverse humanitarian actors forming the informant base for this paper perceive and prioritise risks. Building on these insights, section 2.3 addresses the impact of partnerships on the humanitarian risk landscape. With these contributions, this chapter ultimately strives to provide a clear and comprehensive view of risk in humanitarian action, fusing theoretical insights with on-the-ground realities in the context of Bangladesh.

2.1 The eight areas of humanitarian risk

In defining the concept of risk, this section introduces eight areas of risk and highlights their diverging perspectives among various humanitarian actors. In general, ”risk” entails the possibility that actual outcomes may differ from planned or expected outcomes due to uncertain factors (“threats”) impacting an organisation’s goals, either positively or negatively (International Organization for Standardisation 2022). In humanitarian action, this refers to events disrupting essential humanitarian services, such as lifesaving operations (Hamsik et al. 2022a). Given the uncertain and often overly complex nature of such events, it is impossible to fully predict all humanitarian risks. Attempting to remove all uncertainty and complexity is unrealistic and would essentially entail ceasing humanitarian aid. Therefore, the successful delivery of humanitarian aid fundamentally depends on preparedness for and effective management of unforeseen obstacles, i.e., effective humanitarian risk management (see section 3.1).

It is impossible to fully predict all humanitarian risks

Stoddard et al. distinguish eight areas of risk in humanitarian action: safety, security, fiduciary, legal/compliance, operational, reputational, information, and ethical risks (Stoddard et al. 2016; Stoddard, Czwarno, and Hamsik 2019a; 2019b). Box 1 presents them in more detail. Figure 1 illustrates how each area, characterised by its distinct attributes and challenges, coexists within a matrix of interrelations in the broader humanitarian landscape. The intersections and interactions among these risk areas are integral for developing comprehensive and adaptive risk management strategies, aligning with the dynamic and multifaceted nature of risks encountered in humanitarian efforts.

However, not all risks are perceived in the same way by different actors. Risk awareness, i.e., the subjective knowledge and perception of risks, varies markedly within the humanitarian sector, depending on the role and function of the diverse humanitarian actors within the humanitarian delivery chain. According to Hughes (2022), donors, primarily concerned with reputational, legal compliance and fiduciary risks, reflect a more administrative and oversight-oriented role. Conversely, LNGOs, focusing on direct implementation, tend to prioritise operational and security risks, directly correlating with their implementing activities and the immediate challenges therein. International organisations exhibit a blend of concerns, reflecting their often intermediary position between donors and implementation entities. This diversity in risk perception is critical, as it influences how different organisations respond to and manage risks. Building on this foundational understanding, a deeper analysis of the risks across the humanitarian sector reveals a nuanced landscape, shaped by the unique challenges and priorities of each organisational type. Before delving into the insights on Risk Sharing generated from interviews with humanitarian practitioners in Bangladesh, it is therefore essential to understand the different risk perceptions of the actors involved in that humanitarian context.

Risk awareness depends on the role of humanitarian actors

Figure 1: Risk areas (according to Stoddard, Czwarno, and Hamsik 2016)

- **Safety** risks involve the potential for accidents or illnesses, affecting the welfare of staff and communities, e.g., Covid-19 infections.
- **Security** risks relate to the physical safety of individuals and assets, including threats of violence or crime, e.g., aid workers' kidnappings.
- **Fiduciary** risks pertain to the misuse or misappropriation of funds or resources, e.g., improperly selecting beneficiaries, leading to funds being allocated primarily to relatives or local politicians.
- **Legal/compliance** risks arise from potential violations of laws, regulations, or standards, e.g., not following required tender processes for procurement.
- **Operational** risks encompass challenges that could impede an organisation's mission, including financial constraints and capacity gaps, e.g., supply chain disruptions through environmental hazards.
- **Reputational** risks involve potential damage to an organisation's credibility and public image, e.g., public backlash from a mismanaged crisis response.
- **Information** risks concern the loss, theft or inappropriate sharing of sensitive data, e.g., data breaches exposing personal information of vulnerable populations.
- **Ethical** risks involve harm resulting from unethical behaviours, including exploitation or insufficient adherence to humanitarian principles, e.g., cases of sexual misconduct by aid workers.

Box 1: Definitions of the eight areas of risks based on Stoddard, Czwarno and Hamsik (2016)

2.2 Humanitarian risk perceptions in Bangladesh

The interviews conducted with our informants working in humanitarian responses in Bangladesh validate that, for **donors,** a key concern is the maintenance of reputational integrity, closely linked to legal compliance and fiduciary responsibilities. As emphasised by Jean* (Donor), their management and oversight role necessitates a focus on ensuring an effective and ethical use of funds in alignment with both the donor's objectives and overall humanitarian principles.

Donors in Bangladesh are mostly occupied with compliance risks

INGOs navigate a more complex terrain with challenges arising from their mixed roles as intermediaries and implementers. These issues include ensuring the safety and security of employees in unpredictable environments (INGO G, Jonathan* and Francis*), and managing the complex dynamics of partner relationships. While local entities often possess a profound understanding of the context, which is crucial for effective joint risk management, their financial stewardship emerges as a key risk for INGOs. The process of managing funds, particularly when working in tandem with local partners, presents significant difficulties. Issues such as potential misappropriation and misuse of funds are not merely operational concerns but are intricately tied to the legal and financial accountability that INGOs hold towards their donors. Oliver*, Paul* and Marcus* from a German INGO recall: "When you work with German money for example, then there are a lot of compliances which need to be ensured. But [local organisations] are not aware of it. They think that: 'OK, we can do that.' So there is a risk emerging from that."

INGOs in Bangladesh face esp. safety and security risks and fiducary risks

This delicate balance of effective collaboration and stringent legal and financial oversight is a responsibility that INGOs acutely recognise. Francis* from a German INGO succinctly captures this responsibility, stating: "We are clearly accountable; we are made responsible because legally, one cannot reach the local partners directly. It's not them but us from whom the funds will be reclaimed, right?" Hence, partner selection and management are integral components of the risk landscape for INGOs, even though they may not be explicitly categorised as distinct risk domains (Stoddard, Czwarno, and Hamsik 2019a).

LNGOs in Bangladesh face most risks: safety and security risks, operational, compliance and reputational risks

Due to their proximity to humanitarian operational areas, **LNGOs** primarily contend with operational safety and security risks, highlighting the acute awareness of being responsible for the wellbeing of their staff and project participants. For instance, they must ensure that no staff stays late in the violence prone Rohingya refugee camps (LNGO, Netratav*). Underscoring the heightened vulnerability of LNGOs regarding external threats, ranging from illnesses to political instability, Mursalin* (LNGO) added: "Local actors are taking most risks". Maahir* (LNGO) elaborates: "During the time of COVID, for example, we found that our donors were working from home. But they were forcing us to go to the field".

Moreover, LNGOs are often positioned at a complex junction of diverse ethical frameworks, a crossroads where the expectations of international partners intersect with local realities. Tasked with the responsible management of funds from diverse international organisations and donors, local organisations must balance various INGO and donor requirements with the practical needs of their projects. This position subjects them to unique ethical challenges in navigating local realities. Working at the forefront of humanitarian operations, LNGOs, for example, often encounter situations where local officials demand bribes to approve or sustain a project (LNGO, Henry*) – a request which clearly contradicts international partners' policies. As Ghalib* and Gabbi* (LNGO) explain, to get the approval timely, "you have to pay something. But the donor cannot allow this payment." While this challenge is acknowledged by most international organisations and donors, they do not alter their policies, leaving LNGOs to address the situation.

Bribes are a common fiduciary and compliance risks to LNGOs in Bangaldesh

However, the challenge of non-compliance with donor and international organisation rules and regulations, as well as humanitarian principles, extends beyond illegal bribes. In some cases, local organisations struggle to comply even with legitimate local requests because they do not fall under the humanitarian mandate or the working areas of their funding partners. Oliver*, Paul* and Marcus* (INGO BD) explain: "In the end, we are oftentimes kind of bound by donor regulations. For Bangladesh this, for example, results in certain situations where the camp management authorities and also local government authorities request our local partner organisations for certain or specific kinds of support which do not fall into this division between development and emergency support, and we simply can't go ahead with those requests or fulfil those requests with the funding we have available. And this is causing a risk not only for the funding of the project, but also for the partner organisation". Simon* (INGO BD) echoes this: "Foreign protocols and policies of donor government determine how funds can be used – it is not a matter of humanitarian needs but of political analysis of these needs. This means

Illustration 1: Humanitarian actors are confronted with a variety of risks.

that needed equipment, certain humanitarian deliveries or management are sometimes not funded. One example is per diems etc. for government officials' participation in the programmes in order to get the completion certificate [from them]. This has then to be covered by [the INGO's] own funds. [To do that, the INGO] even had to change [their] own policy on this".

Maahir* (LNGO) points out another source of bribe requests: international organisations. "They [staff of an international organisation] all come from the same university. So when they search for a local partner, they will select those that they know from university. For others, they will say: 'Oh, your reporting is not right.' That is the reality. Some of them [international organisation's staff] own local vendors, but they registered the firm under another name. It could be their wife's name. So they will tell their local partners, you have to use this firm. This kind of illegal system exists. And if you are not running with them, during the time of partner assessment, they cut off your partnership. They will give you a score according to their mindset – to their own benefit. They will not give the donor the real assessment. But some [local] organisations take advantage of that. They will give their vending to these persons and receive some extra money. I'm sure that this is not according to [the international organisation's] policies".

Netratav* (LNGO) concludes: "If you work with so many people, you have to compromise something. You cannot manage all the partners' interests. This is difficult and puts us at risk" (LNGO, Netratav*). Hence, operating in various legal jurisdictions, LNGOs must navigate a labyrinth of international and local laws and customs. Compliance with various and sometimes conflicting legal frameworks is crucial not only for operational efficacy but also for maintaining legitimacy and trust.

On top of that, like any implementing organisation, LNGOs have to deal with internal risks such as financial misconduct, mismanagement and fraud – risks that are partly enshrined in the local realities in which they work. For instance, financial misconduct might manifest in the form of inaccurate reporting of operational expenses, whereby actual costs are under-reported, and the surplus is diverted for unauthorised uses. These risks are worsened by low and delayed staff salaries and financial organisational instability (LNGO, Jannett*).

Reputational risks for LNGOs are intrinsically linked to their operational, ethical, and legal challenges. They often unfold as a consequence of unmet project objectives, failed activities, instances of ethical misconduct (e.g., sexual assaults), or non-compliance with humanitarian principles. Any misstep in these areas can significantly impact reputation, affecting LNGO credibility and trustworthiness both in local communities and among international partners. Risks associated with collaboration and partnerships highlight the complexities of working with a range of stakeholders, each with their own objectives and expectations. This necessitates a nuanced approach to partnership management, balancing power dynamics, and aligning diverse goals for the successful implementation of projects. The risk profile of LNGOs is multi-dimensional, shaped by their position at the frontline of humanitarian, development and peace work.

Synthesising these perspectives, it becomes evident that the risk landscape of the humanitarian sector in Bangladesh is not only multifaceted but also deeply interconnected. The risks identified, managed and accepted by one actor inevitably influence and are influenced by the risk perceptions and management strategies of others. Actors working in Bangladesh seem to be relatively aware of that. One example of the interconnectedness of risks frequently mentioned by our informants in Bangladesh is funding cuts, which first cause security concerns in Rohingya camps (INGO BD, Oliver*, Paul* and Marcus*). Just like any environmental hazard (cyclones are common in the area) or phases of political instability (entailing road blockages or aggressive confrontations), those security concerns also lead to restricted movements for implementing staff. This endangers their operational work plan and hence their performance vis-à-vis their international partners, who typically ask: "Are we spending quickly enough? What is your burn rate?" (INGO, Sophie*). In this way, security risks for LNGOs can translate into operational risks and consequently reputational risks for LNGOs and INGOs vis-à-vis donors. This interconnectedness underscores the necessity for a holistic, collaborative approach to risk management in the humanitarian sector, where understanding and respecting each actor's unique risk profile would lead to more effective, efficient, and ethical humanitarian assistance.

Risks are interconnected

Looking at the risk landscape described by our informants in Bangladesh, it becomes evident that their most prominent risk areas are security and operational risks, emerging from the disaster-prone area in which they work. Donor- and host government compliance and related fiduciary and reputational risks were frequently talked about as well. Surprisingly, prominent global debates, such as compliance with the humanitarian principles of neutrality and impartiality or threats related to sanctions, were only mentioned in passing.

2.3 Partnership – an additional risk?

Upon examining the dynamics of partnerships in humanitarian risk management, it emerges that, while fundamental to humanitarian efforts, partnerships between international actors and LNGOs invariably influence the overall risk landscape of humanitarian projects. As figure 2 illustrates, they do not distinctly create a new risk area but rather intersect with the established ones. Partnerships involve a blend of actors, each with distinct operational frameworks, organisational cultures, ethical standards, and risk appetites. These are intricately interwoven with the eight areas of risk, impacting every facet of risk in humanitarian action. The convergence of these varied elements under a shared humanitarian mission cultivates a multifaceted risk environment, where the collective risk profile is reshaped by the interaction of these diverse factors.

