



COVID-19 AND A NEW APPROACH TO RISK MANAGEMENT

Development and humanitarian programmes are often delivered in volatile contexts fraught with complex and acute risk. COVID-19 has caused large-scale changes in such contexts and further complicated the delivery of programmes. This highlights the need to adopt more agile and comprehensive risk management approaches. It presents a challenge, but also an opportunity to do things better.

NOVEL CORONAVIRUS

COVID-19 has highlighted the instability of delivery environments and the need for more comprehensive risk management to inform development and humanitarian programming. It has caused a change in the context at all levels and introduced long-term uncertainty into complex programming and project delivery. High levels of uncertainty are also intensifying existing risks or creating new risks that donors and implementers need to manage. Existing risk management tools and processes may struggle to address the complexity, variety and interconnection of these risks.



RECOGNISING COMPLEXITY

Integrity is providing Research, Evidence and Analysis support to a project in East Africa that seeks to improve governance and delivery of key services. One of the challenges Integrity is helping the consortium overcome, is the linear nature of Theory of Change programming and its vulnerability, should planning assumptions cease to hold. Regular context and political economy analysis can help to keep the project on track, but a more integrated understanding of risk during planning would make for a more robust programme design and resilient delivery overall.

OUR RISK MANAGEMENT APPROACH



CONTEXT
DELIVERY
OPERATIONS

UNDERSTANDING COVID-19

If we look at COVID-19 there are a large number of factors, such as demographics, travel patterns cultural norms, at play. Each can cause considerable uncertainty. An integrated and iterative approach is required, that looks in greater detail at the overlap between contextual, operational and delivery challenges, to ensure robust risk management during design and the ability to manage uncertainty and respond effectively. The following three COVID-19 characteristics show how hard it can be to manage, analyse and generate meaningful mitigation plans amidst uncertainty:

- **Novel** – This is a new disease. While there are lessons to be learnt from other Coronaviruses such as SARS and MERS or past pandemics such as Spanish Flu or Ebola, it is dangerous to infer too much through analogy. The disease has its own unique manifestation and the demographic and travel context in which it has occurred is different. It would be wrong and dangerous to assume similar risk patterns to previous outbreaks. Travel is no longer just challenging or risky, it is often prohibited. New modes of delivery, monitoring and collaborative working are required, which challenge existing risk mitigations and create new vulnerabilities.
- **Complex** – The global spread of COVID-19 and its socio-economic impact is determined by a large number of variables – travel patterns, social habits, population density and transport options all effect how it spreads. Its effects amongst different states, regions and communities are highly variable. We should anticipate second-order effects such as food insecurity, marginalisation of vulnerable groups, increased domestic and social violence and unexpected political conflict and instability.
- **Confusing** – There is an abundance of information available, but how useful and applicable is it when managing project-level risk? Case numbers, geographic spread and heat maps might help with immediate decision making about a specific trip or event, but they do not help identify and mitigate future risk and the amounts of information can be overwhelming; Much of the analysis that goes beyond numbers and locations of cases has little basis in evidence and is often not independent. Messaging about the virus and measures to counteract it have become increasingly politicised.

THE LIMITS OF LINEAR APPROACHES

COVID-19 and the uncertainty it brings presents a threat but also an opportunity and spur to build better, more comprehensive risk management systems to support development and humanitarian programming during the coming years. Existing approaches to risk management look at the environment, identify the sources of risk, analyse the risk and identify mitigations in a largely linear fashion. With COVID-19, the high levels of uncertainty described above and the fluid and changing contexts it generates can lead to an unmanageable number of risks, insufficient certainty and limited agency for such approaches to generate meaningful mitigations.



