DUTCH RELIEF ALLIANCE

Ministry of Foreign Affairs of the Netherlands

RISK-SHARING APPROACH

JULY 2023 - LOCALISATION WORKING GROUP

Revised 2025 with learnings pilots Yemen, Ethiopia and Democratic Republic of the Congo (DRC).

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Prepared by the
Dutch Relief Alliance and
the Netherlands Ministry
of Foreign Affairs

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About this document

This Risk-Sharing Approach is intended for Dutch Relief Alliance (DRA) partners across the humanitarian delivery chain – local,national and international NGOs, and donors such as the Dutch Ministry of Foreign Affairs - as well as for external actors beyond the DRA who are interested in strengthening risk-sharing practices. It offers a practical framework that consolidates insights, lessons learned, and emerging good practices from DRA pilots and dialogue processes. It is not a mandatory guideline or compliance requirement, but rather a voluntary framework that aimsto support interested actors in facilitating structured and meaningful risk-sharing dialogues between donors, international actors, and local and national partners.

Building on the DRA Strategy 2022–2026 and earlier research on localisation and risk-sharing, the approach responds to the need for a more shared understanding and concrete guidance on how to analyse, manage, and equitably share risks across partnerships. Rather than prescribing a fixed model, it serves as a facilitative tool to promote reflection, transparency, and joint problem-solving, while allowing each Joint Response to adapt the approach to its specific context, level of ambition, and partnership dynamics, and to translate dialogue into actionable steps.

1 MANAGING RISKS WITHIN THE DUTCH RELIEF ALLIANCE

The DRA strategy 2022-2026 states that the DRA

“will embark on establishing a guideline for equitable partnerships in humanitarian aid with an emphasis on complementarity, mutual respect, sharing of risks and benefits, and brokering collaboration between diverse actors and networks at community, local, and national levels.”

Providing humanitarian assistance is an inherently risky undertaking. Over time, the context for humanitarian action has become more complex. A multitude of organizations with different mandates and performing various roles, often overlapping, increasingly rely on one another to achieve their desired impact, but crucially, with a shared objective: to support affected populations.[1] This shared objective requires shared risks, and humanitarian actors are increasingly recognizing that reducing risks for some might actually increase certain risks for others within the same “delivery chain”.[2]

At its core, risk-sharing means that stakeholders in the humanitarian sector retain and manage risk as appropriate, transferring only what is necessary to other partners. It implies co-ownership, a process through which all parties take an active part in dividing responsibility for managing risks between them, either in equal parts or otherwise. Rather than addressing risk in the delivery chain as individual humanitarian actors, a holistic and collaborative approach that considers all potential risks to organizations within the chain allows for a greater acceptance of overall risk.

Risk management, like most other aspects of national-international partnerships, is inevitably affected by the reality of power imbalances between LNNGOs and their often far larger INGO counterparts and donors. Organizational views of risk differ – depending on the role actors perform in the delivery chain of humanitarian assistance (donors/INGOs/local actors). Risk appetite (the level of risk an organisation accepts) may also vary between organisations and needs to be respected as an organisational choice of the organisation. However, risk appetite may also depend on the position of an actor in the humanitarian aid chain and the availability of flexible resources that help to mitigate the negative impact of risk.

In 2021, internal research led by the DRA Visibility WG highlighted the need for a shared understanding and approach to practical work on risk-sharing in the DRA. The need for clearer guidance on how to implement the framework also came up in the DRA Partnership Survey 2025. In addition, the 2021 report “Localisation in Practice” emphasizes the following questions regarding risk-sharing in JRs:

- What sort of risk is most applicable to which partner?
- What is the likely impact and on whom?
- What does the proactive mitigation of these risks mean in practice and for whom?
- What happens in practice when a risk materializes and needs to be managed under shared risk?
- Who bears responsibility for damages and losses if they occur?