The process of choosing the "right" local partners is a fundamental initial step in this environment. Various representatives from INGO Country Offices in Bangladesh (INGO BD) highlighted that partnership assessments are crucial to them, as their organisation's success in responding to the various risks that they face in their humanitarian endeavours becomes inevitably linked with their partner's performance in doing so. Hence, it is not surprising that Rajswobnil* (INGO BD) says: "Working with partners is definitely riskier than implementing ourselves". Oliver*, Paul*, and Marcus* (INGO BD) add: "The partner's action is [...] a very potential risk for us. What the partner does on the ground may also affect us as an agency or organisation." This statement underscores the interconnected nature of risk within partnerships, where the actions of one entity can significantly impact the entire collaboration, affecting operational outcomes and organisational reputation. Consequently, many international organisations elaborate on the necessity for heightened levels of engagement and vigilance in partnered projects. This involves continuous monitoring of and support to partners, ensuring that risks are identified and mitigated effectively.

"Working with partners is definitely riskier than implementing ourselves"

This perspective sheds light on the additional workload and complex dynamics involved in managing risks in a partnership setting. It is therefore not surprising that partner engagement typically commences with a rigorous partner selection process, involving thorough partner assessments to strategically identify key partners. The identification is based on their alignment with the mission and capacities of the international partner, as well as their ability to comply with donor requirements (INGO, Charlotte*). This process takes into account both immediate operational needs (added value) and long-term impact.

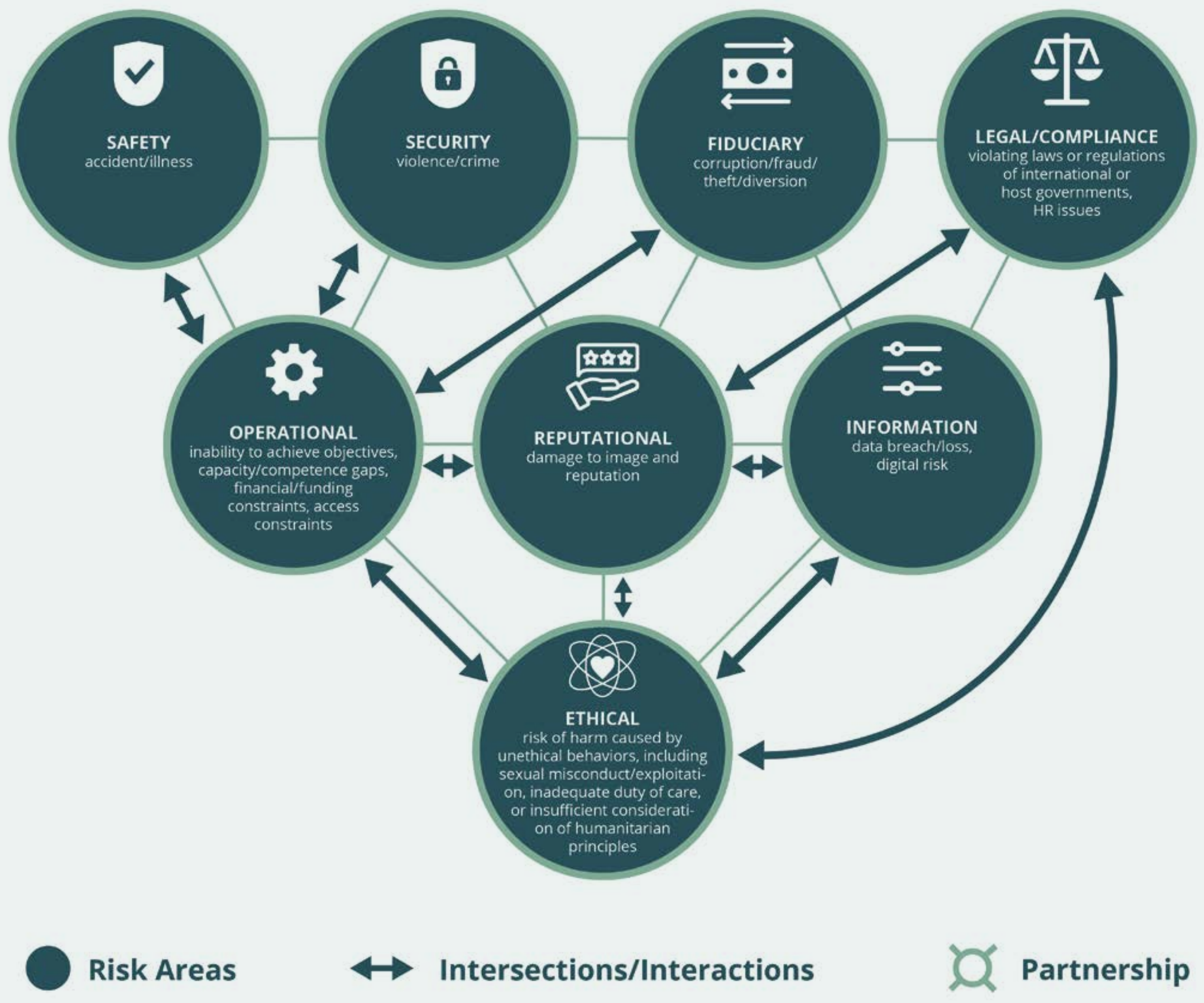

Figure 2: Partnership influencing the risk areas

After selecting strategic partners, attention shifts to the issue of capacity – a key risk factor identified by both LNGOs and INGOs. LNGOs themselves have expressed concerns about their capacity and emphasised the need for strategies to bolster their capabilities to be able to respond to all operational and procedural requirements and threats. This perspective is echoed by INGOs, acknowledging the significance of building the capacity of local partners as an integral part of risk mitigation (INGO Camino*, INGO G Jonathan*, INGO BD Simon*). Enhancing the capabilities of local partners is, therefore, not solely about effective humanitarian project implementation but also a proactive measure against the potential operational and strategic risks arising from capacity limitations (see also section 4.3).

LNGO capacity has been identified as a key risk factor by both internaitonal and local organisations

A key aspect highlighted by INGO representatives in connection with their intense focus on local organisations' capacities in managing humanitarian projects and related risks is the role of international organisations as risk buffers between donors and local implementing agencies. Francis* (INGO G) points out inadequacies in how donors address these risks, suggesting that INGOs often serve to mitigate risks that are not sufficiently managed by the donors themselves. This is particularly evident in aspects such as the limited attention given to risk analysis in donor forms (INGO G, Francis*).

Working in partnerships does not create new risks but the collective risk profile is shaped by the interaction of the diverse actors

In sum, while partnerships are integral to humanitarian action, they invariably affect the humanitarian risk profile. This alteration does not create a new risk area but strongly influences the existing ones.

3. Risk Sharing – a new paradigm in humanitarian risk management

To lay the groundwork for the analysis in chapter 4, this chapter commences by providing a brief introduction to humanitarian risk management (section 3.1). Subsequently, section 3.2 delves into an examination of the challenges posed by risk transfer to partnerships in humanitarian aid. It underscores that risk transfer primarily constitutes an individual organisational risk management approach, whereas Risk Sharing encapsulates a collective approach to risk mitigation. Section 3.3 details the underlying principles of Risk Sharing (Risk Sharing Platform 2023), before chapter 4 illustrates how these principles are put into practice in the humanitarian context of Bangladesh.

3.1 A brief introduction to humanitarian risk management

Risk management constitutes the systematic procedures that organisations implement to govern and oversee their activities in relation to risk (International Organization for Standardization 2022). It pertains to the development of organisational strategies and policies aimed at decreasing the likelihood of risk occurrence and alleviating the negative impacts should a risk come to fruition (Hamsik et al. 2022b). As box 2 illustrates, the process typically progresses through the stages of risk identification, analysis, and treatment. These stages establish a risk management strategy which facilitates ongoing risk monitoring, performance review, reporting, and documentation (United Nations Office for the Coordination of Humanitarian Affairs 2022).

1. **Risk Identification:** involves a detailed examination of potential risk sources (i.e., threats). These could stem from diverse factors that endanger the operational integrity or the successful realisation of humanitarian activities.

2. **Risk Analysis:** represents a comprehensive analysis that ascertains the likelihood and impact of the identified threats. This is pivotal for prioritising risks and informing decisions on resource allocation, as well as for devising appropriate risk treatment approaches.

3. **Risk Treatment:**
   a) **Risk Avoidance:** elimination of a risk by decreasing its likelihood to zero.
   b) **Risk Transfer:** passing of a risk to a third party.
   c) **Risk Mitigation:** comprises preventative and responsive measures:
      i. **Preventative Risk Mitigation:** actions aiming to minimise the likelihood of the occurrence and/or the potential impact of a risk before it materialises.
      ii. **Responsive Risk Mitigation:** actions taken as risks materialise to prevent further loss or damage. This approach is about quick, tactical responses to control the situation and minimise emerging risks. It includes activating contingency plans, reallocating resources, and making necessary adjustments to handle the situation as it unfolds.

4. **Accountability:** deals with the consequences and implications of a risk event after it occurred, such as the legal, financial, operational, or reputational impact. It involves assessing the full extent of the damage, determining liability, providing compensation where necessary, and implementing strategies to recover from the incident.

Box 2: Stages of risk management

Critiques of current risk management practices in humanitarian action highlight a misalignment of this form of risk management with the sector's needs. Drawing from commercial models, humanitarian actors employ the different steps of risk management presented in box 2 to identify and treat their risks (Risk Sharing Platform 2023; Hughes 2022, 202). However, a recent study by Hamsik et al. revealed that this does not significantly improve the overall risk landscape at programme and country levels. Common humanitarian risk management tends to fall into one or more of eight traps: it focuses on systems, not people; tends to disempower staff; shows weak risk forecasting and readiness; has institutional learning gaps; reduces partnerships to transactions; compromises community engagement; involves coordination dilemmas; and prioritises compliance over delivery (Hamsik et al. 2022b). Most importantly, common humanitarian risk management tends to protect individual organisations rather than the collective humanitarian effort, potentially compromising programme quality and efficiency. In crisis situations, this can lead to dire outcomes, including loss of lives due to increased complexity and delays (Hamsik et al. 2022b, 10). Therefore, a re-evaluation of risk management practices is warranted to better serve the overarching goals of humanitarian aid.

Figure 3: The four steps of risk management.

3.2 From risk transfer to Risk Sharing – on partnership in humanitarian risk management

Risk Sharing emerged as a fundamental shift from practices of risk transfer. As box 2 outlines, risk transfer is a form of risk treatment where risks are passed from one entity to the other. In humanitarian action, this is often done top-down the humanitarian delivery chain, from donors at the global level through intermediaries to LNGOs. Being located at the end of this chain, LNGOs are often confronted with a variety of risks, partly stemming from their international partners, often without receiving the necessary equipment to adequately respond to all these risks. This is further elevated by a pervasive mistrust of international actors in LNGOs (Barnett, Vandermoss-Peeler, and Patel 2021), originating from donors' concerns about the misuse or inadequate accounting of funds, i.e., fiduciary risks (Barbelet et al. 2021; Baguios et al. 2021, 18). While these concerns are largely assumption-based rather than evidence-based, they lead to international organisations predominantly focusing on mitigating potential partner-induced fiduciary risks and massively overlooking risks faced by LNGOs, such as operational risks or security risks (Stoddard, Czwarno, and Hamsik 2019b, 1; Wilkinson et al. 2022; Arthur and Moutard 2022; de Geoffroy and Grunewald 2017; Humanitarian Outcomes 2023).

Risk transfer is a form of risk treatment where risks are passed from one entity to the other

In this manner, risk transfer reinforces the power imbalance between international and local humanitarian actors. Despite their frontline roles, LNGOs often find themselves disempowered, serving as subcontractors facing a myriad of risks, rather than as equal partners in the execution of international humanitarian endeavours (Charter4Change 2020; Stephen 2017). This stems from the nature of risk transfer as a risk treatment designed to protect individual organisational interests rather than collective endeavours (Hughes 2022, 18). However, if individual humanitarian actors opt to transfer or mitigate risks solely for their own benefit, this can have a significantly adverse impact on the effectiveness of the entire delivery process. It could lead to people receiving less aid, experiencing delays in aid delivery, receiving assistance that does not meet their needs, or being left without assistance altogether (Hughes 2022, 18).

In Risk Sharing humanitarian actors jointly identify, acknowledge and mitigate humanitarian risks that cannot be avoided

Risk Sharing, on the contrary, encapsulates a dynamic approach to risk wherein donors, international organisations, and LNGOs collectively identify, acknowledge and mitigate humanitarian risks that cannot be avoided. It recognises the interconnectedness of the entities in their joint humanitarian endeavour and promotes a more collaborative and equitable approach to risk management. This involves recognising and crediting local actors for their contributions to humanitarian projects, as well as ensuring their consent for any actions that may pose a risk to them, thus reinforcing their role and safeguarding their interests (Charter4Change 2015; Van Brabant and Patel 2018; NEAR 2019; Pledge for Change 2022).

The transformation from risk transfer to Risk Sharing is integral to the localisation agenda

The transformation from risk transfer to Risk Sharing is integral to the localisation agenda, emphasising the enhanced role, voice, and leadership of local and national actors in the design and delivery of aid (Juliet and Croome 2023). The transfer of risk from international to local actors is identified as a representation of an inequitable partnership and stands as an obstacle to the realisation of locally-led humanitarian initiatives (de Geoffroy and Grunewald 2017, 5–6). Risk Sharing, in contrast, revolves around co-ownership, where all involved parties actively engage in the equitable allocation of responsibilities for risk management (van Mierop et al. 2020).

The concept of Risk Sharing in humanitarian aid emerged from discussions on remote management and the reduction of humanitarian space, particularly following counter-terrorism measures in places like Somalia (Mackintosh and Duplat 2013; Healy and Tiller 2014, 4; Roepstorff, Faltas, and Hövelmann 2020; Hughes 2022, 20). Subsequent research by organisations such as InterAction (Stoddard et al. 2016, 4; Stoddard, Czwarno, and Hamsik 2019a; 2019b) and HERE-Geneva, ICRC, and the Ministry of Foreign Affairs of the Netherlands (van Mierop et al. 2020) delved deeper, advancing the understanding of collective risk management within humanitarian alliances. This progression culminated in the development of the Risk Sharing Framework, which emphasises the importance of robust Risk Sharing mechanisms for managing uncertainties in humanitarian efforts and aiding impacted communities (Risk Sharing Platform 2023).

