

## Background

The prevailing approaches to risk management in the humanitarian sector have been identified by Start Network as one of the most important blockers to supporting locally-led humanitarian action. International NGO members find themselves in a 'risk sandwich', holding the risk for both their funders and implementing partners; while national and local members have reported feeling undermined by due diligence frameworks that paint them as inherently "riskier" than INGOs, and do not take into account their particular strengths.

As a result, the Network launched the Risk and Accountability Initiative in November 2021. In partnership with Humentum, we have set out to explore new approaches and tools for assessing and managing risk in the humanitarian sector, in a way that puts accountability to crisis-affected people and communities at the centre, and removes some of the barriers to funding access that local organisations are facing. We want to come up with a range of ideas, considering the perspectives of different stakeholders, and drawing from the creativity of peers both within and outside the humanitarian sector.

## The Process

The initiative follows the 'three diamond' process:



### DIAMOND 1: WHAT ARE THE PROBLEMS?

During the Start Network's 2021 Assembly meeting, we ran a session attended by Start Network members, hubs and staff to explore the problem from the perspectives of different stakeholder groups. These stakeholders included crisis affected people, NGO employees, compliance professionals within humanitarian agencies, government officials and donors. Through that exercise we laid out the stakeholders' needs and interests with regard to risk and accountability, and discovered areas where those needs are in conflict with each other, as well as areas where they are shared. You can [click here](#) to read more.

With insights from that session, we narrowed down the problem to a set of **five challenges** around risk and accountability, which we wanted to address in Diamond 2.

NOV 2021 - FEB 2022

MARCH - JUNE 2022

JUNE 2022 - ONWARDS

WHAT ARE THE PROBLEMS?

HOW CAN WE ADDRESS THEM?

DO-LEARN-DO

Explore

Define

1. EXPLORE &  
DEFINE THE  
PROBLEM

Get creative

Get decisive

2. GET CREATIVE &  
DECISIVE

Test & learn

Develop

3. TEST, LEARN,  
DEVELOP

PRIORITISE  
RISKS

SELECT  
PROTOTYPES

### DIAMOND 2: HOW CAN WE ADDRESS THESE PROBLEMS?

This is the stage we are at now. We are seeking to generate a **wide range of possible solutions to the five challenges** before narrowing down to a set of ideas that can be piloted and tested in the next diamond.

### Design Principles

- **Balancing needs** of all stakeholders and ensuring **locally-led and equitable decision-making**
- Driven by need for risk & accountability management systems to be more **contextualised, 'mutual', equitable**
- Safe space / **mutual respect** for stakeholders to engage
- Permission granted for **genuine experimentation**
- **Quick and agile** (continuous learning and action)
- Commitment to **ethical considerations**
- **Diverse** team to bring different skills/experience/perspectives
- Intentionally aware of and countering micro-dominance
- Committed to challenge, propose and drive new solutions, while acknowledging risks and trade-offs

**CONTACT THE START TEAM** - For further information please email  
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## Communities choose: Affected communities determine what support they need and from whom

In small teams or on your own please propose possible solutions to the challenge outlined below.

### The Problem

When affected communities are at the centre of decision-making about resource allocation and design of humanitarian responses this creates better outcomes, especially when decisions take into account diverse views (e.g. those of women and people living with disabilities). How can funding mechanisms and the supply chain of response providers be organised and operated to put affected communities at the centre?

Currently, priorities for crisis assistance are frequently decided without the leadership or guidance of affected communities. Donors often decide on their own specific priorities from a distance. This can lead to responses that don't match the needs of affected communities, and groups within these communities whose views may be marginalised. This means that the dignity and agency of individuals are not being respected.

### Solution

What ideas could we explore to solve this challenge? What have you seen, in any sector, that might be relevant for this challenge?

#### What success might look like

- Community members access assistance that is relevant to them and respects their dignity.
- Humanitarian assistance builds on existing community networks
- External providers of humanitarian assistance are held to account by communities for delivering well
- Communities can see how their choices affect how responses are designed and how resources are spent to meet their needs

Please share your ideas and inspiration by clicking here

## Working through the best-placed suppliers: Getting money quickly and securely to local and community organisations

In small teams or on your own please propose possible solutions to the challenge outlined below.

### The Problem

Local and community-based organisations are often best placed to work with affected communities and the most effective providers of humanitarian responses. How can international funding mechanisms and responses supply chains be best organised to channel funding to such organisations quickly and securely?

The organisations that are already working with internally displaced populations and local communities are best placed to deliver contextualised humanitarian responses as they are already trusted by, and are part of, these affected communities. They speak the same language, understand the context and already have the formal or informal license to operate from relevant local authorities. However, the trust these organisations have built up with affected communities and local authorities is seldom recognised by international organisations, who have other standards and vetting requirements that need to be satisfied. The current international funding system also appears to struggle with the operational requirements of working through a large supply chain of local organisations.

This can lead to the local organisations having very limited access to international funding as part of humanitarian responses. Overall coordination is also weakened, as local organisations are often excluded from coordination mechanisms being run by international actors. Furthermore, international organisations and funders tend to centre their own role in reporting on their responses to their respective stakeholders, which contributes to a lack of awareness and trust that international stakeholders have in respect to local organisations.

### Solution

What ideas could we explore to solve this challenge? What have you seen, in any sector, that might be relevant for this challenge?

