Risk-informed development: from crisis to resilience

# Introduction: Setting the scene

Make the case for why risk-informed development is necessary, and why now by:

* Paragraph outlining the current state of the world i.e. facts, figures and trends in growth, global poverty, disasters, conflict, (in)equality etc.
* Paragraph outlining how current societal ills can be understood in terms of ‘risk’. Simply outline what we mean by risk (in a non-technical manner – the technicalities will come in the next section).
* Paragraph outlining current trends in understanding and acting on risk, taking a holistic perspective i.e. from the perspective of governments (this is something they have always done, or at least have a duty to do), from the private sector, and from development and humanitarian actors (move towards SDGs, post-2015 agreements, humanitarian-development nexus, sustaining peace agenda).
* Paragraph outlining means to act on risk across scales i.e.at global level (the post-2015 agreements), at the national level (implementation of the post 2015 agreements, national risk plans, sectoral plans etc.), at the sub-national level, through to individual level (the ways individuals make choices and manage risk).
* Paragraph making a compassionate case for risk to be the new paradigm through which we seek to achieve global prosperity, peace and fight poverty and inequality.

# Point 1: How to effectively understand risk

The first point introduces the reader to our framing of risk, helping them to understand the constituent parts and how they intersect. We will convey technical information in an accessible format.

* Paragraph introducing the section, highlighting that there are different understandings of risk (and how those different framings have come about), and outlining how we’ve chosen to understand risk. Different people understand risks differently. [**Box**: compare and contrast how disaster risk managers understand risk compared to those who act on conflict].
* Paragraph proving a technical framing of risk, explaining that risk is the result of a complex interplay between vulnerability, exposure, hazard and capacity. Include here definitions of key terms and diagram of the risk continuum. [**Graphic**: the risk continuum and relationship between key terms, along with their definitions]
* Building on the framing outlined above, convey that:
  + all action creates risk in some way;
  + vulnerability is a crucial underpinning of risk;
  + Risk and development are one of the same thing – shocks and stresses are inherent to development;
  + not all risks can be managed (i.e. residual risk remains);
  + risks are interconnected and can be cascading – leading to new risks. Examples to use include the impact of the Thai floods on industry with impacts on global value chains [or] 2008 economic crash [or] impact of Ebola;
  + Risks have different impacts across scales. For example, the 2008 global economic crisis lead to changes in risk at national to local scale;
* Paragraph on future risks (or recurrence of risks in the future) – recognize that taking a risk-informed development approach means not just better understanding and action on current risk but also future risks on the horizon (including specifically cyber security, nuclear threat, new diseases).

# Point 2: Not all risks are created equal

Here we start to nuance our understanding of the differences between types of risk.

* Paragraph outlining how different risks can be - Not all risks are created equal (e.g. not all are predictable e.g. conflict and extent of impact). Severity, duration, immediacy. And how we know varying amounts about each.
* [**Graphic** on compilation of factors that underpin risks – socio-economic, political, environmental, cultural]

# Point 3: The perils of taking a linear/single approach to risk

Here we convey that the way risk is currently treated (on the whole) is limited.

* Paragraph which outlines how no country is unaffected risk, that this is a global problem, risks occurs in various forms for all countries.
* Paragraph explaining how taking a single/linear risk approach is limited, and how (over)focusing on one risk may lead to a constrained interpretation of a context/problem and therefore particular set of solutions than if a broader more holistic understanding of risk is taken into consideration. For example, from a development aid perspective you may take different risks into consideration – if you just try and deal with food security, you may do it in a different way to if you looked at food security and (for example) climate change.

# Point 4: Move away from risk creation

This section has the potential to be quite hard hitting, explaining how risk creation needs to be avoided, in combination with effective management of risk (the current norm).

* Paragraph explaining what we mean by risk creation, with reference to a real-life example (e.g. infrastructure in highly exposed areas). Acknowledge that doing anything creates some element of risk.
* Paragraph explaining the differences between known and unknown risk creation, interplay with political choices, and the need for greater transparency in how decisions that result in increased/additional risk are made (e.g. by government that affect their citizens).
* Discussion on the issue of trade-offs, avoiding the demonizing of risk and recognizing that all governments – especially LDCs – have to make difficult choices under constrained circumstances.
* [**Box:** On subsidies for risk creation i.e. post disaster situations, governments may subsidize private sector to invest in infrastructure in disaster prone areas, making the trade-off of boosting economic development at a cost of increased disaster risk].

# Point 5: What’s your risk tolerance?

* Paragraph explaining what we mean by risk tolerance – and how this varies across scales, from individual to societal/national – with a practical example of different levels in response to a specific risk.
* Discussion on how decisions about risk tolerance across scales are highly political, informed by socio-cultural, historical, cultural considerations.
* (As above) Make the case that greater transparency is needed in the public sphere about risk tolerance decisions by policy makers, which have impacts on citizens.

# Point 6: Comprehensive approach to risk

Following the logic thus far that risk is a concern for all, that taking a single risk approach is limited, that we need to move away from risk creation, and take a comprehensive understanding of risk – this requires more comprehensive ways of understanding complex situations.

* Paragraph outlining that a comprehensive approach to risk is needed, which requires certain types of information, tools and data.
* Provide an example of national risk assessments do this well in some contexts (e.g. UK), but also point to current limitations e.g. development-humanitarian actors take a siloed approach to risk.
* Point to what we need to do better including, for example, moving out of silos and making better use of connections across themes, disciplines, sectors etc.
* Emphasize that this isn’t just a question of data, it’s also about politics, and governance.

# Point 7: Business as usual is not fit for purpose

This section will not provide recommendations for ‘what next’, as that’s not feasible at this level, but we will point towards the implications of the points made throughout this report.

* Paragraph summarizing the points made throughout the report, with the implication being that delivering the SDGs as business as usual will not suffice.
* [**Graphic**: adopting a sliding scale showing that it may be possible to make progress in some SDGs at the expense of others e.g. economic growth vs disaster risk creation]
* Paragraph discussion which highlights that we recognize that managing risk is difficult and it is going to make delivering conventional development programmes more expensive, but it’s worth it – risk informed approaches reducing costs in the long run. Include existing secondary figures on return on investment, CBA etc. where relevant.
* Paragraph explaining what this means doing differently?
  + Transparency in decisions about risk
  + No-regrets approach (rather than CBA)
  + Using different types of data to make different choices taking a longer term trajectory
* Summary paragraph stating why risk-informed development should be *the* way to understand the world and take decisions which allow us to act effectively in order to achieve the global goals and more.
* [**Graphic:** Represent the intersections of risks that are underexplored e.g. climate conflict, cybersecurity and developing countries]