3.3 The principles of Risk Sharing

The principles of the Risk Sharing Framework, as shown in box 3, offer a paradigm where risk management is not about avoiding or transferring risks but about accepting, understanding and treating them collaboratively. In opposition to risk transfer, this approach shall foster resilience, ensure sustainability, and enhance the efficacy of humanitarian actions. It underlines the need for collective dialogue, shared responsibility, and mutual support, transcending organisational boundaries and fostering a community of practice that is equipped to navigate the complexities of humanitarian work amidst uncertainties.

1. **Collaborative Approach:** Advocates the unification of donors, intermediaries, and implementers to collaboratively establish and enact risk-sharing solutions, enhancing the efficiency of assistance delivery.

2. **Confidential and Non-Punitive Dialogue:** Supports open yet confidential conversations concerning sensitive risk-associated matters, guaranteeing a secure environment where information sharing does not result in punitive consequences.

3. **Focus on Key Risks:** Centres the attention on systemic and substantial risks affecting the delivery chain, necessitating a collective mitigation strategy.

4. **Holistic Consideration:** Endorses a comprehensive scrutiny of risks, taking into account the adversities faced by diverse actors within the sector to facilitate an effective, rounded risk management approach.

5. **Evaluate Risk Appetites:** Urges an in-depth assessment of the impacts of compliance and control frameworks on humanitarian objectives, reflecting on the influence of varied risk appetites on the broader risk scenario.

6. **Consider Risks of Inaction:** Recognises the potential detrimental effects of inaction, emphasising the importance of a proactive approach in risk management.

7. **Deploy Preventive and Reactive Measures:** Encourages the implementation of both preventive strategies to diminish the likelihood of risks and reactive methods to mitigate the consequences of actualised risks.

8. **Clarify and Codify Risk Sharing:** Insists on the explicit definition, documentation, and allocation of resources for Risk Sharing initiatives within contracts, policies, and guidelines to ascertain transparency and effectiveness.

Box 3: Principles formulated in the Risk Sharing Framework (Risk Sharing Platform 2023)

4. Risk Sharing in action – options and pitfalls

While the principles of the Risk Sharing Framework have been widely acknowledged by various stakeholders, there is scepticism about their swift application in practice (Charter4Change 2020). For many donors and international organisations, transitioning from theoretical constructs and ethical principles to ingrained practices of humanitarian action appears challenging (see section 1.1). The Risk Sharing Framework delineates this conceptual leap by guiding humanitarian actors through a structured yet adaptable process of seven actionable stages. These stages are designed to sequentially equip actors with insights, tools and strategies to collectively navigate the complex terrain of risks in humanitarian action (Risk Sharing Platform 2023). The stages lead through a multifaceted process encompassing two fundamental aspects (Risk Sharing Platform 2023, 19).

1. A holistic assessment of relevant stakeholders and their risk perceptions, i.e., joint risk identification and analysis, see section 4.1)

2. A harmonisation of risk treatment strategies (see section 4.2), including the definition of:
   - joint approaches to preventive and responsive risk mitigation (see section 4.3), and
   - sharing of accountability for losses and damages (see section 4.4).

The following sections summarise learnings from the application of these steps in humanitarian action in Bangladesh. While none of our interviewees could share experiences with a full-fledged implementation of the Risk Sharing Framework, some indeed had experiences with the implementation of single steps. However, while the step of joint preventive risk mitigation revealed a myriad of best practices, examples of joint risk assessments, harmonisation of risk management strategies and shared accountability remain scarce.

4.1 Joint risk assessment

Capturing the individual risk perspectives of all humanitarian actors in the delivery chain is a complex but crucial task. The complexity arises from the involvement of numerous actors in humanitarian operations, each with varying priorities and functions, and not all equally participating in decision-making (Hughes 2022; Stoddard et al. 2016). Following the Risk Sharing Framework, it is vital to identify these actors and their roles as donors, intermediaries, or implementing organisations and establish mechanisms to allow each one to express their viewpoints (Risk Sharing Platform 2023, 19). Once the actors are identified, a holistic assessment of risks becomes possible (Risk Sharing Platform 2023, 20). This involves detecting the key risks that can substantially impede the delivery of assistance to those in need.

Donors and international organisations engage in joint risk assessments, but only bilaterally with their direct contractors

In our interviews, some donors reported that they already conduct joint risk assessments, but only with their direct partners, mostly international organisations. Similarly, some of these partners also engage in joint risk assessments with selected local partner organisations. Donors, international and local organisations engage in joint risk assessments but only on a bilateral basis with their direct contractees.

These bilateral joint risk assessments are typically twofold. They include a project risk assessment component, focusing on risks connected with a joint humanitarian project, and a partner risk assessment component, looking into the risks that are entangled with partnering entities. Since these components apply considerably diverging approaches to Risk Sharing, they are discussed separately below. This is followed by a brief discussion of the cross-cutting themes of risk awareness, continuity and transparency.

Risk Sharing practices vary between project risk assessments and partner risk assessments

Project risk assessments

Bilateral project risk assessments between donors and international organisations rely heavily on previous assessments conducted by international organisations, sometimes in collaboration with their local partners. They often use so-called **risk registers,** which are a formal

Joint project risk assessments are done successively insterad of collectively

part of regular project proposals and reporting. In this way, all key actors - LNGOs, international organisations and donors - are involved in project risk assessments, but successively rather than collaboratively (LNGO, Ghalib* and Gabbi*).

Whoever conducts the initial assessment (whether it be an LNGO or an international organisation) usually finds that this is validated and monitored only by others, for example, through background checks and monitoring visits (Donor, Norman*; Donor, Jean*; LNGO, Ghalib* and Gabbi*; LNGO, Jannett*). As Ghalib* and Gabbi* (LNGO) explain, this leads to the notion that the whole risk assessment exercise is "really kind of donor-driven. [But] Risk Sharing should not be about filling out risk registers. We should sit together at the table and discuss it". Some donors are willing to change that and are ready to be more actively involved in risk identification and analysis (Donor; Norman*).

However, many international organisations are not there yet. They often still conduct only their own risk assessments and see the exercise itself as a rather tedious part of donor proposals and reporting (INGO, Charlotte*; INGO, Frank*; INGO G, Francis*). Frank* (INGO) highlights that even internally, risk assessments are often done in silos, by different departments that are not necessarily talking to each other.

Some international organisations involve their partners in their risk assessments, but rather as passive sources of information in processes led by the international organisations (INGO, Nathan*; INGO, Camino*). Such processes typically start with internal desk reviews to identify "external" and "internal" risks and to prioritise where more in-depth risk assessments are needed. For these in-depth assessments, diverse local stakeholders are approached to inform the organisation's further analysis, for example, through key informant interviews with local staff, local partner organisations, communities and authorities. In this way, local actors may participate in collaborative risk identification, but just as mere informants, not involved in the further analysis. Furthermore, while the results are partly shared with donors, local stakeholders are not always informed about the outcome of these exercises (LNGO, Ghalib* and Gabbi*).

At the same time, there are quite a few international organisations in Bangladesh proving that collaborative risk identification and analysis with local partners is possible. They use the risk registers in workshop settings to collectively uncover and analyse risks that might not be immediately evident to single parties (INGO, Mary*; INGO, Thomas*; INGO G, Karl*; INGO BD, Ibu*; INGO BD, Oliver*, Paul* and Marcus*; INGO BD, Rajswobnil*; INGO BD, Thenappan*). Local organisations that participate in these kinds of exercises highlight that it would indeed be in their interest to include donors as well. In their eyes, this direct exchange with donors would be one step forward in the localisation agenda (LNGO, Mursalin*).

However, these workshops need careful preparation. Before being able to meaningfully engage with international organisations (and potentially donors), LNGOs need to identify project-based risks together with the communities they serve (LNGO, Henry*; LNGO, Ghalib* and Gabbi*). This enables local organisations to incorporate community concerns and risks originating in the local contexts into the discussions. But it requires resources that are often not covered by international partners. Jannet* (LNGO) explains: "For [our organisation], it is difficult to do the risk assessment and analysis because we don't have the manpower to do that. [...] In the monitoring department we have only one person. It's really difficult. He is working day and night, every time". Ghalib* and Gabbi* (LNGO) additionally see the risk that joint risk assessments could become another bureaucratic burden to the actors involved. They add that such exercises should not put "additional workload on the LNGOs' shoulders. If they [international partners] come for two weeks, for a simple issue [like a risk assessment], it's waste of time. We are busy with many things. How to manage that?"

Summing up, for successful joint project risk assessments, it is crucial not only for donors to take a more active role in the process but, more importantly, to gain the buy-in of international organisations. They need to bring together their own departments and involve local organisations not only as sources of information but as equal partners who can meaningfully contribute to a joint endeavour. Some international organisations already follow this approach and develop their risk assessments in joint workshop settings, to which LNGOs would welcome donors as well. However, these activities must be efficient and adequately resourced. This also accounts for risk assessments within crisis-affected communities.

Joint risk assessments need to be informal and simple. They need to be adequately funded and require more active buy in from donors and partly INGOs

Partner risk assessments

Partner risk assessments in Bangladesh are falling further behind in applying the principles of Risk Sharing. Firstly, in contrast to the project risk assessments, partner risk assessments clearly violate the principle of collaboration. They are typically done completely separately by each actor: While donors assess the risks that they see entangled with their strategic international partners (Donor, Jean*; Donor, Norman*; Donor, Brandon*), these do the same with their local partners. The results are often

Partner risk assessments do not comply with Risk Sharing

not transparently shared with the assessed (Donor, Jean*; Donor, Brandon*). As one donor puts it, the exercises still "assess the extent of risks that [the assessing authority] is facing when working with the specific partner while it should be done with the aim to assess 'under which conditions can we build a partnership with you?'" (Donor, Norman*). This donor view is seconded by INGO and LNGO representatives who describe lengthy processes of detailed local partner screenings, covering various aspects like financial integrity, programmatic capabilities, and organisational structure involving various reference and background checks (INGO, Mary*; INGO G, Francis*; INGO BD, Simon*; INGO BD, Ibu*; INGO BD, Rajswobnil*). As shall become more evident in section 4.1 below, identifying financial risks, especially those related to project funding, compliance, and audits, is critical for international organisations (INGO, Camino*).

While local organisations also assess the risks associated with working together with certain international partners (LNGO, Henry*), they tend to waive this in sight of the exciting opportunity to work together with highly recognised international partners.

Risk awareness

To jointly identify and discuss any risk, it is necessary that all actors involved are sensitised and able to recognise them. But "risk awareness is one of the major gaps [...] among the [local] NGOs and also INGOs [in Bangladesh]. [...] [It] is very, very low among the field level workers – even of the UN and INGOs and others. Even they do not understand what it means – risk" (INGO BD, Rajswobnil*).

Risk awareness is one of the major gaps in international and local organisations

As several INGO representatives highlighted in our interviews, to create risk awareness, a considerable shift in mindset and practice is needed, both within their own organisations and in their partner organisations. This can only be achieved through considerable investments in re-orientation and trainings, patience and sustainable effort. Thomas* (INGO) explained, for example, that it took him about ten years to install a mindset among the people and the management within his organisation that is aware of the importance of security risk management, let alone other risks. Rajswobnil* (INGO BD) shares this experience and highlights the value of joint risk assessments for raising risk awareness. Before he introduced joint risk assessment workshops to the organisation's annual exchange with his local partners, those partners were mostly concerned about financial risks only. However, "when I started discussing with them, they came up with many other layers of risk as well" (INGO BD, Rajswobnil*).

Continuity

Many interviewees underlined that joint risk assessments should not be one-shot exercises but continuous endeavours (INGO G, Karl*; INGO, Mary*; INGO, Christian*; INGO, Camino*; INGO G, Karl*; INGO G, Francis*; INGO, Charlotte*). In addition to formalised regular updates of the risk registers (LNGO, Ghalib* and Gabbi*), they argue that it is essential to provide the diverse communication channels and exchange necessary for all actors to be able to be meaningfully involved in continuous joint risk assessments. This could involve weekly to monthly meetings which reiterate risk registers (INGO, Christian*), but it can also be realised in the wake of regular monitoring activities (INGO, Camino*; INGO, Mary*; INGO BD, Ibu*; INGO BD, Thenappan*; LNGO, Jannett*): "Our partnership teams, they go to the partners and they talk to the local organisations, to their staff etc. to ask them and to observe – to assess the risks with which they [the local partner] are struggling." (INGO BD, Thenappan*).

Risk assessments should not be a one-shot activity

LNGOs highlight that continuous risk identification happens "naturally" in their everyday work and does not need formalised exchange formats (which just imply additional workloads for them). They appreciate a range of communication channels that are always open (LNGO, Ghalib* and Gabbi*). They point to the complaint response mechanisms they have in place to identify risks in the communities they work in and suggest this as a suitable approach that could be used for joint risk assessments with international organisations and donors as well. Maahir* (LNGO) has already established continuous communication with their "donor" (an international organisation) and highlights the need to document the communication for further risk mitigation and response: "Whenever we face any kind of risk during the project implementation that has not been documented in the process before and it threatens our activities, we still communicate that to the donors, through email or other means. That depends from donor to donor. [...] But it is important that we document the risk before something happened." (LNGO, Maahir*). Section 4.4 elaborates more on the reasons behind this.