1. Report “Risk-sharing in Practice: success stories, enablers, and barriers to risk-sharing in the humanitarian sector” - NL MFA and ICRC (October 2022)..
2. Global Mentoring Initiative: “At Last: More Appropriate Perspectives on Risk and Risk Management in the Aid Sector” (October 2022).

2 PURPOSE OF DRA RISK-SHARING APPROACH

Importantly, this approach is not meant to minimize risk. Risk is inherent in humanitarian action. Analysing and conducting a dialogue on risk appetite between donor, international, and local actors within a Joint Response (herein after referred to as JR) is not yet standard practice, but it can help manage risks for all actors involved. The aim of these DRA-specific guidelines is therefore to propose a common approach that not only facilitates transparent and meaningful dialogue between actors but also supports the joint management, sharing, and practical handling of risks in Joint Responses (JRs)[3] of the DRA. Rather, it is a practical and voluntary approach that consolidates insights, lessons learned, and emerging good practices from DRA pilots and dialogue processes. Its purpose is to support interested JRs in facilitating structured and meaningful risk-sharing dialogues between donors, international actors, and local partners. The framework is intended as a facilitative tool to stimulate reflection, transparency, and joint problem-solving, while allowing each JR to adapt the approach to its specific context, ambition, and partnership dynamics.

- Providing practical guidelines, including examples, to support JRs in designing and implementing a collaborative process where donors, international and local actors, with different roles across the delivery chain, can jointly analyze risks. This includes understanding how risks affect different actors in varying ways and identifying strategies to share risks more equitably within JRs. To support this, section 4 of the document outlines a series of guiding steps that JRs can follow, from initial preparations to structured dialogue, etc.
- Following the workshop, the expectation is that participants will have developed a clear and actionable plan to enhance risk-sharing, including specific commitments and follow-up mechanisms to ensure progress.
- Gathering lessons learned and relevant information to share with other (in-country) actors, with the aim of advancing risk-sharing practices more broadly, and with donors and international partners, to inform and influence their approaches to risk-sharing.

3. Within the Dutch Relief Alliance (DRA), a Joint Response (JR) refers to a multi-partner humanitarian programme implemented by a consortium of NGOs partners in collaboration with the Dutch Ministry of Foreign Affairs. While this document is grounded in the DRA structure and terminology, the principles and approach outlined are applicable to a wider range of multi-partner humanitarian settings and can be adapted for use beyond the DRA context.

This proposed approach builds on various (ongoing) initiatives and developments, including the guideline developed by the Risk-Sharing Platform, which was established in 2021 and co-led by the ICRC, InterAction and the Netherlands Ministry of Foreign Affairs[4], and the report on Risk-sharing Pilot in Humanitarian Programming released by The Dutch Relief Alliance (DRA), in collaboration with the Netherlands Ministry of Foreign Affairs[5].

The ICR sharing policy of DRA supports local actors to better manage risks and/or cover the impact of risks that materialize. However, the DRA internal ICR survey[6] found that many local partners were not aware of the possibility of including costs in the security costs budget line.