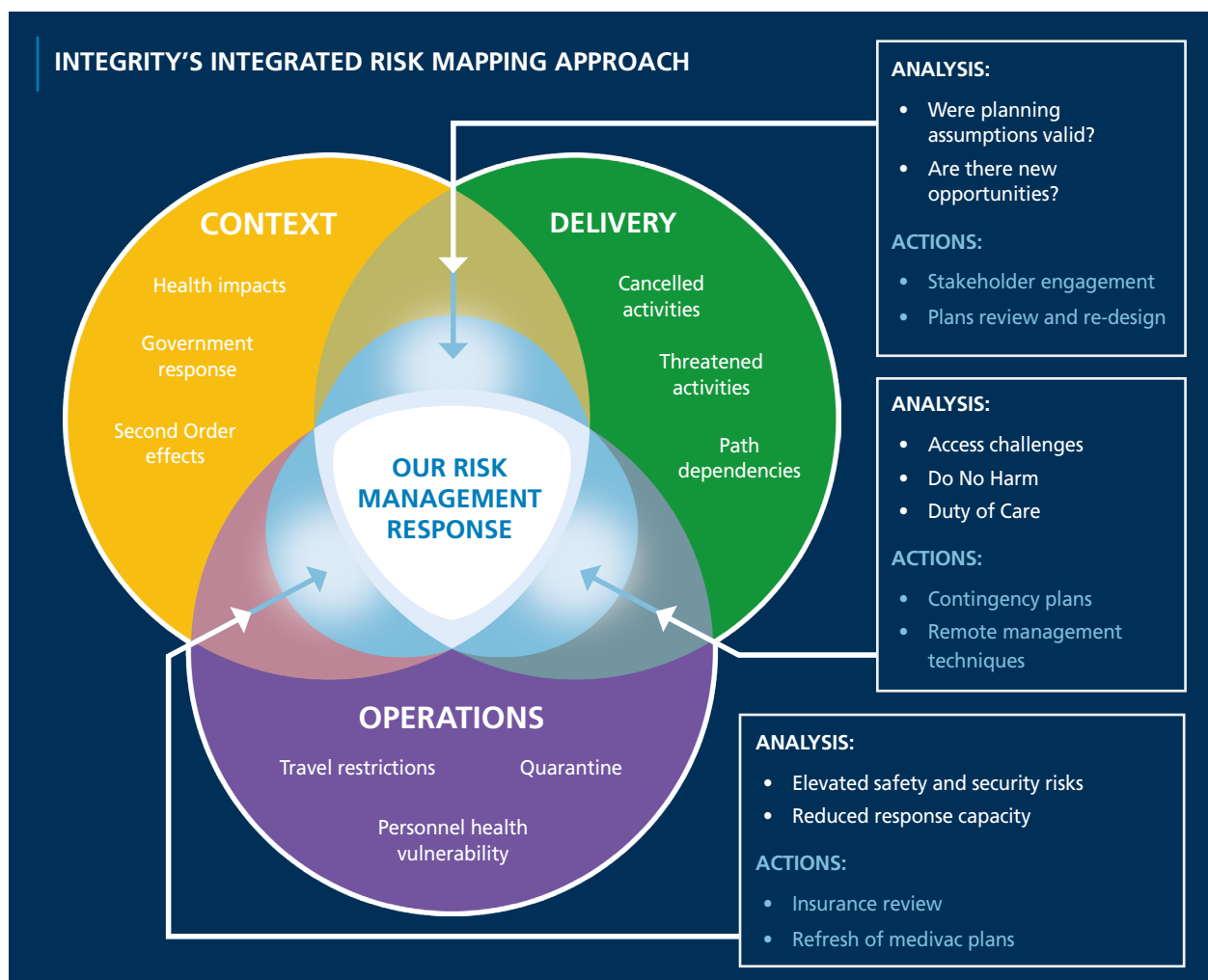
April 2020: Scenes from Rawalpindi, Punjab, Pakistan during the Coronavirus outbreak

NAVEED ASHRAF / SHUTTERSTOCK.COM

OUR HOLISTIC AND SYNCHRONOUS APPROACH

At Integrity, when considering risk on individual projects and across our portfolio, we are practised in analysing fluid and complex contexts over which we have little control. The approach we use is to look at interactions between context, operations and delivery, to identify and prioritise specific risks, limit uncertainty and generate manageable and impactful responses.

Rather than looking at each in isolation as a source of risk, the overlap of context, operations and delivery generates specific risk questions and concerns, for which we design tailored responses and mitigation measures. By considering where we need to work, how we need to work and what we are trying to achieve in the round, we are better able to spot interplay. The approach focuses on risks as they are relevant to the organisation, its people and what they are trying to do.



EMPLOYING OUR APPROACH

We recently employed this approach on a complex implementation project where COVID-19 was exacerbating existing political and social instability. It was causing considerable new operational challenges and raised questions about the ongoing relevance of the client's objectives and, by extension, the validity of our delivery plan. The approach outlined above enabled us to identify ways to secure progress made to date; protect and maintain core delivery; and generate flexible options to carry the programme forward in the new context. By analysing in detail the interaction between COVID-19 and the project, we were also able to propose ways to adapt the project to meet new needs arising from COVID-19 and changing funding priorities.

RISK VERSUS OPPORTUNITY

The schematic highlights elementary examples, but we have found that the approach is effective at surfacing risks not previously considered and exposing unseen opportunities too. This has allowed us to engage early with our clients and partners to jointly manage those risks, reduce the negative impacts of COVID-19 and rapidly pivot to new opportunities, adjusting plans and reallocating resources. Because Integrity works on an enterprise-wide, cloud-based and user-adaptable knowledge management system we have been able to quickly adapt and evolve our established risk management and duty of care systems to the development of these new tools. Some key factors to consider when employing the approach are:

- **Start broad:** Don't fixate on the risks you have already identified or focus on narrow risk categories locations or time frames. Step back and understand the context in full. Work to elucidate the second and third-order effects of phenomena like COVID-19.
- **Whole team approach:** View-point diversity and an accurate understanding of each element in a team, consortium or delivery chain is essential to understanding vulnerabilities, risks and the resources you have available to respond.
- **Examine the interplay:** Overlapping factors and knock-on effects across context, operations and delivery can have a magnified impact. Risks may primarily manifest in an operational area but have their greatest impact in a delivery area.
- **Identify critical pathways and dependencies:** This helps you understand the cumulative effect of small delays and cancellations. It helps you to be proactive and head risks off before they become unmanageable.
- **Analyse the alternatives:** What alternative ways of working can you make use of? What risks of their own do these bring with them? Are they cost neutral? Do you need to reallocate resources?

**LISTEN
COMPREHEND
RECOMMEND**

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