Risk Sharing provides open communication channels for all actors for continous updates

Transparency

Another cross-cutting theme evident in all attempts at joint risk assessments, as well as in other stages of Risk Sharing in Bangladesh, is the need for – and the challenge of – transparency (Donor, Norman*; INGO G, Karl*; INGO, Christian*; INGO G, Jonathan*; LNGO, Netratav*; LNGO, Jasgun*; LNGO, Mursalin*). As Norman* (Donor) puts it: "we always want to have a transparent dialogue, but sometimes it's difficult because the organisations are a bit afraid that if they speak too open it could affect their future funding levels".

Negative consequences from open and honest communication of risks impede Risk Sharing

Transparency is hampered by several factors. One of them is the experience of negative consequences, such as loss of funding (INGO, Thomas*; LNGO, Dalia*; LNGO, Maahir*) or entanglement in long-lasting, exhaustive investigations (LNGO, Ghalib* and Gabbi*) after openly sharing threats and challenges. This is arguably the worst for local organisations that heavily depend on project-based funding: "If one project is dropped or they [local organisations] do not get a follow-up project because of what they shared, that could mean that they must fire a third of their staff" (INGO G, Jonathan*). This considerable threat emerging from transparent communication led some donor partners, especially big international organisations and UN organisations, to apply risk management measures to risk identification exercises with donors – a risk management of joint risk management, so to say (Donor, Jean*). They formalised the engagement and linked the conversation to accountability (Donor, Jean*). This hampered transparency and trust. In contrast, donors experience risk identification with small and medium-sized organisations as much fairer and more open, partly because the exchange is less formalised.

Willingness to share the knowledge of risks also depends on the (perceived) readiness of contracting partners (typically donors and international organisations) to respond to the identified risks in the common interest, rather than with individual interests and potential punishments in mind (INGO G, Jonathan*; LNGO, Sarker*). Ghalib* and Gabbi* (LNGO) share an example: In Bangladesh, "to get [a project] approved timely, you have to pay something. However, the donor cannot allow this payment. This is something we cannot share with [our international partner organisation]. [...] interestingly, there are a few INGOs that have an office in Bangladesh and implement projects themselves. So they have to do the same. But we cannot talk about these common challenges. We can only talk about risks that they [the international partners] allow. We can talk about safety issues and ask them to cover health insurance. But we cannot talk about the money that we need to pay to the government. Because this is unethical".

Acknowledging these realities, one approach that could enhance transparency is the establishment of diverse exchange and communication channels involving different actors at different levels, including local authorities (INGO G, Francis*; INGO BD, Thenappan*; LNGO, Henry*). This might involve confidential bilateral exchanges, peer groups and more heterogenous groups to make sure that everyone finds their safest place to share their challenges (INGO G, Karl*; INGO BD, Rajswobnil*).

Another effective measure to enhance transparency is the **non-punishment** of risks that are openly shared early on. Transparency should always be met with a commitment to sharing risks. For example, if capacity constraints are disclosed early, this could provoke capacity-strengthening activities before embarking on a project. In the case of unintended fiduciary risks, responses and sharing of damage costs should follow. As Jean* (Donor) highlights, proximity to the response area further aids in fostering discussions centred around resolution rather than blame: "When one is closer on site, then conversations are deeper and it's more about 'what can we do here?'" (Donor, Jean*).

4.2 Harmonisation of risk management mechanisms

Following the Risk Sharing Framework, it is beneficial to jointly assess the varied risk response mechanisms individually applied by the various actors engaged in humanitarian action and synchronise them in the collective interest where feasible (Risk Sharing Platform 2023, 21).

For donors, harmonising their risk management with other actors remains limited on increased transparency and contextualisation

Identifying and evaluating already implemented Risk Sharing solutions can help determine their effectiveness in influencing behaviour and improving assistance delivery. It is crucial to restrict risk mitigation measures that may introduce additional threats to actors, thereby establishing a collective approach to risk management. The majority of donors interviewed for this paper express scepticism about the feasibility of developing such joint risk management strategies. Nevertheless, they express openness to joint risk assessments (as discussed in the previous section 4.1) and increased transparency regarding their risk management mechanisms (Donor, Brandon*). Some donors consider additional **contextualisation** of their risk management mechanisms and providing support for preventive risk mitigation (Donor, Norman*; Donor, Jean*). Ghalib* and Gabbi* (LNGO) support these ideas: "Sometimes it is challenging for us to understand the donor because we work in the community. Sometimes the donor does not understand the context. So it [would] be good, [if we came together]." However, all interviewed donors insist on adhering to their rules, procedures, standards and stipulations. They are not willing to discuss their defined red lines and established procedures, or their risk appetite with partners (Donor, Jean*; Donor, Brandon*). This limitation is acknowledged and mostly passed further down the humanitarian delivery chain by international organisations (INGO BD, Rajswobnil*; INGO, Mary*).

Despite these donor declarations, some INGOs have occasionally experienced donor flexibility in risk management. During acute humanitarian crises of high political relevance, donors might, for example, waive some of their regulations or accept no-regret policies (INGO, Frank*). This occurred, for example, in the context of the Ukrainian humanitarian response where aid was delivered before profound needs assessments could take place (Donor, Jean*). However, such flexibility is uncommon in less high-profile crises, like those of Bangladesh. LNGOs add that, apart from waiving overly strict requirements, it would already be beneficial to simplify procedures that involve lengthy processes with many focal persons (LNGO, Henry*).

Risk Sharing involves donors waiving some of their rules and regulations and simplifying procedures

Some INGOs also apply the **waiving approach** in their partnerships with LNGOs as well (LNGO, Maahir*). Mary* (INGO) reveals, for example, that maintaining strict policy adherence while providing ad hoc flexibility (waiver system) is an effective combined approach to managing risks, especially operational and fiduciary risks. Waiving may involve accepting fewer than three offers in highly specialised tendering processes or skipping an intensive due diligence assessment for a partner that recently already passed such an exercise in the application for a related or similar project. This approach is applied by several INGOs, depending on the specific humanitarian context (INGO, Sophie*), and it particularly benefits pre-positioned partners – i.e., local organizations that have previously undergone a detailed investigation and are therefore trusted (INGO, Camino*; INGO BD, Simon*). As Simon* (INGO BD) explains, their organisation allows waiving only for local partners that are known to comply with donor rules and regulations. Thenappan* (INGO BD) qualifies: "we simply always follow the stricter policy – may it be theirs or ours".

Supporting the donor commitment to increased transparency and clarification of risk management mechanism, other international organisations engage in founded teachings of the donor "rule book": "We are identifying potential instances, especially in procurement processes, where non-compliance might occur, and we try to identify the reasons why our national partners might not follow the exact rule book on specific activities. And the next step would then be really going into the different partner organisations and go through those examples which we have from a couple of projects – it's kind of lessons learnt or best and worst practice workshops. [...] We really go into tangible examples to discuss those and discuss why this particular course of action was not okay and what had to be done differently." (INGO BD, Oliver*, Paul* and Marcus*).

LNGOs wish that the flexibility in finding common risk management mechanisms would go a bit further: "There should be ground rules of engagement that involve a mutual understanding of each partner's risk mitigation measures, but beyond that, these should match. They might not always match completely but they should be similar. To make them match, it takes time and resources. And the match making should be mutual, again. I need to sacrifice some of my ways of working, you have to sacrifice some of yours as well. [As it is now,] the risk mitigation mechanisms of our international partners are sometimes problematic, since for example, we do have to work around some of their frameworks." (LNGO, Henry*). LNGOs wish that they could transparently share their challenges in dealing with corrupt authorities and violent or armed groups and commonly find solutions together with donors instead of fearing their zero-tolerance policies. Sarker* (LNGO) acknowledges that at least, "nowadays international partners put less and less additional risks on the plate for their local partners".

4.3 Joint risk mitigation

Identifying sharing opportunities in risk mitigation is the next step in the Risk Sharing Framework (Risk Sharing Platform 2023, 22). It focuses on realistic action planning along with best practices and innovative strategies for joint preventive and responsive mitigation, aligning with the risk appetite of each actor while considering possible compromises (Risk Sharing Platform 2023, 25). The interviews conducted for this paper uncovered diverging approaches to joint risk mitigation depending on whether it is preventive, i.e., meant to reduce the likelihood and impact of risks before they materialise, or responsive, i.e., meant to reduce the likelihood and impact of risks as they unfold. The following sections, therefore, look at preventive and responsive risk mitigation separately.

Preventive risk mitigation

Joint preventive risk mitigation is more accepted by **donors** than joint responsive risk mitigation, as it reduces the likelihood and potential impact of risks violating their standards, rules and procedures before something happens. This matches well with their generally risk adverse attitude (Norman, Donor*). There are several examples of preventive risk mitigation measures shared

Joint preventive risk mitigation is more accepted by donors than joint responsive risk mitigation

by donors, particularly regarding security and partner risks. Acknowledging that **security risks** are predominantly borne by implementing partners, donors engage, for example, in covering costs for their protective personal equipment and insurance (Donor, Norman*; Donor, Jean*). Addressing partnership-related risks, they assign funds for capacity strengthening (Donor, Jean*; Donor, Norman*), such as trainings, customised support packages - especially in financial management - due diligence passporting and holistic duty of care packages provided by international organisations (Donor, Norman*). They also increasingly advocate for sharing Indirect Cost Recovery (ICRs), cascading indirect funds to LNGOs.

Depending on the specific partner and context, **INGOs** also embrace this sharing approach in preventive risk mitigation (INGO, Sophie*; INGO, Thomas*; INGO BD, Ibu*): "Once we identified likelihood and impact of our risks, what we try to do jointly is to find ways how to mitigate those. So then we elaborate our actions against each identified risk. And once all mitigation actions are identified, we divide responsibilities. For example, the partner will take this responsibility, and [our organisation] will take that responsibility. [...] It is not only [our organisation's] responsibility to mitigate risks. It is also the partner's responsibility to ensure that our joint programme is implemented with minor flaws or no risk. So we give responsibility to our partner as well. So that at the end of the day, neither the partner nor [our organisation] will be in a troubled position." (INGO BD, Ibu*).

Donors and international organisations jointly engage in preventive mitigation measures for security and partner-related risks

A key priority of international organisations is, again, to address "partner-induced" risks. As already noted in section 2.3 above, these risks are mitigated, first and foremost, by careful partner selection, based on a rigorous partner assessment, past experiences and reliability (INGO G, Jonathan*; INGO, Mary*; INGO BD, Ibu*). Many international organisations now only work with pre-positioned partners in whose capacities they invest ahead of a project, often using their own funding (INGO BD, Simon*; INGO, Nathan*; INGO, Charlotte*; INGO BD, Ibu*, LNGO, Mursalin*). This shows readiness to share risks with these partners, indeed. As Rajswobnil* (INGO BD) puts it: "We have the obligation to share resources with our partners so that the local organisations are in the position to mitigate their risks – and definitely they are confronted with most risks". Local organisations that are "capacitated" in this way enjoy more equitable partnerships with their international partners, as this helps international organisations perceive them as less dependent and in a better position to shoulder responsibilities. This creates fairer agreements and frameworks (INGO G, Francis*) and means that local organisations are often more equally involved in decision-making (INGO, Camino*). This signifies a clear move towards empowering local entities to lead humanitarian action and respond to their related challenges (INGO, Sophie*).

To mitigate risks donors and international organisations select their partners carefully

While the process of identifying potential preventive risk-sharing opportunities and drafting joint mitigation measures is mostly led by international organisations, they recognise that the buy-in of their local partners in implementation is crucial (LNGO, Mursalin*). The boards of local organisations, in particular, can play important roles when it comes to the effectiveness of preventive risk mitigation measures, implemented by international organisations. For this reason, they are deliberately approached by international organisations: "We oriented local organisations' board members on the policies, procedures, programmes, operations, modalities and others of their own organisations. Because, ultimately, the board members are liable. They are the legal owner of the organisation. Before, they did not know that. Now that they know, they have the awareness, they are starting to take ownership on the behaviour of their own organisation." (INGO BD, Rajswobnil*).

Joint risk mitigation strategies are often drafted by international organisations alone

While these action plans aim at enhancing LNGO capacities to primarily respond to the risks perceived by international actors, most of them are developed jointly. If that is the case, also their execution automatically becomes a joint responsibility (INGO BD, Ibu*). The centrepiece of such action plans is usually LNGOs' capacities to respond to financial and compliance risks (INGO G, Francis*; INGO G, Jonathan*), resilience to fiduciary risks and operational challenges (INGO, Sophie*). They often involve continuous training and retraining, recognising the challenges posed by the typical high staff turnover in local organisations (INGO, Camino*; INGO BD, Thenappan*; INGO BD, Oliver*, Paul* and Marcus*; LNGO, Henry*; LNGO, Mursalin*). Another option is extensive and continuous onsite support in operational projects (INGO BD, Oliver*, Paul* and Marcus*). Depending on their assessment, others involve sharing ICR costs to increase the institutional capacity of local organisations and thus address many risks at once (INGO, Camino*; INGO, Frank*; INGO BD, Simon*; LNGO Sarker*).