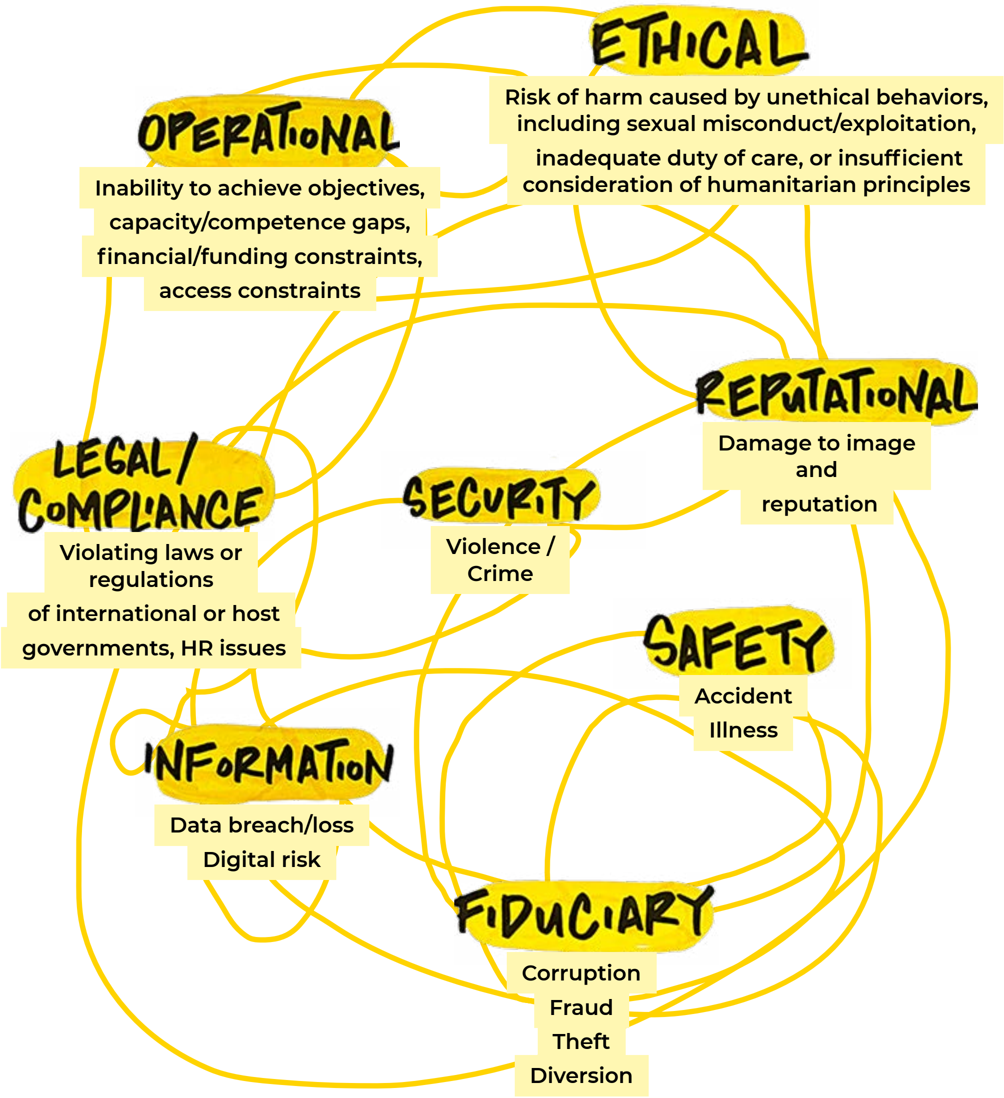
Since 2022, there has been a slightly negative trend in how partners judge risk-sharing practices. In the 2024 partnership survey[7], fiduciary, operational, and reputational risks were not covered well. Partners also indicated that there is no shared risk-sharing practice between international and national and local partners, and the only way partners plan for risks is at the program development stage. The risk-sharing pilots started in 2024 and hopefully will foster a more consistent risk-sharing practice.

In practice, more equitable risk-sharing practices are closely related to the ability to resource risk mitigation measures. Timely dialogue on risk-sharing can inform budgeting choices and priorities. In addition, flexibility in budget revisions allows for accommodating changes in risk (contexts) during the implementation phase.

4. See here: https://interagencystandingcommittee.org/grand-bargain-official-website/risk-sharing-guideline
5. Dutch Relief Alliance Publishes Report on Risk-sharing Pilot in Humanitarian Programming | Dutch Relief Alliance
6. Sent out by the DRA ICR Taskforce in June, 2022.
7. Dutch Relief Alliance - DRA Annual Partnership Survey 2024_Final Report.pdf - All Documents

3 RISK CATEGORIES

InterAction (2019) defines eight key areas of risk[8], visualized in the figure below. Importantly, these eight areas for risk analysis and risk-sharing are often connected. These risk categories are also used in the JR risk assessment.