#### What might success look like

- Community reports high satisfaction with local and community organisations' responses
- A high proportion of international funding for responses is ultimately spent by local and community organisations
- Local and community organisations participate effectively in coordination mechanisms
- Funders, funding intermediaries and funding platforms such as Start Network provide a more equitable and inclusive opportunity to participate
- International organisations and funders centre affected communities and the local organisations that work with them when reporting to their stakeholders.
- Local and community organisations are able to access infrastructures such as bank accounts and internet access

Please share your ideas and inspirations by clicking here



## Valuing local organisations' inherent strengths and enabling them to invest in their own organisations

In small teams or on your own please propose possible solutions to the challenge outlined below.

### The Problem

In many countries affected by conflict, there are local organisations that are highly trusted by communities, have strong technical expertise, and understand complex political and social dynamics - making them well-placed to meet the needs on the ground. They have diverse strengths and areas of expertise, and often deliver in hard to reach areas.

However, their strengths are rarely understood or valued by non-local actors. Local NGOs are often contracted by international organisations to deliver short-term aid projects with limited power to invest in their own staff and organisation. To qualify for funding, they are frequently told where they are lacking in capacity and directed in what areas they must build it. This can often directly undermine their relationships, practices and values, and means they have limited power or predictable and flexible financial resources to invest in their future development. The funding local organisations receive from international organisations or donors often comes with stringent conditions, slow decision-making and little authority to adapt agreed plans – all of which affect the ability of local organisations to respond effectively to the communities they seek to serve.

### Solution

What ideas could we explore to solve this challenge? What have you seen, in any sector, that might be relevant for this challenge?

#### What might success look like

- Resources are increasingly allocated to humanitarian assistance providers based on their relative strengths in delivering assistance and led by the priorities of communities
- Increased flexibility for local and community organisations in how they use funding, including investing in their priorities for strengthening operational effectiveness
- A high proportion of international funding for responses is ultimately spent by local and community organisations
- A larger and more diverse pool of local and community organisations are being funded as part of international humanitarian responses.
- Funds are distributed to local and community organisations quickly

Please share your ideas and inspirations by clicking here

## Transparency of aid: Knowing what's spent with decentralised decision-making and power exercised by those closest to the crisis

In small teams or on your own please propose possible solutions to the challenge outlined below.

### The Problem

The humanitarian funding system uses a system of budgeting, budget management and progress reporting that is more focused on financial control than on facilitating adaptive agile program management. How could a different approach to financial planning, management and reporting increase transparency to all the stakeholders that could add value to decision-making, and support more adaptive programming?

Financial reporting tends to be focused more on meeting compliance needs than on being useful for real-time decision-making. While there can be transparent reporting of costs to donors, little priority is given to transparent reporting to other stakeholders. This means these wider stakeholders cannot hold providers to account, or help the providers to achieve value for money or identify potential fraud. Instead financial decisions are often made by those with the least knowledge of their potential consequences.

While there may be transparent reporting of costs to donors and intermediary funding agencies, they frequently find it difficult to know or relate that to the impact of their funding. They therefore lack access to the types of information they most need to make effective decisions, and yet currently still tend to have the most influence on resource allocation and financial management. This leads to inappropriate solutions, that undermine the trust local providers have previously built up within communities and leaves them feeling forced to implement decisions that they had little influence over.

### Solution

What ideas could we explore to solve this challenge? What have you seen, in any sector, that might be relevant for this challenge?

#### What might success look like

- Programs are rarely delayed due to financial compliance or reporting issues
- Communities understand and increasingly play a role in how funding has been allocated and spent
- More stakeholders are able to identify and report warning signs of fraud or where there is poor value for money
- Financial reporting is more closely linked to impact and better able to demonstrate the value for money of more flexible, agile and decentralised decision-making.

Please share your ideas and inspirations by clicking here



## Safe aid providers: Reducing exploitation and abuse by humanitarian organisations

In small teams or on your own please propose possible solutions to the challenge outlined below.

### The Problem

The power dynamic which is inherent to humanitarian assistance creates a significant risk that those people delivering responses will engage in sexual exploitation and abuse. This places a duty of care on providers of assistance, and the donors that fund them, to ensure this risk is being actively mitigated. How can international funding mechanisms and response supply chains gain assurance over whether arrangements in place to mitigate the risk of sexual exploitation are adequate? How can those who access assistance, like Amina, be confident that the provider is taking steps to protect her from harm?

Affected communities may not be aware that they have a right to report concerns or allegations, or how to do so. If they are aware that they can report such concerns or allegations, they may have low levels of confidence that these reports and any subsequent investigations will be handled safely and effectively. Efforts by providers of assistance to demonstrate that risk mitigation is adequate have mainly been focused on procedural and compliance related measures such as codes of conduct and recruitment processes. The design of assurance over risk mitigation have tended to be driven by the expectations and requirements of international donors.

### Solution

What ideas could we explore to solve this challenge? What have you seen, in any sector, that might be relevant for this challenge?

#### What might success look like

- Crisis affected people safely report concerns and/or allegations about representatives of humanitarian providers that engage in sexual exploitation, abuse or harassment.
- Humanitarian providers and their funders demonstrate how they have fulfilled their duty of care to protect those that their assistance reaches from sexual exploitation and abuse.
- Improved attitudes and behaviour of volunteers and staff of humanitarian providers working directly with affected communities

Please share your ideas and inspirations by clicking here