Investment in LNGO capacities is meant to reduce compliance and fiduciary risks, but also **operational risks**. Another joint mitigation strategy to address opera-

Illustration 2: Donors, international and local organisations stand together in joint preventive risk mitigation.

tional risks between international organisations and their local partners is the ad hoc flexible adaptation of project logic to account for changing local requirements (INGO, Sophie*; LNGO, Dalia*). Simon* (INGO BD), for example, presents a rapid funding tool, which is perfectly suited to respond to changing needs as it allows pre-positioned partners to start new activities or projects within just a few hours after an initial phone call: "After the call we have to submit a small application, a 1-pager only, and based on that the amount is selected and given to our Country Office". The complete proposal is collaboratively formulated with the local partner at a later stage. "Nowadays organisations like us have a lot of policies, procedures, guidelines," Simon* (INGO BD) explains, "If we follow all that it will take time to sign the agreement. So we better do not to wait for that and start the response with a phone call. We follow the system and protocol later on, when we have time for signing the agreement". Such rapid funding mechanisms for pre-positioned, "capacitated" local partners are increasingly common among international organisations applying an advanced approach to Risk Sharing and are very popular among local organisations who appreciate quickly available financial resources without exhausting due diligence processes (LNGO, Jasgun*; LNGO, Sarker*; LNGO, Mursalin*; LNGO, Jannett*).

Local leadership, adaptive programing and rapid funding tools mitigate operational risks

To enhance the financial and operational flexibility of their local partners, some other INGOs focus on diversifying their partner and funding base (LNGO, Henry*; INGO BD, Oliver*, Paul* and Marcus*). These joint mitigation efforts for operational risks complement more hands-on activities, including the sharing of vehicles or providing additional personnel in cash transport and distributions (INGO BD, Simon*; LNGO, Maahir*; LNGO, Netratav*).

Certain INGOs assist their local partners in navigating compliance risks, particularly in meeting procurement standards. This support may involve taking over this responsibility entirely or providing technical support in specific steps. For instance, one INGO expressed readiness to share the expertise of their liaison officer to address compliance challenges posed by the local government in Bangladesh (INGO BD, Simon*).

Technical support shares compliance risks

As part of their duty of care (INGO, Frank*), international organisations also contribute to mitigating **safety risks**, such as funding Covid tests (INGO, Mary*; INGO BD, Ibu*; LNGO Dalia*). However, this practice does not appear to be widespread (LNGO, Maahir*; LNGO, Ghalib* and Gabbi*).

In high-risk situations, some international organisations collaborate with their local partners to mitigate **secu-**

rity risks (INGO G, Francis*). This collaboration may include intelligence information sharing, investments in security equipment (personal protective equipment, satellite phones etc.), security trainings, building security awareness over time and supporting the development of security risk response strategies tailored to their partners (INGO, Thomas*; LNGO, Ghalib* and Gabbi*). These strategies could, for example, involve funding safety and security focal persons (5 per cent of positions) within each project team (INGO G, Francis*). They can also involve regular security meetings resulting in concrete recommendations for topical questions (INGO BD, Rajswobnil*). Such operational and security risk mitigations are typically integrated into project budgets as far as possible and considered eligible by donors (LNGO, Ghalib* and Gabbi*).

Security risk sharing seems to be easily accepted

In sharing preventive fiduciary risk mitigations, some INGOs assist in developing the due diligence policies of their local partners. However, Camino* (INGO) criticises that compliance has become a mere box-ticking exercise – a routine more focused on ticking off requirements than genuinely improving organisational practices or outcomes. This suggests a disconnect between the intended purpose of compliance policies and their actual implementation. While the organisation might have comprehensive policies in place on paper, these policies may not be effectively enacted or may not translate into meaningful action. This gap could lead to inefficiencies or fail to address the risks they are meant to mitigate. Christian* (INGO), Francis* (INGO G) and Karl* (INGO G) add that achieving clarity in all the different policies, contracts and partnerships is important to prevent conflict and misunderstanding (see section 4.2).

Joint fiduciary risk mitigation actions beyond this seem to be difficult. LNGOs emphasise that they are indeed capable and willing to respond to fiduciary risk on their own, using their local resources and networks (LNGO, Maahir*; LNGO, Netratav*; LNGO, Dalia*): "We know the people, we know the local administration, we know the law enforcing agencies and we also know the political players in the local localities who are control of the power. We have good connections with all these people. As a result, if any problem arises, we try to use all these factors so that we can manage it easily. [...] To respond to our risks, we rely on our local network, that is local government authorities, sometimes law enforcement authorities, sometimes we try to involve the elected local government council. These are the leaders of the local communities. [For example,] we invite the local government council chairman for the food distribution. When the main community leader is present, nobody will try to create any problem." (LNGO, Netratav*). However, emphasis on their ability to handle (fiduciary) risks on their own this could also stem from the fact that LNGOs face enormous financial and reputational risks when sharing such concerns (see section 4.1.)

Continuous monitoring of all risk mitigation measures and environmental changes, including political and security developments, is essential. This involves regular audits, monitoring processes, and control mechanisms for both the structures of international organisations and their partners (INGO G, Karl*; INGO, Christian*; INGO, Mary*; INGO, Camino*; INGO BD, Ibu*; LNGO, Mursalin*). A crucial component of this monitoring is the regular review and update of risk registers to ensure that mitigation plans remain relevant and effective (INGO, Thomas*). In the case of LNGO consortium projects, this monitoring is done collaboratively by the involved LNGOs, leveraging the strengths of each consortium partner in activities such as collecting information from the field, financial reporting, and narrative reporting (LNGO, Mursalin*). This collaborative approach enables early detection of unforeseen risks and facilitates a swift response while also reducing the monitoring burden (LNGO, Netratav*). In partnerships not applying Risk Sharing, this is often the only joint activity. In such cases, the full responsibility to identify and implement risk mitigation measures lies with the implementing partners. These measures are evaluated and assessed by intermediaries in the proposal stage and later overseen in implementation, in case a project gets accepted (LNGO, Sarker*).

In sum, the experiences of our interviewees in Bangladesh show a multitude of actionable ways to engage in the joint preventive mitigation of risks. While donors focus their involvement on security and "partner induced" risks and fund related activities, international organisations span their engagement with local partners additionally on a variety of operational risks, as well as on compliance, safety and fiduciary risks.

Responsive risk mitigation

Responsive risk mitigation involves active collaboration with local partners to address emerging risks. Donors are highly reluctant to engage in sharing responsive risk mitigation measures but act differently depending on the context. Jean* (Donor) explains: "the more political it gets, the less jointly [developed is] the solution. [In more political situations] it is more about sealing oneself off and being sure that one does not get negative headlines or negative internal effects" (Donor, Jean*). As shall become clearer later on, "more political" risks are especially fiduciary and compliance risks connected with potentially high reputational damages for donors.

Donors are generally highly reluctant to engage in sharing responsive risk mitigation measures

Norman* (Donor) perceives the donor practice of being reluctant to engage in joint responsive risk mitigation as enshrined in the rigid donor legislations, discussed in section 4.2. These often dictate red lines and limited participation in joint responsive risk mitigation. This leaves donors a bit helpless. Limited in their ability to react to unfolding risks, "there is the question, 'what can one do?'. Partially it can be support, for example by providing specific expertise, or joint conversations, maybe with other donors that are also active there etc. But these reactions rise and fall with the trust that one has in the specific organisation involved. And this can change, for example when one sees that the joint response is not delivering what one wants. When one thinks that one has a partner that is not fully open then the reaction will be totally different because one has different interests" (Donor, Jean*). This reveals an undeniable focus on individual donor interests instead of the interests of the joint humanitarian endeavour.

Joint engagement of donors and INGOs in responsive risk mitigation depends on the political context, documented risk prevention and timely and transparent communication

The fear of potentially having to account for losses and damages caused by materialised risks almost always activates donor **investigations,** (INGO BD, Ibu*). However, investigations are conducted by all actors, including LNGOs (LNGO, Sarker*; LNGO, Netratav*), separately. LNGOs favour doing their own investigations so that they can provide their international partners with founded information as they first inform them about incidents. This preferably already includes a detailed response plan (LNGO, Netratav*; LNGO, Ghalib* and Gabbi*; LNGO, Mursalin*).

INGOs recognise the importance of being promptly informed and addressing any issues as soon as they emerge (INGO G, Francis*). To consider buy-in in joint responsive risk management, it is crucial to them that they receive active and timely communication from their partners (LNGO, Sarker*). This enables them to conduct their investigations (INGO BD, Ibu*; INGO BD, Rajswobnil*) and involve donors in the communication chain early on (INGO, Mary*; INGO, Frank*; INGO, Nathan*; INGO BD, Ibu*). Documenting incidents and measures taken to address them is also crucial. This helps identify and understand the nature and source of the risk: "Whenever you want Risk Sharing, transparency is the pre-condition. Plus we have to understand the reality of the context on the ground [for example, through using third party investigations]. Without the two, you cannot have Risk Sharing." (INGO BD, Rajswobnil*).

This is particularly relevant for allegations of fraud or non-compliance (INGO, Mary*). The decision of whether an international organisation engages in joint responsive risk management and damage handling is contingent on communication, documentation and the result of investigations (see also section 4.4). Subject to these activities, and sometimes only upon request by their local partners (LNGO, Sarker*), they may collaboratively develop joint damage control mechanisms with their local partners and other relevant stakeholders (INGO, Sophie*; INGO BD, Ibu*; LNGO, Dalia*). Depending on the specific risks, this could involve advocacy with local authorities (LNGO Sarker*), replacing a vendor, shifting a project area or the target population (LNGO, Maahir*); or redirecting funding flows (INGO BD, Simon*; INGO G, Jonathan*). In case of kidnapping, they could support their partner by implementing specific security protocols, including engaging their security consultants (INGO, Camino*; INGO, Thomas*).

Joint responsive risk mitigation should be led by the implementing organisation

Ghalib* and Gabbi* (LNGO) emphasise that such activities should be led by local organisations. Equitable Risk Sharing also involves local leadership in responsive risk mitigation. In the event of an incident, local actors should have the opportunity to lead investigations on their terms, avoiding being overshadowed by their international partners and having to deal with the negative consequences of their partner's reactions in addition to the materialised risk.

A positive example of shared responsive risk mitigation measures on demand is provided by Dalia* (LNGO): "My international partner, they trust me. They will not accuse me that it was my responsibility that the risk materialised. They just want to know how I will handle that kind of risk. Maybe they will give some suggestions. But they will trust: 'you are the local actor. You know very well what is going on in your community and what needs to be done to resolve any issues.' They depend on us [in risk mitigation]." (LNGO, Dalia*).

However, if incidents have a political or ethical dimension, meaning they may result in severe reputational costs for donors and/or international organisations, and are not communicated early, or if documentation of preventive risk mitigation activities is incomplete, and investigations are hindered or reveal that incidents have their origin in intentional misconduct or negligence, international partners tend to decide to refrain from joint risk responses (INGO BD, Ibu*; LNGO, Ghalib* and Gabbi*). This could involve suspending or ending projects and/or partnerships and even applying legal measures against implementing partners (INGO, Francis*). This is often the case for fiduciary risks and compliance risks (INGO G, Francis*; INGO BD, Ibu*).

Summing up, some INGOs operating in Bangladesh have successfully managed to develop and implement a multitude of preventive risk mitigation measures collaboratively with their local partners (INGO, Nathan*; INGO

Illustration 3: Donors and international organisations are reluctant to share accountability for materialised risks.

G, Karl*). The extent to which they apply Risk Sharing depends on several factors. One is previous assessments of their partner's capacities and trustworthiness. As such assessments can be quite rigorous and in most cases skewed towards international actors' interests and needs, this stretches the process for local organisations to become a recognised pre-partner. However, "the good thing is, after you managed to get through this, there are no surprises anymore" (LNGO, Henry*) and "you can rely on them" (LNGO, Netratav*), in the sense that they engage in sharing preventive risk mitigation. The extent to which international partners stand by their local partners in responsive risk mitigation depends on the origin of the materialising risks, as well as on the preventive risk mitigation measures in place and on their collaboration and communication (INGO, Frank*). This leads to many LNGOs trying to communicate thoroughly. As one LNGO representative puts it: "We disclose [everything], because we do not want to be the victims of the situation" (LNGO, Maahir*).

4.4 Shared accountability

Donors do not typically want to share damages

One reason why donors approach discussions about Risk Sharing with scepticism and caution is the fear of assuming joint accountability for potential losses or damages. Even engaged donors are generally unwilling to engage in this. Hence, the willingness to share damages, often termed "risk appetite", remains low among donors (Donor, Brandon*; Donor, Norman*; Donor, Jean*). Consequently, direct donor partners often find themselves shouldering the main burden of accounting for damages, particularly in cases involving fiduciary risks, financial risks and sexual exploitation and assault. This situation is exacerbated when they explicitly committed to preventing these issues in their contracts (Donor, Jean*; Donor, Norman*).

Due to political considerations, wherein donors are accountable to the public taxpayers funding their initiatives, many adopt a zero-tolerance stance toward various risks. They argue that they cannot justify misused funds to the public. However, recognising that risks cannot be entirely avoided or prevented, especially in high-risk areas, donors frequently apply "don't see, don't tell"-policies. In essence, they acknowledge the possibility of risks materialising but implicitly request their partners not to disclose such occurrences. If information does surface, they are forced to "come in heavy-handed" (Donor, Jean*). Jean* (Donor) explains: "This is the reason why we have these 'don't see, don't tell'-practices. Because we already know that these instances happen, but if they come to my ears, I could not stand up for you because this would be too problematic. In these cases, we have the implicit agreement with our partners that 'it's dangerous, and you know it. And you will cover your risks alone'".