8. See here: NGOs & Risk: managing uncertainty in local-international partnerships (interaction.org)

4 RISKS IN JRS: AN APPROACH FOR DIALOGUE

Risk-sharing is not a simple exercise; it is most effective when approached as a longer-term process, involving several online and face-to-face sessions or workshops, alongside an action plan that is followed through. A critical element for success is meaningful dialogue and the equal involvement of all stakeholders at each step of the Risk-Sharing Guideline. This inclusive approach ensures that perspectives are balanced, trust is built, and solutions are jointly owned. Using this guide, JRs can design a process and plan with a series of activities to achieve the objective of improving risk-sharing within the JR and, depending on the level of ambition, to share outcomes with external (in-country) actors.

STEP 1 Preparations

A - Designing the risk-sharing dialogue process

For risk-sharing to be truly effective, it is essential that all actors involved can speak openly and honestly about the risks they perceive in the JR, without fear that raising such concerns will place them at a disadvantage. Creating a safe and trusting environment for this kind of dialogue is a fundamental precondition for success. Furthermore, as emphasized by both the Dutch Ministry of Foreign Affairs and the ICRC, it is crucial that all parties share a common understanding of the technical and contextual dimensions of the risks under discussion.

This requires that stakeholders are involved from the outset and possess – or are supported to gain – the relevant contextual and technical knowledge needed to contribute meaningfully. To ensure that face-to-face discussions on risk and risk-sharing are productive, it is important to undertake preparatory steps in advance, which will help to lay the groundwork for an informed, balanced, and effective dialogue. These preparations can include:

- joint context analysis
- Risk identification exercises
- technical briefings, and
- task assignment.

Who is involved in the risk-sharing dialogue?
The effectiveness of risk-sharing depends not only on the process itself, but also on who is involved in the dialogue. It is important to ensure the participation of staff with decision-making power as well as representatives from diverse functions across organisations. Engaging stakeholders across the entire delivery chain helps to capture different perspectives on risk identification, mitigation, and sharing. Within the design, the following should be considered.

Level of analysis of Risks
Within JRs, it is important to distinguish between risk-sharing at three levels:

- JR level
- Individual Partnership level
- DRA/MFA level

The DRA risk analysis may provide opportunities and input for the individual partner level. As such, it is advised to take stock of risks at the "individual partnership" level that emerge during the discussion, while encouraging follow up and resourcing with individual partners. Moreover, risk is context specific. As such, it is important to jointly agree on the geographical context for your analysis (e.g., location/national). It could be that partners work in very different locations within the country, which need to be considered when identifying risks.

Different actors have different perspectives on risk; discussing these perspectives is key to effective risk-sharing.

B - Preparation for risk-sharing dialogues

To ensure alignment within different departments of an organisation, it is recommended that participants complete an individual assignment ahead of the workshop. This preparation helps staff reflect on risks from their own perspective and has proven effective in ensuring participants are well-prepared and able to contribute meaningfully to the dialogue. They are discussed below.

Pre-Workshop: Building a Shared Understanding of Risk and Risk-sharing
Based on DRA experience, it is recommended to organise a general session on risk management and risk-sharing with all partners ahead of a dedicated risk-sharing workshop. This helps create a shared understanding, recognising that participants may have varying levels of knowledge on risk management and that the understanding of risk-sharing is often limited. Conducting this session - either online or as part of a JR meeting at country level - ensures that valuable workshop time can be focused on discussing concrete risk-sharing measures.

Good practice
Good practice in one of the pilots was a pre-workshop online session with the facilitator and all partners to prepare a face-to-face workshop. This pre-workshop aimed to build familiarity, establish a common understanding of objectives, foster collaboration and trust, and clarify the face-to-face workshop proceedings.

