

Towards better sharing of risks in humanitarian action

Humanitarian settings are situations of fragility which result from disasters, armed conflicts or protracted crisis. In supporting people affected by these situations, humanitarian organisations and their staff, and donors who support humanitarian action, encounter different risks. Risk¹ is inherent to humanitarian action. This statement identifies the necessity for better risk sharing to enable greater efficiency but also foster new opportunities for collaboration and innovation, enhance learning and sharing of best practices, create trust and ultimately increase coherence and impact of humanitarian action. The statement also highlights the conditions and concrete actions that enable a move towards greater sharing of risks in humanitarian action. The signatories of the Grand Bargain identified that a dialogue on risk is key to unlock a critical mass of quality funding and enhance support for local responders, and that the Grand Bargain platform with its different stakeholders is a useful forum to connect the different risk conversations.²

Recalling that situations of armed conflict and disasters are fragile and increasingly complex, and that assisting people affected by these situations involves taking and accepting both known and unknown risks;

Recognizing that humanitarian organizations have been facing growing challenges operating in more volatile operational and security environments and that donors have been faced with unprecedented pressures and expectations in the allocation of limited resources;

Acknowledging that risk management should enable principled, efficient and timely humanitarian responses that meet the needs of affected communities wherever they are, as well as the accountability requirements of all stakeholders;

Recognizing the need to ensure that our risk management practices do not cause real or potential harm to our partners, to affected populations and the overall humanitarian response.

Stressing that actors face different kinds of risks in humanitarian action³, and that these risks play out differently for different actors, within and beyond the humanitarian community; also *recognize* that there is a risk of not-acting in humanitarian situations;

Emphasizing that all actors need to reduce, mitigate and manage risks; that this requires knowledge, resources and capacities; and *suggesting* that the costs associated with this are part of risk-sharing conversations, especially between partners;

Recognizing that risks and their management are interlinked, i.e. our risk management practices can generate additional risks for our partners, especially where risks and liabilities are simply transferred;

Emphasizing the importance of an open dialogue between partners about risks to better understand these interlinkages, the possible limits of risk-management practices and the level at which each partner can accept residual risk;

Acknowledging that risk is an important part of broader efforts to foster “quality partnerships” across the humanitarian, development, private and philanthropic sectors but that building those partnerships must go beyond discussions of potential risk;

Understanding the benefits of sharing risk information in building transparency and trust between partners, in fostering an open dialogue with stakeholders on appetite for risk acceptance, and in managing risk issues and incidents more proactively as they may occur; *stressing*, however, that increased transparency should be met with assurances on disclosure of information to avoid potential unintended consequences including over-compliance and risk adverse approaches.

¹ According to ISO 31000, risk is the “effect of uncertainty on objectives”

² Summary Record of the Grand Bargain Annual Meeting 2020

³ Including but not limited to Legal and Compliance Risk, Operational Risk, Reputational Risk, Safety and Security Risk, Fiduciary Risk, Information Risk, Ethical Risk

Recognizing that greater clarity and alignment on risk management practices and policies as well as a common understanding of risk terminologies would enable such an open dialogue;

Welcoming the progress that has been achieved in recent years in moving towards a more informed and more nuanced risk conversation among different constituencies; also *recognizing* some good risk-sharing practices between partners in certain contexts;

Emphasizing that more needs to be done to achieve a broad agreement on standards and principles, open up new opportunities for partnerships across sectors, enhance risk appetite and acceptance, creating confidence in each other's abilities to reach humanitarian objectives while managing risk appropriately;

Reaffirming the relevance of the Grand Bargain commitments and related specific actions which can – if implemented in a coordinated way – help reduce our risk exposure and enable a more risk-responsive humanitarian system.

We identify and propose to advance, in a first instance, the following actions for greater sharing of risks between partners while *recognizing* that risk is discussed in different fora⁴ but that the Grand Bargain, including the GB 2.0, can enable a more comprehensive conversation around risk. *We propose* that individual and collective progress on these actions be discussed in two years in the context of the Grand Bargain Annual Meeting 2023.

- 1. Support continued efforts** leading towards common definitions, joint assessment of risks, harmonized processes and requirements, and agreed standards and disclosure criteria which together could constitute a framework of risk acceptance. Such a framework could enable greater transparency, increased efficiency and more willingness to share the risks once they materialize. It would also allow us to develop more targeted advocacy messages vis-à-vis decision makers and our constituencies.
- 2. Increase awareness of the risks inherent to humanitarian action** within our respective institutions. Knowledge and awareness of the risks encountered in humanitarian situations and how they impact our work is essential to engage in risk-sharing conversations with our partners.
- 3. Enable frank exchanges about risks in partnerships**, including about risk management practices, their impact, and about risk acceptance to enable a common understanding between partners; and to **review our own partnership practices on this basis**. This builds on the Grand Bargain's objectives to enable more 'quality partnerships'.
- 4. Strengthen partners' risk management systems**, as appropriate and possible, including through capacity strengthening of all involved (donors, international and local partners), knowledge-sharing, transparency and access to quality funding. This builds on the Grand Bargain's objectives of strengthening the capacities of local actors and channeling quality funding to frontline responders.
- 5. Leverage existing platforms to engage further with development actors and the private sector** on how to better share and reduce risks in humanitarian action, including the risk of inaction. The engagement could lead to a more systematic approach to some risks in the humanitarian sector, to new ways of working and complementary new ways of financing.
- 6. Share and scale-up good practices of risk-sharing**, in particular on the assessment and mitigation of mutual risks, to enable learning from each other. This requires identifying and documenting existing practices.

⁴ For a mapping of recent or ongoing initiatives to address risk in the humanitarian sector, see HERE Research <https://here-geneva.org/consultancy-on-risk-sharing-discussion-paper-2/>