However, when dealing with risks that carry fewer political implications, i.e., risks involving less reputational burdens for donors in their communication with their distinct public, and risks excluding fiduciary and compliance instances, communication and documentation of preventive risk mitigation is key, again (Donor, Norman*; Donor, Jean*). As Jean* (Donor) describes: "After a risk materialised, one aspect that is very important is the communication – so the question how something is communicated and how we are informed. One message that we spread consequently, is: 'Inform us as soon as you know it!' When it is a risk that comes through the media and we need to react on it and do not actually already know what and where matters stand and can prepare something and jointly discuss: 'okay what happens there and how can we react?'; so, when something comes from outside, I would say the first reaction is, the funding stops or is suspended. That is a sanction reaction. [...] It is a different story when we get pre-informed, and that is what we prefer. [...]." (Donor, Jean*). Norman* (Donor) adds: Partners need to share openly, not only what happened, but also which mitigation measures have been in place and why it was impossible for them to avoid this certain event. Where this is the case, they are ready to share accountability because then they can make an argument. In this case, the materialised risk is "due to the sort of environment [the partners] are working within and our strategy tells us that we should be working there because this is where the needs are the highest. So by reporting back to our strategy, which says that we should support the most acute unaddressed humanitarian needs, meaning difficult environments, I could sort of get the signatures I needed and confirm that 'OK, you don't need to pay us back or reimburse us.'" (Donor, Norman*). Navigating these diverse donor approaches, ranging from "don't see, don't tell" to an uncompromising request for timely reporting and full transparency are the key challenges for both international and local organisations when trying to work towards donor accountability for losses or damages.

Similar to donors, international organisations also aim to minimize the extent of damage they bear. As Thenappan* (INGO BD) explains: "You should not take all the responsibility. [If you do that] they [local organisations] will be on your shoulder. I say, 'OK support them [in risk mitigation], be aside to them, don't be on top of them. Let them solve their problem by themselves. You should be on their side. Don't take this on your shoulder." (INGO BD, Thenappan*).

However, their intermediary position between local organisations, often incapable of bearing all damages alone (INGO G, Francis*), and donors, who strictly demand accountability and insist on partner liability, puts international organisations in a difficult position. Acting as involuntary risk buffers, they are frequently compelled to account for significant shares of losses and damages, both legally and financially (INGO G, Jonathan*; INGO, Charlotte*; INGO G, Karl*; INGO, Christian*; INGO, Frank*; INGO BD, Oliver*, Paul* and Marcus*). This dynamic serves as a primary motivation for international organisations to actively engage in the implementation of effective preventive risk mitigation measures and participative lessons learning after risk events. Doing so serves to limit their future accountability burdens (INGO, Nathan*; INGO, Camino*; INGO, Sophie*; INGO BD, Ibu*).

As involuntary risk buffers intermediaries are often forced to account for big shares of damages

Transparent and honest communication is paramount for international organisations, especially from their implementing partners who are often closest to risk events (INGO G, Jonathan*; INGO G, Karl*; INGO, Christian*). Upon receiving informed about materialised risks, these organisations typically initiate their own investigations of instances (INGO, Frank*) and ensure they have detailed records, such as transaction histories, documentation of recruitment processes, field visit reports etc. in place to justify decisions made during project implementation and support claims vis-à-vis donors (INGO, Mary*; INGO BD, Ibu*). This proactive approach not only places them in a stronger position for negotiations on shared accountability with donors (INGO, Charlotte*; INGO BD, Ibu*) but also enables them to involve their local partners in accounting for damages whenever possible (INGO G, Jonathan*; INGO G, Francis*; INGO, Christian*; INGO, Nathan*; INGO G, Karl*; INGO BD, Ibu*). They are not hesitant to engage local courts or explore financial solutions, such as providing loans, where local partners can repay losses through instalments (INGO G, Francis*; INGO, Christian*).

Certain international organisations actively pursue an equitable sharing of materialised risks, ensuring fairness and organisational sustainability, particularly in cases of unintentional and less severe risk events (INGO, Camino*; INGO G, Jonathan*; INGO, Mary*; INGO BD, Rajswobnil*). Again, the causes and handling of risk events play an important role in this approach (INGO BD, Rajswobnil*; INGO, Mary*). Rajswobnil* (INGO BD) explains: "Many times we have shared financial risks with partners if it occurred unintentionally. If it had been done intentionally, then I always try to say 'no' to the partners. But if there has been a mistake in the process - something in documentation - then we always try to save that. If they have intentionally done something for their own benefits or for their relatives or something... always I say 'no' and then the organisation or individual who had been engaged in that - they have to take over 100 per cent." (LNGO, Rajswobnil*). This is seconded by Henry* (LNGO). He reemphasises that documentation is key: "If we can prove that we have done a robust risk assessment and have had a robust risk mitigation mechanism in place and still some harm or damage occurred, then they are ready to share the costs with us." (LNGO, Henry*).

A few international organisations deliberately strive for an equitable sharing of materialised risks, ensuring fairness and organisational sustainability

5. Discussion of findings

The insights presented in chapter 4 highlight not only good practices but also challenges encountered in the implementation of Risk Sharing. This chapter argues that both positive outcomes and obstacles arise from several premises. When these conditions are met, Risk Sharing can be easily facilitated. Where this is not the case, humanitarian partners struggle and encounter difficulties in translating Risk Sharing into action. Section 5.1 will expound upon these presses before section 5.2 points to agile governance and management structures as well situated to address them.

5.1 The three premises of Risk Sharing

The analysis below reiterates the findings outlined in chapter 4 and distils three key premises for effective Risk Sharing: Firstly, trust among all actors is paramount throughout the whole Risk Sharing process. In the context of Bangladesh, it is cultivated through comprehensive partner assessments and partner strengthening, along with a commitment to transparency and reliability. Transparency can be generated through increased risk awareness, contextualised discussions and regular communication across diverse channels, as well as through safe spaces for open and honest engagement without fear of negative consequences. Reliability builds on positive collaborative experiences, including instances of successfully sharing risks.

Trust, equality and mutuality and resources are premises of Risk Sharing

The second premise for effective Risk Sharing is centred on equity and mutuality, concepts deeply rooted in equitable partnerships and influenced by the organisational culture and personal attitudes of humanitarian actors. Thirdly and finally, Risk Sharing is contingent upon the availability of sufficient resources for fostering equitable, mutual and trusted engagement inherent in effective Risk Sharing.

The subsequent section will delve into a detailed exploration of these three premises, laying the groundwork for a review of agile project management as a practical approach to meeting these requirements.

Trust

The relationship between Risk Sharing and trust is reciprocal. Frank* (INGO) explains, for example, that his organisation's risk-sharing practices are not standardised; rather, they vary considerably depending not only on the context but also on the partners involved. Partners who have earned trust are more likely to have risks shared with them (LNGO, Dalia*; INGO G, Jonathan*). Trust is granted depending on partner capacity, transparency and reliability. Donors and international organisations highlight a lack of trust in partners with inadequate risk mitigation measures, deeming them insufficiently equipped to withstand the various challenges in humanitarian operations (INGO, Frank*). Dalia* (LNGO) explains: "They cannot simply trust us. They need to feel that working with us is not a risk for them" (LNGO, Dalia*). In response, international organisations and donors exert strong efforts to assess the qualities of their local partners. As section 4.3 detailed, this involves a comprehensive understanding of their ways of working (Donor; Norman*). This includes "their position, existence, their programmes, their office, their staff, their protocols, policies, guidelines, vetting processes etc." (INGO BD, Simon*). Moreover, there is a crucial need to ensure that partners are well-versed in the international "system", understanding and adhering to their policies and standards (INGO BD, Simon*; Norman, Donor*). Consequently, international organisations invest substantial time and energy in translating their "rule books" into local languages and tailoring them to local contexts (INGO BD, Oliver*, Paul* and Marcus*).

Risk Sharing and trust are reinforcing each other

Confidence in partner capacities to mitigate and respond to risks creates trust

Thenappan*; Rajswobnil* and Simon* (from different INGOs BD) add that beyond overall organisational capacity and compliance with international rules and regulations, the vision, mission and project portfolio of local partners must "match" and add value to the INGO working areas. Henry explains: "Trust is only built if the international organisation's vision and the local organisation's vision are shared. They do not need to match completely, but they need to be similar" (LNGO, Henry*). Furthermore, many INGOs prioritise a commitment to humanitarian princi-

“Trust is only built if the international organisation’s vision, and the local organisation’s vision is shared”

ples, expecting partners to uphold these values even in challenging situations (INGO, Karl*). Local organisations that meet these criteria and pass the rigid partner assessment and orientation process are registered as “pre-positioned”, signifying their status as trusted partners.

While numerous international organisations utilise partner assessments to disqualify partners with inadequate capacity or misaligned agendas, others view these exercises as the foundation for “matchmaking” activities (INGO BD, Simon*), often referred to as partner strengthening. These activities aim to provide local organisations with the opportunity to adapt to their international partners. However, this process is time-consuming and involves transition costs, which must be addressed by the donors (LNGO, Henry*).

Though the adaptation process is mostly clearly one-sided, implementing partners often still gain a sense of empowerment. This process helps them to meet international requirements and receive the impression that they are not left alone in the struggle to implement them in practice (LNGO, Dalia*). This effect is reinforced when partner support extends beyond capacity-strengthening projects and continues into operational humanitarian action (INGO, Nathan*).

However, this can also be viewed critically. Netratav* (LNGO) explains that international organisations bring their own ways of working, encompassing specific international mandates, principles, ethics, processes and procedures. These do not necessarily fit with the realities of local organisations, which are more complex, grounded and contextual: “As a local organisation we honour the local customs, local behaviours, culture, and everything. Sometimes the mandates of the international organisation do not honour these local ways of working.” (LNGO, Netratav*).

As previously mentioned, **transparency** is another key factor influencing trust, impacting all stages of Risk Sharing (INGO G, Jonathan*; LNGO, Dalia*; LNGO, Netratav*). Rajswobnil* (INGO BD) explains: “Trust is not about being blind. Trust is about having as many communication channels as possible and taking all the information that comes from them seriously and handling them in the best interest of everybody – in this way, your partners will trust you.” He shares that his organisation had to terminate a partnership with a local organisation due to a lack of transparency.

Creating a conductive environment for transparent, i.e., open and honest, conversations among all partners is challenging. Section 4.1 revealed that transparency assumes that all actors are sufficiently risk-aware and necessitates safe spaces in the form of different formats that allow all partners to share experiences and analyses without fear of negative consequences (INGO, Karl*). Oliver*, Paul* and Marcus* (INGO BD) exemplify efforts to facilitate transparency through quarterly review meetings, joint field visits and regional exchange workshops with their local partners to “provide spaces in which our partners can speak their minds.” (INGO BD; Oliver*, Paul* and Marcus*). These initiatives are more effective when discussions about risks are less formal, utilise a variety of continuously open communication channels and occur in proximity to the humanitarian response area. All actors must be willing to actively engage and respond to shared risks together, in the common interest rather than individual interests.

Trust is gained and lost with good and bad experiences

For trust to thrive, this willingness must be proven through lived **experience**. Accordingly, Rajswobnil* (INGO BD) and Francis* (INGO G) note that building trust in new partnerships is challenging. It gradually develops through good experiences that prove the **reliability** of all parties involved (Donor, Norman*). Conversely, trust can also be easily eroded by bad experiences. For donors, a positive experience involves timely and truthful information about materialising risks and the partner’s ability to swiftly mitigate them independently – preferably, avoiding any losses or damages (Donor, Jean*). For international organisations, reliability is about a record of successful project implementation (LNGO, Jannett*). Local organisations view reliability in terms of ongoing support in project implementation and risk mitigation, along with a commitment to long-term collaboration (LNGO, Ghalib* and Gabbi*). This commitment is underscored by donors who have implemented five-year partnership agreements with their direct strategic partners, predominantly UN Organisations (Donor, Norman*).

For LNGOs, negative experiences involve instances where they shared materialising risks but did not receive the necessary support to respond. On the contrary, their projects and sometimes entire partnerships were terminated, and they were held accountable for losses and damages (INGO, Thomas*; LNGO, Maahir*). Due to the prevalence of such experiences, local organisations are often hesitant to be transparent in new partnerships, as Rajswobnil* (INGO BD) reports: “In initial years they [local NGO partners] were not that much open to me, saying it frankly. Then, when the years passed and our partnership would become a longer partnership, now, they are completely open.” (INGO BD, Rajswobnil*). To address this, donors and international organisations must demonstrate that reporting risk events does not lead to punishments but rather triggers joint mitigation responses, accountability, and lesson learning (Donor, Norman*; INGO, Thomas*; INGO, Karl*). Rajswobnil* (INGO BD) highlights: “I always try to protect them. This makes them trust me” (INGO BD, Rajswobnil*).

Equity and mutuality

Another key challenge for Risk Sharing, identified in chapter 4 and alluded to in the previous section, is equity and mutuality. Their predominant lack became evident when LNGOs in Bangladesh reported their limited engagement in risk assessments as mere sources of information. Additionally, donors exhibited reluctance to reassess their risk mitigation measures and harmonise them with those of their partners. It also shows when donors and international organisations conduct their partner risk assessments with their individual risk thresholds in mind or abstain from sharing accountabilities for damages, indicating a rather self-centred mindset. However, for successful Risk Sharing, Mursalin* (LNGO) underlines: "the donor must have some dignified, equitable partnership approach. We are talking about partnership [...] not a dominating, imposing tendency. There is no complementarity approach in this." (LNGO, Mursalin*).

