Risk matrix template

**Purpose:** Risk analysis represents an integral part of any emergency response design and implementation, especially in complex environments. Risk analysis and mitigation measures should be planned well ahead by programme team and be considered throughout the whole project cycle.

**How to complete the tool:** Identify all possible risks after consulting with local authorities, representatives from Red Cross/Red Crescent branches, community leaders and beneficiaries, local staff and volunteers.

Risks are classified under 3 broad categories: contextual, programmatic and institutional.

List as many as are relevant to your context. Rank their likelihood form 1 low to 5 high and then identify the likely impact of each risk. Again rank the likelihood 1-5. Use this information to feed into TOOL M3\_1\_4\_2 Risk Register Template which will ask you to identify your planned actions to take control and mitigate against each risk.

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| **Risk** *(and source of information)* | **Likelihood**  **(1 Low-  5 High)** | **Description of impact on programme**  **(1 Low – 5 High)** | **Potential mitigation measures** |
| **CONTEXTUAL risk**: external to the organisation, little control | | | |
| **Governmental regulations/ laws** |  |  | * Choose a delivery mechanism (agent or method) in line with national regulations and laws * Negotiate custom clearance processes, fees, and responsibilities pre-crisis |
| **Economy** |  |  | * Devise a contingency plan for what to do in case of fuel or market supply instability (build fuel stock, communicate with traders on anticipated increase of demand, contract with traders to subsidize prices of targeted goods, etc.) |
| **Environment** |  |  | * Review and improve preparedness and contingency planning processes in case of new disaster * In case of repeated disaster (typhoon, earthquake aftershocks…), be prepared to receive in-kind material with delay * Consider and take into account strong seasonal meteorological events (rainy season, droughts, cold waves, etc.) in the design of the programme |
| **Security/ access** |  |  | * Ensure the operational context is secure enough to protect access to beneficiaries, to distribution point and back home |
| **Inflation risk caused by external factors e.g. currency devaluation** |  |  | * Devise a contingency plan for what to do when price monitoring indicates inflation and loss of purchasing power? (Adjust cash transfers value, shift modality, etc.) |
| **PROGRAMMATIC risk**: aims and objectives failure, or causing harm through intervention | | | |
| **Capacity related risks related to funding** |  |  | * Check likely donor strategies consider in-kind and/or CTP in this context. High-level advocacy and coordination with partners to promote good practices and consistent messaging to ensure an adapted response to the context * Learn from past responses in similar contexts |
| **Risks related to using third parties** |  |  | * Use safe beneficiary identification systems to avoid duplicates * Third party to provide guarantees before contracting, use competitive tendering * Ensure a process of due diligence is carried out on all suppliers and/or financial services providers * Monitor encashment/delivery process to see if agents are adhering to agreed upon process/standards. Use multiple methods for triangulation, including waybills * Post-encashment monitoring of beneficiaries to check if they were charged, harassed, etc. |
| **Risks to staff and volunteers** |  |  | * Recruit skilled staff/volunteers and provide adequate training about the Movement and the programme implementation * Train volunteers and staff about proper crowd control, singling out agitators and troublemakers. Organize an exit plan in case of emergency * Use small, frequent cash distributions rather than one large installment * Increase number of distribution sites, reduce waiting times. Coordinate with markets for quick spending * Select a spacious, safe and secure distribution area * Avoid disruption in the distribution: enough volunteers to offload trucks, buffer stock in case of late truck arrival |
| **Risks to beneficiaries** |  |  | * Ensure that beneficiary targeting is carried out in a transparent and participatory way, with accurate and identifiable criteria in order to be rigorously followed * Design and implement complaint and feedback mechanism to allow beneficiaries to complain in an easy and peaceful way (including hotline) * Give beneficiaries some flexibility of when and where to collect their in-kind/ cash (not everyone should be collecting at a specific time or on a specific day) * Pack in-kind kit in a way it can be transportable (i.e. provide rice bags, ropes, transportation) * Ensure that payments are made on time: delays in payment can increase the vulnerability of targeted households * Ensure that distribution/payments are completed in time for beneficiaries to reach their homes during daylight. Encourage beneficiaries to travel in groups and not to keep large sums of cash at home * Consider specific security risks to gender, age, diversity or other factors, and seek community opinion on how best to mitigate or avoid the risks * Consider household impact: avoid tension, decision-making mechanism, contribute to self-reliance, independence and confidence (empowering) * For CFW activities, seek appropriate technical advice for the construction and rehabilitation of community assets to avoid:   + interferences with seasonal livelihood activities (harvest, etc.)   + injuries during programme implementation * Inform about protection of sensitive data * Inform beneficiaries of the consequences of any security incidents (i.e. the programme will be stopped, etc.) |
| **Corruption** |  |  | * Use strict protocols and accountability mechanisms: internal to the agency, external involving the community, digital involving technology:   + Conduct post-distribution monitoring and ask beneficiaries if they received the correct amount of money   + Division of responsibilities/ segregation of duties (agency for registration and monitoring, service provider for money transfer)   + SMS to acknowledge receipt of transfers   + Use clearly verifiable beneficiary targeting criteria and check beneficiary lists   + Ensure that beneficiaries are correctly identified during the payment process * Work closely with community leaders * Be open with the community about the project * Ensure that the beneficiaries are clear about their entitlements * Design a clear mechanism for community feedback to identify potential problems and to ensure quick reaction during programme implementation |
| **Conflicts within the community** |  |  | * Communicate intensively with national and local authorities, stakeholders and community leaders. They can help to clarify misunderstandings and disputes * Encourage community mobilization and awareness-raising about the purpose of the project and selected beneficiaries to avoid tensions * Ensure that the community and community leaders participate throughout the project cycle * Use community-based targeting and a transparent process as this will help reduce tensions between beneficiaries and non- beneficiaries * Develop a clear exit strategy to help limit expectations * Ensure that the community understands the consequences of any threat to security (that the programme could be withdrawn or suspended, if necessary) |
| **Inflation** |  |  | * If using a voucher approach, ensure that as many traders as possible are participating, to help ensure a competitive market * Monitor prices of food and non-food items in neighborhood markets to check that the market in the project area is not increasing prices unfairly. Define maximum price threshold after which changes in programme will occur. Budget for a X% increase in transfer. Increase transfer size when necessary. Change to different relief intervention (e.g. voucher, in-kind or combination) * Check exchange rates on a regular basis to ensure that cash retains its value when compared to the original value of the cash grant |
| **INSTITUTIONAL risk (financial, reputational and strategic risk)**: internal to the organisation | | | |
| **Accountability, fraud and corruption risks** |  |  | * Check that financial transactions are secure * Identify any large scale fraud possibilities * Identify any reputation risk for the organization * Division of responsibilities/ segregation of duties |
| **Strategic risks for the National Society /the Movement** |  |  | * Ensure programme is compliant with national regulations * Ensure programme is compliant with the Movement regulations * Disseminate SOPs to all involved * Align cash transfer and in-kind control procedures * Exclude ghost beneficiaries, duplicate names, non-affected beneficiaries |
| **Relationship to other actors** |  |  | * Ensure that activities are coherent with other key humanitarian actors (transfer value, delivery mechanism,,goods of similar quality/quantity, targeting, etc.) * Participate in cluster meetings to coordinate actions and avoid duplication * Develop a good working relationship with other NGOs working in the same area |
| **Others** |  |  |  |