Risk perspective and prioritisation
Perspectives on risk are closely related to individual organizations' position, role, culture and, capacities (including resources). Donor, international, and local actors' perspectives on risk may differ or overlap. Considering the power

differences between international and local partners and lessons from the pilots, it is advised to ask participants to do a risk inventory and prioritization in groups by constituency to learn from each other and list the risk titles that need to be discussed. This ensures that different perspectives will be considered. Afterwards, the outcomes of the groups and how to mitigate and share risks can be discussed together. It is key to have these exchanges on risk perspectives to understand the different priorities in risk related to the role of an actor in the delivery chain.

Risks are context and organization-specific and therefore need to be analyzed for a specific geographical area by a specific organization(s). To effectively discuss risk management and risk-sharing, it is helpful to discuss all the risk categories mentioned above and define priority risks: what are the most important risks and for whom? When risk assessments are done separately by international and local actors, and donors, these can be used in the dialogue on risk-sharing to exchange perspectives between actors creating an understanding of each other's risk perspective.

Separate risk analysis and prioritisation: Examples from the Pilots
One pilot country organised a face-to-face pre-workshop session for local partners to discuss risk and build confidence to share their experiences and challenges related to risk management in their organisation with outsiders. Responsibility for organizing this lay with the Local Advisory Group (LAG) representative.

Another pilot country asked all organisations participating to prepare priority risks for their organisation in delivering results, but also more generally for their organisation's work in humanitarian assistance. These were shared in advance with the facilitator, who could ensure these perspectives were considered in the face-to-face workshop.

Risk analysis should focus on the actors in the humanitarian delivery chain and the risks they prioritise as most important.

Learning: The focus of the analysis should be on the actors involved in the humanitarian delivery chain. Specifically, the analysis should examine the impact of risks on these actors and identify which risks are prioritised by those delivering humanitarian assistance.

It is advisable not to include risks faced by beneficiaries within this analysis. While humanitarian action can certainly affect the risks experienced by beneficiaries – and beneficiaries are increasingly involved in programme design and implementation – incorporating their risks into this specific analysis would add complexity and require significant time and resources. It is more appropriate to identify and address risks to beneficiaries within program proposals and during the implementation phase, where such risks can be managed in a more targeted and context-specific manner.

Face-to-face workshop preparation
The specific dialogues on risk and risk-sharing need to take place in a two to three-day face-to-face workshop because this enhances trust and offers more opportunities for an in-depth dialogue, creating understanding of others' perspectives. To make the workshop effective, good preparation is essential. An external facilitator, who understands risk and can engage different actors, is key to success for a face-to-face workshop.

Face-to-face workshop

A - Risk prioritisation

Prioritization is often done with a likelihood (or probability) versus impact risk matrix: the likelihood the risk is going to happen versus the impact on your organization. Generally, all risks in the right-hand corner are prioritized for further discussion and identification of risk management and, sharing actions. In the face-to-face workshop, participants can vote on which risks they want to focus on, as it might not be possible to cover all risk categories in one face-to-face workshop. This prioritization ensures that subsequent discussions concentrate on the most significant risks, providing a foundation for partners to compare perspectives, examine current risk management practices, and build a common understanding of why certain risks are prioritized.

Yemen example
In the Yemen workshop, actors were grouped by constituency and asked to prioritize the identified risk titles. At the end of the workshop, a collective prioritization exercise was conducted through voting to determine which actions would be followed up on. This step was necessary, as it was not feasible to address all risks in depth, and it helped ensure that the most critical and actionable priorities were agreed upon by all participants.

B - Compare and discuss differences & risk management practices

Bringing local and international partners together to discuss the table and priority risks is important. Importantly, it is not necessary to convince others, as realities and perspectives may be different. Instead, this discussion is meant to contribute to the common understanding of why certain risks are prioritized.

Discussion includes understanding risk management strategies that are currently used, how effective they are, and the identification of (deliberate or unconscious) decisions not to act upon risk.