This focus on individual rather than collective interests is reinforced and rooted in a system of linear bilateral partnerships with upward accountabilities, where the interests and perceptions of upward partners in the humanitarian delivery chain are valued most. Consequently, even a simple conversation on risk could pose a threat to downstream risk reporters (INGO, Nathan*; LNGO, Maahir*). Brandon* (Donor) issues a warning about the absence of a collective element in the hierarchical, linear governance of humanitarian project management: "If Risk Sharing is integrated in the existing hierarchical structures of operational project management, he sees the danger that "joint" discussions [on risk] will again only involve the bilateral humanitarian partners and cut of options for risk management synergies across the bilateral partnerships".

Despite the negative effects of established humanitarian governance structures on Risk Sharing and equitable management, rebuilding them is a challenging task. Donor contracts with major international organisations, such as the UN organisations, are typically assigned on a (multi-)annual basis without specifying the eventual implementing partners in diverse humanitarian contexts (Donor, Brandon*). Hence, implementing partners are by default excluded in joint risk assessments and mitigation planning between donors and international organisations.

Locally led programme management initiatives facilitate equitable partnership not only in project- but also in risk management

As Maahir* (LNGO) explains, due to their highly rigid partner assessments, it is more challenging to establish cooperation with INGOs, compared to UN organisations. UN agencies often simply subcontract pre-designed projects and transfer the related risks to LNGOs. INGOs select their partners more carefully. But as this barrier is taken, collaboration with INGOs involves partner management structures that allow for a more equitable and mutual involvement where projects are developed together with partners, thus also facilitating Risk Sharing. (LNGO, Maahir*). There are many locally led programme management initiatives facilitating equitable partnership, not only in projects but also in risk management (INGO BD, Simon*; LNGO, Maahir*; LNGO, Mursalin*).

However, the actual utilisation of these structures depends on the **organisational culture,** particularly of the upstream partners in the humanitarian delivery chain, and their moral responsibility and respectful, ethical conduct of risk management (INGO, Karl*). Netratav* (LNGO) reports: "[some international organisations] work jointly with us. But [...others...] give instructions all the time. It depends on the [...] attitude, i.e., organisational behaviours." But he adds: "It is also about **personal attitudes.**" (LNGO, Netratav*). Maahir* (LNGO) supports this argument: "I'm convinced that each [international actor] has good policies in place but putting it into practice depends from person to person. Maybe some are not very well-oriented. Maybe the person's nature is not very supportive".

The application of equitable partnership approaches depends on organisational culture and personal attitudes, especially of senior management staff

Thomas* (INGO) has observed that the effective personal buy-in of senior management staff and gatekeepers is decisive for the successful implementation of the collective approach to risks in humanitarian action. They determine whether and how a policy trickles down the organisational structures to the country and field levels (LNGO, Mursalin*; LNGO, Henry*).

Consequently, both organisational culture and personal attitudes determine how seriously context and on-site experiences are taken and whether mistakes are allowed, supporting a **learning culture.** An organisational culture where it is safe to admit mistakes, and everyone engages in finding solutions rather than seeking ways to protect oneself is essential. For effective Risk Sharing, mistakes should be allowed and accounted for jointly (LNGO, Henry*). Ibu* (INGO BD) has already adapted this approach: "We do not want to transfer risks to our partners, like: 'OK. All liabilities are yours and all successes and credits, good things, is ours. This is not according to the principles of partnership. Successes and failures are with both partners."

Resources

To date, only larger international organisations and donors have dedicated organisational capacities, such as risk management departments, enabling them to systematically assess and address humanitarian risks (INGO, Camino*; INGO BD, Thenappan*; INGO, Thomas*; INGO G, Jonathan*). Smaller organisations often lack such organisational and staff capacities (INGO BD, Ibu*; INGO BD, Simon*). They may hence be less risk aware. In addition, they are more likely to struggle with the English language as the primary international working language used in international conversations on risks (LNGO, Dalia*). This further limits their meaningful participation.

It is therefore important to provide the necessary funds to address these shortcomings (INGO, Thomas*; LNGO, Ghalib* and Gabbi*). As Rajswobnil* (INGO BD) emphasises: "The Risk Sharing Framework is something very advanced, but even INGO and UN field level staff are not risk aware. So the Risk Sharing framework is somewhere [up] here [points to the ceiling], but we have to start from [down] here [points to the floor] - having the discussion, the awareness, the training, the protocols... you need all this for Risk Sharing to emerge – and this requires funds." (INGO BD, Rajswobnil*).

Risk Sharing needs to be adequately funded

Moreover, it is essential that discussions on Risk Sharing take place on the ground, in concrete humanitarian contexts. For this to happen, donors need to have well-staffed on-site cooperation offices in place (Donor, Jean*), such as Risk Sharing focal points (Donor, Norman*), equipped with the necessary humanitarian expertise to engage in the process. Streamlining the concept of Risk Sharing from humanitarian departments into those dealing with risk management, such as finance and legal departments, presents another challenge that can only be worked on with the necessary funding (Donor, Norman*; Donor, Brandon*; LNGO, Maahir*).

Without adequate funding, Risk Sharing could become just another bureaucratical burden for international organisations and LNGOs (INGO, Camino*; INGO, Thomas*). Insufficient funds to account for the necessary time and capacities among all actors may impede their substantive and meaningful collective engagement. In this scenario, Risk Sharing could end up as just another empty compliance add-on – another box to be ticked in application and reporting processes – and build an additional due diligence barrier against a more equitable partnership.

5.2 Risk Sharing through agile management

One way to meet the premises and address the challenges in the application of Risk Sharing experienced by the humanitarian actors in Bangladesh who were interviewed for this paper is the implementation of agile management – a dynamic approach to humanitarian action and governance. Although agile management and Risk Sharing originate from distinct operational and managerial philosophies, they intersect at several pivotal junctions. This connection has profound implications for amplifying the efficiency, adaptability, and responsiveness of humanitarian operations. In this section, we delve into a brief examination of how agile governance and management mechanisms foster an environment conducive to the effective implementation of Risk Sharing.

Enabling transparency through continuous communication

Agile management is an iterative approach to project management and departs from the traditional predominant subcontracting approach (Pellowska 2023). As shown in figure 3, unlike the fixed-end products of traditional management, agile management employs a series of smaller cycles of design, implementation and assessment/learning, referred to as "sprints", generating interim outputs that are progressively built upon to achieve a previously only broadly defined "vision".

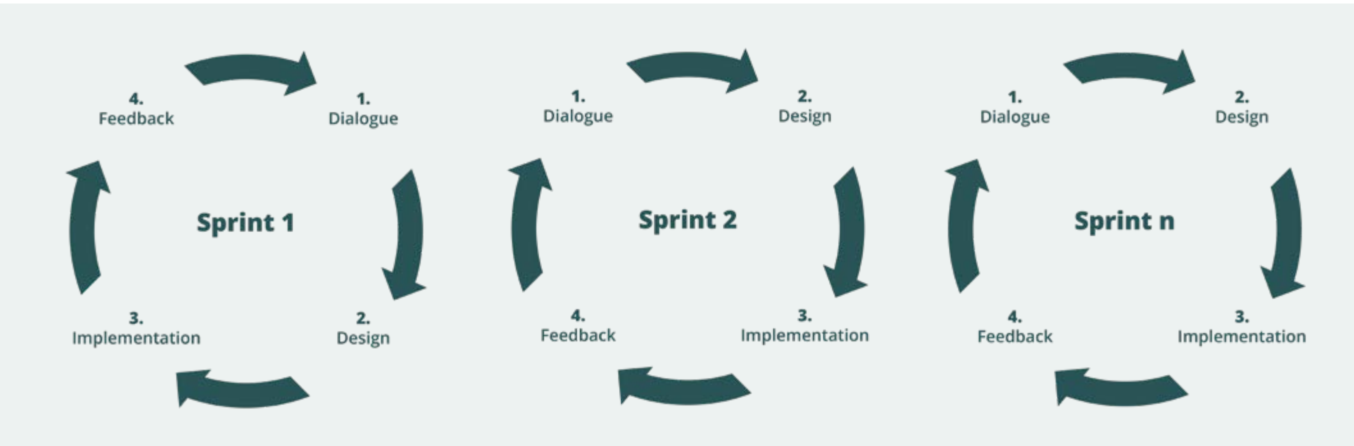

Figure 4: Agile project management in sprints

Within the agile framework, adaptability and fluidity are key, as each new set of activities is discussed and determined anew for each sprint (Häusling 2020). Everything, including the final output, remains adjustable. These agile sprints not only facilitate quick responsiveness to changing contexts and conditions, as required in effective responsive risk mitigation. They also serve as quick learning spaces by constantly reviewing and adapting the running project. By fostering a learning culture, agile sprints cater to the critically needed constant communication and collaboration among all stakeholders as required by Risk Sharing. Strengthening transparency, sprints provide the necessary spaces for continuous exchange. This exchange is not confined to in-person or online meetings. Various digital tools and online platforms can facilitate remote engagement, even across time zones (INGO, Nathan*).

An agile approach can also contribute to enhanced collective risk awareness. When sprints are planned and reviewed in informal meetings using online platforms where everybody transparently maps progress and challenges, this increases collective awareness. In this way, agile management is also less formal and bureaucratic, allowing more open and honest exchange. Together, all these qualities respond to the Risk Sharing premises of increased transparency and trust.

Enabling equity and mutuality through flattened hierarchies

Agile management further facilitates more mutual, inclusive and equitable cooperation between donors, international organisations and local organisations by redefining their roles as depicted in figure 4. Its governance structures align with community-driven and consultative models, offering a potential counter-structure to prevalent subcontracting (Singh 2012; Fast and Bennett 2020; Stoddard, Czwarno, and Hamsik 2019a). In traditional Project Cycle Management, hierarchical structures ensure adherence to work-flow and agreed-upon activities and outputs. In agile management, in contrast, where predefined outputs are absent, a self-organised team becomes pivotal in task fulfilment (Olive, Dufour, and Cardo 2019).

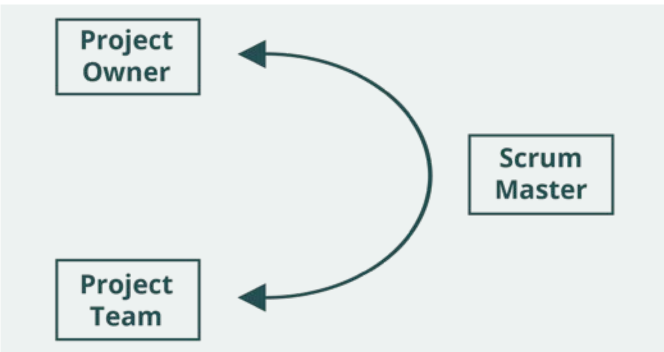

Figure 5: Agile governance structure according to Scrum

One of the most prominent models in agile management is Scrum. Scrum projects are led by a "project owner" (Bass et al. 2018) who defines the project's objective and envisions the final output. This role could be assumed by representatives of affected communities, thereby promoting local leadership (Bennett 2019). A "project team", comprising technical experts and administrative capacities, works on delivering the project owner's vision. In agile humanitarian action, local organisations, international organisations and donors could be part of such a project team, each with their distinct roles as funders, intermediaries and implementers. Following this governance structure, donors, just like any other team member, must translate their needs into team tasks, and the team collaboratively decides which tasks are prioritised to deliver against the vision of the project owner. This considerably enhances equity and transparency, breaking down contractual hierarchies and fostering an inclusive approach (Pellowska 2023, 27).

To manage complex discussions and potential conflicts within the team and in the communication between the team and the project owner, Scrum introduces the "Scrum master" role, responsible for process and communication facilitation (Shastri, Hoda, and Amor 2021). This role can potentially serve as a platform to address the prevailing inequities and competitions engendered by subcontracting and promote more equitable partnerships (Pellowska 2023, 31). The Scrum master's role is best served by entities capable of effectively communicating technical requirements and implications between the project owner and the team. Local organisations could facilitate this communication, while international organisations can coordinate training and tasks within the team.

This establishes a two-layered structure between project owners and teams, linked by Scrum masters who ensure effective communication. Comparing agile management to the traditional model, it's clear that agile implementation not only emphasises local leadership but also flattens hierarchical structures. The agent-principal line in waterfall management condenses into a simplified structure with fewer layers. This transformation aligns with demands for international organisations to adopt facilitating roles in humanitarian projects (Caritas Internationalis 2021; Rights Co Lab 2021).

Such agile governance structures support Risk Sharing in three primary ways. Firstly, they embody a collective approach with donors, international organisations and local organisations operating as part of the same team, collectively delivering towards the project owner’s vision. Through regular sprint meetings where participants update each other on their work and needs, a continuous sense of collective accountability for their work, encompassing related risks, is established. In this way, agile management provides the necessary room for collective analysis and response to humanitarian risks. It provides a space where all team members' perspectives are heard, acknowledged and responded to, aligning with the requirements of joint risk assessment and management.

Secondly, agile governance structures foster equity. All team members are solely accountable to the project owner, whose interests are translated by the Scrum master. As a result, donor, international and local organisational interests and requirements are automatically referred back to the overall objective. This set up makes it harder to prioritise individual interests and team internal hierarchies.

Thirdly, the team can rely on a Scrum master who ensures that each team member is well-equipped to deliver on their tasks. In instances where this is not the case, it becomes the responsibility of the Scrum master to introduce external resources, such as additional expertise or trainings. Should these resources not be sufficient to comply with the requested deliverables, the sprint set up provides the necessary flexibility to respond and adjust the project logic.

Matching principles

The principles of agile management in the humanitarian and development aid sector reflect a shift towards a more adaptable, responsive, and people-centred approach. Building upon the foundation of traditional agile methodologies, these principles are tailored to the unique challenges and dynamics of delivering aid in complex and ever-changing contexts. The twelve principles, developed by Terbeche and Carrier (2019) in their "'Agile Manifesto' for humanitarian and development projects", are based on four fundamental values, providing the foundational bedrock for its application within the humanitarian sector (Terbeche and Carrier 2019, 22).

