Executive Summary
Localisation in Practice II: Implementing Risk Sharing in humanitarian action
Findings from Bangladesh

CENTRE FOR HUMANITARIAN ACTION

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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.

Humanitarian actors are confronted with a variety of risks.

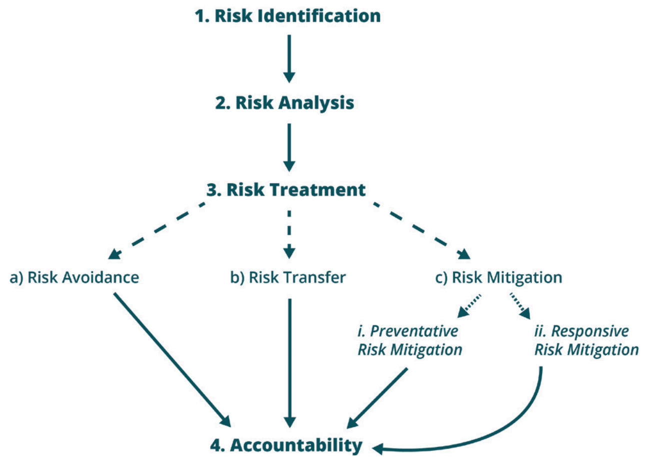
Recognising that sharing risks is one component of lived equitable partnerships, this paper gathers the experiences of humanitarian donors and international and local organisations involved in what they perceive as "equitable partnerships" in Bangladesh. While full-fledged examples of implementing the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

Key Findings

As the figure on the next page outlines, risk transfer is one form of risk treatment. Risk Sharing, on the contrary, spans all four stages of risk management. It encapsulates a dynamic approach wherein donors, international and local organisations collectively identify, analyse, mitigate and account for humanitarian risks that cannot be avoided.

In Bangladeshi equitable partnerships, Risk Sharing is predominantly applied in the domains of project-based risk identification and analysis and in 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,



The four stages of risk management.

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.

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.

Methods in brief

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.

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