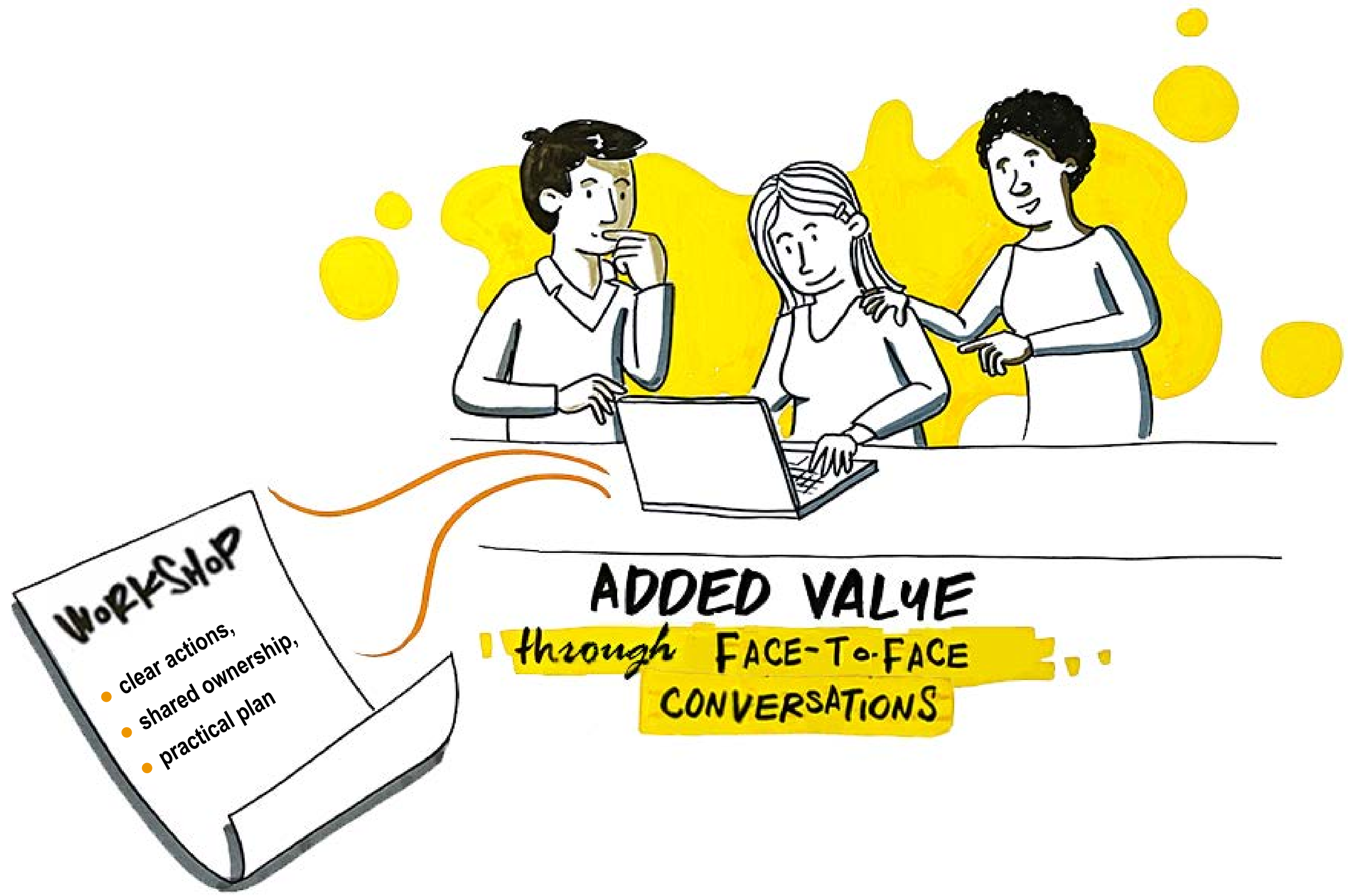
C - Identify mitigation actions

Together, partners should identify new or additional risk-sharing mitigation actions to reduce the likelihood or impact of the identified priority risks, and clarify who is responsible for follow-up, implementation, or resourcing. In doing so, it is important to identify actions that allow risks to be shared between different partners and donors, and to explore how partners within the collective can support each other in managing risks - even if they are not direct implementing or contractual partners. For example, in the case of legal risks, local actors may have networks that can play a role in mitigation. Sharing mitigation and response actions supports mutual learning and provides insight into the risk management practices of other organisations. It also creates space to identify where risks may be transferred - sometimes unknowingly or unwillingly - from one actor to another. In addition to mitigation, it is equally important to identify and agree on response measures for when a risk materialises, ensuring that all actors know how to act swiftly and collectively to minimise harm and disruption. In addition to mitigation and response measures, it is important to acknowledge that risk-sharing is not only about minimising risks. In some cases, a JR member may be willing or able to take on higher risks - for example, by operating in hard-to-reach or volatile areas. In such situations, the collective should explore how this additional exposure can be supported or compensated at JR level, ensuring that risks are carried more equitably across the partnership. Because risks evolve with the context, risk-sharing should be a continuous dialogue.

A smaller representative group should refine the agreed actions and propose a practical follow-up plan for implementation.

D - Output of workshop

By the end of the workshop, participants should have developed, at a minimum, a clear and agreed list of identified actions to enhance risk-sharing within the JR. Furthermore, a smaller group of representatives – for example, including the Lead, the Country Coordinator, and the LAG and donor representative – should be identified to review and refine this action list. This group will ensure the actions are well-defined and relevant and will propose a practical follow-up plan to support implementation. It should also be communicated during the workshop when a draft workshop report, summarising key discussions, outcomes, and the proposed actions, will be shared with all participants for validation. This ensures collective ownership and alignment on next steps.