1. Giving priority to individuals and their interactions over strict standards, processes, procedures, and tools.
2. Emphasising tangible and relevant products and services over extensive project documentation and comprehensive reporting.
3. Encouraging collaboration with a variety of stakeholders over in-depth contract negotiations.
4. Embracing flexibility and responsiveness to change instead of rigidly adhering to a predetermined plan.

Box 4: The values of agile humanitarian and development projects (according to Terneche and Carrier, 2019)

These values, deeply rooted in sector-specific experience, provide the essential underpinnings for the twelve agile management principles that serve as the driving force behind the methodology and approach, ensuring that humanitarian and development projects remain finely attuned to the ever-evolving nature of challenges within the sector (Terbeche and Carrier 2019).

While these principles may not be revolutionary, they offer a common thread that unites organisations in their endeavour to adapt to changing needs, contexts, and resources.

Comparing them with the principles of the Risk Sharing Framework presented in section 3.3 reveals the close alignment of the two. Both frameworks highlight collaboration, adaptability, and openness. Agile management fosters an inclusive environment where the collective intelligence of all participants is valued and harnessed. This principle directly speaks to the primary priority of Risk Sharing – a collaborative approach to risk in humanitarian action. Both emphasise people over processes and advocate for a way of working that highlights the human element in humanitarian action. Agile management, characterised by prioritising individuals and interactions over processes and tools and valuing customer collaboration and responsiveness to change (Terbeche and Carrier 2019), aligns seamlessly with Risk Sharing's ethos of building on diverse capacities for the collective risk identification, management, and mitigation (Risk Sharing Platform 2023). Both underline the need for open, transparent communication, ensuring trust and understanding among all stakeholders. While agile management stresses face-to-face dialogue and other tools for effective and efficient communication, Risk Sharing stresses confidential and non-punitive dialogue. Both frameworks prioritise direct outcomes and tangible results, focusing on key areas that impact success.

1. **Meeting people's needs responsibly**
   The core principle emphasises the paramount importance of serving people's needs through regular, responsible delivery of products and services.

2. **Embracing change for relevance**
   Agile processes readily accommodate change, reflecting the dynamic nature of humanitarian and development projects. Change is welcomed as a mechanism to enhance relevance and efficacy.

3. **Timely implementation and stakeholder engagement**
   Short, frequent implementation cycles are endorsed, aligning with the agile concept of sprints. This approach enables projects to remain relevant by incorporating stakeholder input regularly.

4. **Collaborative project journey**
   Stakeholder and project team collaboration is integral throughout the project lifecycle, reflecting the participatory ethos of agile management.

5. **Enabling motivated individuals**
   Project success hinges on fostering motivated individuals. This principle resonates with the importance of staff well-being and empowerment in humanitarian and development projects.

6. **Effective communication: face-to-face dialogue**
   Amid complex operational chains, face-to-face dialogue is advocated for fostering deeper relationships and overcoming the limitations of remote communication.

7. **Measuring progress by impactful products and services**
   Progress is measured by the impact of products and services that fulfil beneficiaries' needs. The focus shifts from method monitoring to actual impact.

8. **Sustainable work rate and stakeholder engagement**
   A sustainable work rate is vital for all stakeholders, ensuring consistent engagement and adaptability throughout a project's duration.

9. **Pursuit of excellence for enhanced agility**
   Technical excellence reinforces agility, ensuring that projects are both flexible and well-executed and that their outcomes stand up to scrutiny.

10. **Embracing simplicity for effectiveness**
    In a world marked by complexity, simplicity is celebrated as a means of achieving effective and responsible project implementation.

11. **Empowering self-organising teams**
    The agility of operations is bolstered by self-organising teams with clear decision-making processes, embodying collaboration and delegation.

12. **Continuous improvement and learning**
    Reflecting the essence of agile methodology, regular intervals are designated for team reflection and improvement, fostering a culture of ongoing learning.

Box 5: The principles of agile humanitarian and development projects (according to Terneche and Carrier, 2019)

6. Conclusion

This paper set out to collect best practices and challenges from the implementation of early forms of Risk Sharing in equitable humanitarian partnerships in Bangladesh. This should inform the Risk Sharing Framework with options and pitfalls for its implementation.

The analysis has revealed that Risk Sharing in Bangladesh is primarily applied in joint preventive risk mitigation, where numerous best practices have been identified. These range from sharing security measures, such as security intelligence and protective equipment, to conducting tailored compliance trainings and establishing flexible rapid funding mechanisms. While donors are not yet actively involved in most of these practices, some international organisations engage in joint project risk assessments with their local partners, collaboratively developing risk registers in workshop settings. These workshop settings prove to be highly efficient as they create informal spaces for open and honest, i.e., transparent, conversations on risks. It would be an easy win to also engage donors in these exercises. However, the success of such endeavours hinges on the necessary risk awareness of all partners and their trust in each other.

Partner risk assessments in Bangladesh, in contrast, are not as advanced. To introduce a risk-sharing approach here, international organisations and donors should not solely focus on assessing risks related to local implementing organisations and developing capacity development strategies to address them - gradually "matchmaking" their partners with themselves. Instead, they should also consider the contextual added values of their partners and their ways of working, aiming to integrate themselves into the local contexts. Some donors acknowledge this and actively work on contextualising their regulations. At times, this also involves waiving procedures that cannot be applied in specific contexts.

Due to their position as intermediary "risk buffers", international organisations continue to bear the primary responsibility when it comes to accounting for materialised legal and financial risks. However, in rare instances where they can justify this to their public, some donors cautiously start to engage in sharing losses and damages from realised risks as well. To initiate this sharing, they require complete transparency, involving timely and full disclosure of what happened, along with previously implemented strong preventive risk mitigation measures. If these conditions are met, and risks occur due to unintentional failures related to the high-risk environment in which their partners work, donors may opt to share accountability and join responsive risk mitigation. However, as this sharing attitude is in stark contrast to their usual "don't see, don't tell"-policies, it must be communicated clearly to both international and local organisations.

A comprehensive list of practical applications of Risk Sharing, collected during this research, can be found in the Annex. However, the paper argued that these hardly function without three preconditions in place:

1. Trust, gained through:
    a. sufficient capabilities of all partners to identify risks (sufficient risk awareness) and effectively address upcoming risks with their individual qualities (sufficient risk mitigation capacities);
    b. transparency, facilitated by spaces for informal, unbureaucratic exchange and the absence of negative consequences for revealing shortcomings and challenges; and
    c. reliability, gained through positive experiences where all partners acted according to their communication and showed a commitment to address risks collectively instead of individually.
2. Equity and mutuality carried into the organisational cultures of each partner by committed individuals.
3. Sufficient resources to fund collective risk awareness and facilitate collective exchange formats in settings close to the crises in which the joint humanitarian action is conducted.

We concluded the paper with the argument that meeting these premises is challenging within prevailing humanitarian structures that rely on hierarchies and successive bilateral communication. These structures nurture an approach where the protection of individual organisational interests takes precedence over collaborative risk management. We, therefore, suggest the application of agile governance and management structures that emphasise co-ownership and shared responsibilities (van Mierop et al. 2020). These structures provide an adaptable learning environment where donors, as well as international and local organisations collectively engage in acknowledging and managing risks (Risk Sharing Platform 2023; Stoddard, Czwarno, and Hamsik 2019a).

The amalgamation of agile management's adaptability with Risk Sharing's comprehensive methodology heralds a nuanced, adaptive, and effective strategy for risk management. Agile management ensures that risk assessments and mitigation measures are dynamic, evolving to adeptly navigate the shifting terrains of the humanitarian landscape. Furthermore, the equitable and participatory structure endorsed by agile management is a crucial catalyst for redressing power imbalances often inherent in conventional risk management paradigms. By empowering local actors and fostering an inclusive environment, agile management complements and amplifies the principles and practices of Risk Sharing (Pellowska 2023; Charter4Change 2020).

The intersection of agile management and risk-sharing principles and practices could lead to a transformative shift in the humanitarian sector. This shift, marked by enhanced adaptability, inclusiveness, and effectiveness, is predicated on the shared ethos of continuous communication, mutual respect, and collaborative engagement. By harnessing the collective knowledge, expertise, and experience of all stakeholders, this integrated approach promises a more resilient, responsive, and sustainable humanitarian ecosystem.

However, even the most agile set up cannot facilitate full Risk Sharing, as humanitarian project management always deals with a variety of actors not included in the professional management of humanitarian action. This starts with affected populations themselves but also includes local authorities, which introduce their own structures, bureaucracies and expectations. These can only be integrated into successful Risk Sharing if discussions take place at the local level. Of course, Risk Sharing procedures need to be adjusted and continuously worked on accordingly. Implementing such an approach requires a serious re-configuration of interest of powerful actors, especially donors and international organisations, moving from protecting their own stances towards protecting the whole humanitarian delivery chain. As this analysis has shown, some are already moving towards this direction. But it remains a long way to go.

Annex:
How to implement Risk Sharing

For Donors

- Keep Risk Sharing as simple and informal as possible. Avoid additional paperwork.
- Be sensitive to detect and ready to respond to changes in the humanitarian risk landscape.
- Strengthen your in-country capacities to be able to continuously and meaningfully engage in Risk Sharing activities.

Joint risk assessments

- Build own capacities and fund the establishment of partner capacities for joint risk assessments. Invest in staff (re-)orientation and trainings on risk awareness.
- Actively participate and conduct risk assessments collectively with local partners, for example in workshop modes, instead of only reviewing partner inputs.
- Integrate risk updates in regular meetings, project reports, and monitoring visits and provide informal communication channels to report changes in the risk environment.
- Refrain from punishments for timely, open and honest communication on risks.

Harmonisation of risk management mechanisms

- Contextualise risk management mechanisms, including due diligence requirements. Simplify procedures. Waive regulations as they systematically cannot be fulfilled in specific contexts.

Joint risk mitigation

- Fund preventive and reactive risk mitigation measures of all your partners, for example:
  - Cover costs for protective personal equipment and insurances of all partners' staff exposed to safety and security risks.
  - Allow costs for tailored capacity-strengthening activities in all operational humanitarian projects.
- Actively engage your partners in drafting and implementing your preventive risk mitigation strategies.
- Support partners in responsive risk mitigation as requested, for example with advocacy in cooperation with other donors and quick adaptations of procedures.

Accounting for damages

- Consider sharing accountability for loss and damages for risks not intentionally caused, transparently shared and materialising despite preventive risk mitigation measures.

For International Organisations

- Keep Risk Sharing as simple and informal as possible. Avoid additional paperwork.
- Be sensitive to detect and ready to respond to changes in the humanitarian risk landscape.
- Foster an organisational culture of equitable partnership and learning, especially through the substantial buy-in of senior management.

Joint risk assessments

- Build own capacities and fund the establishment of partner capacities for joint risk assessments. Invest in staff (re-)orientation and trainings on risk awareness.
- Invest in sensitising local partners to humanitarian risks.
- Actively participate and conduct risk assessments collectively with local partners, for example in workshop modes, instead of only reviewing partner inputs or using partners as passive sources of information for risk identification, only.
- Integrate risk updates in regular meetings, project reports, and monitoring visits and provide informal communication channels to report changes in the risk environment.
- Refrain from punishments for timely, open and honest communication on risks.

Harmonisation of risk management mechanisms

- Contextualise risk management mechanisms, including due diligence requirements. Simplify procedures. Waive regulations as they systematically cannot be fulfilled in specific contexts.

Joint risk mitigation

- Budget for costs for protective personal equipment and insurances of all partners' staff exposed to safety and security risks.
- Budget for tailored partner capacity strengthening activities in all operational humanitarian projects (responding to all risk areas).
- Actively engage your partners in drafting and implementing tailored preventive risk mitigation strategies, such as:
  - Partner trainings and re-trainings (considering high staff turnover) to respond to compliance risks
  - Increased partner salaries to prevent high staff turnover (responding to operational and compliance risks)
  - Onsite on-the-job support turnover (responding to operational and compliance risks)
  - Expertise sharing and technical support (responds to security and compliance risks), for example, security intelligence, security focal persons, government liaison officers, transport resources, like vehicles,
  - ICR costs sharing turnover (responding to operational and compliance risks)
  - Flexible project adaptation tools turnover (responding to operational risks)
  - Rapid funding tools (responding to operational risks)
  - Strengthening local leadership in project design and management (responding to operational risks)
  - Diversifying the funding base of your partners (responding to operational risks)
- Trust your partners when they communicate that they can undertake their risk mitigation measures on their own. Allow them to lead responsive risk mitigation.
- Support partners in responsive risk mitigation as requested for example with quick adaptations in the project plan or logic, switching vendors, or – a last resort – project participants and areas.

Shared accountability for damages

- Continue to support local partners with a fair share of loss and damages.

For Local Organisations

- Be sensitive to detect and ready to respond to changes in the humanitarian risk landscape.
- Inform partners about emerging and materialising risks timely and honestly.
- Capacitate staff to work closely with international partners, e.g., through English language courses.

Joint risk assessments

- Train staff in joint risk assessments and build their risk awareness.

Harmonisation of risk management mechanisms

- Comply with as many donor and intermediary risk mitigation measures as possible. Strongly voice where this is systematically not possible in concrete contexts and proactively engage in finding common solutions.

Joint risk mitigation

- Actively engage in preventive risk mitigation strategies.
- Document preventive risk mitigation measures in place.
- Communicate unfolding risks timely and transparently.

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