STEP 3

After the workshop

A - Continue the conversation (internal)

Following the workshop, it is important to maintain momentum by continuing internal dialogue on risk-sharing within the JR. This includes regular check-ins on progress and open discussions to address any emerging issues. A key part of the process is to harvest lessons learned, good practices, and insights into what did not work well. This can be compiled into a single learning report, providing valuable input for improving future risk-sharing initiatives. The DRA provides a structured table with guiding questions focused on both process and outcomes. JRs are requested to complete this table with their observations and learnings. This supports continuous learning within the JR, and enables sharing with the DRA, other JRs, and broader humanitarian actors.

The draft action plan developed during the workshop should be finalised and agreed upon by the JR. This includes clearly defined actions, timelines, and responsibilities. As mentioned above, a smaller group of representatives should be tasked with reviewing and refining the action plan to ensure clarity and feasibility. The finalised action plan should include a follow-up mechanism, ensuring that commitments are monitored and adjusted as needed.

B - Share to inform dialogue (external)

Beyond internal discussions, it is equally important to use the outcomes of the risk-sharing process to inform dialogue with external stakeholders. One key area is engagement with other donors. By sharing concrete examples from the JRs, the DRA can advocate more effectively for policy adjustments that enable more equitable risk-sharing.

In addition to donor dialogue, the results of the risk-sharing exercise should be shared with in-country coordination platforms, such as the Humanitarian Country Team (HCT), localization working groups, and sectoral coordination groups. This helps ensure that risk-sharing practices are aligned with broader humanitarian efforts and promotes a culture of transparency and collective learning. Contributions can also be made to the broader Community of Practice on risk-sharing, enriching sector-wide understanding and collaboration.

About this publication

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This report, jointly prepared by Dutch Relief Alliance (DRA) and the Netherlands Ministry of Foreign Affairs.

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Ministry of Foreign Affairs of the Netherlands