# EQUITABLE RISK SHARING IN HUMANITARIAN ACTION

## An aspiration or an essential power-sharing arrangement?

HUMANITARIAN ADVISORY GROUP
GLOW CONSULTANTS
INSD
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DEC DISASTERS EMERGENCY COMMITTEE

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**Research team:** Zaki Ullah, Tehreem Tassaduq (GLOW Consultants); Aya Yagan (NSDation); research team in Myanmar (Carbon Humanitaire Limited); Kateryna Korenkova (independent consultant); San May Thu, Eranda Wijewickrama, Justine Kristel Villegas (Humanitarian Advisory Group).

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**Copy editor:** Campbell Aitken

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### Independent consultant

**Kateryna Korenkova** is an evaluator based in Kyiv, Ukraine. She has a master's degree in social work and another in evaluation. She has extensive experience in monitoring and advisory roles in the humanitarian and development sector in Ukraine.

# Abbreviations

| | |
|---|---|
| Carbon-H | Carbon Humanitaire Limited |
| DEC | Disasters Emergency Committee |
| GLOW | GLOW Consultants |
| HAG | Humanitarian Advisory Group |
| IASC | Inter-Agency Standing Committee |
| ICR | Indirect Cost Recovery |
| KII | Key Informant Interview |
| MoU | Memorandum of Understanding |
| SOP | Standard Operating Procedure |

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# Executive summary

Risk sharing is ultimately a test of power and partnership. It is not demonstrated by a risk register or a signed agreement, but by what happens when conditions change: whether local and national organisations can raise concerns safely, influence decisions, access the resources to adapt, and remain supported when risks materialise. This report shows how humanitarian actors can move from transferring risk down the response chain to sharing responsibility for safer, more effective and locally led humanitarian action.

## Risk-sharing landscape

The sector has developed a growing body of frameworks, pilots and communities of practice, including the Risk Sharing Framework, Dutch Relief Alliance pilots, the Risk Sharing Community of Practice and guidance linking risk sharing with localisation. However, the research found few examples of fully realised, equitable risk sharing in practice. Existing approaches remain more developed in prevention than response, and many practices described as risk sharing are better characterised as risk management or supported risk transfer. Donors and intermediaries often prioritise fiduciary, legal, compliance and reputational risks, while local and national partners are more directly exposed to operational, safety, security, access, political and community-level risks.

## What this paper does

This paper examines how risk is currently understood, allocated and managed across humanitarian programs and partnerships. It centres the perspectives and lived experience of local and national organisations, while also considering the institutional perspectives of donors and intermediaries. The research covered Myanmar, Syria, Afghanistan, Pakistan and Ukraine, with additional learning from global and multi-country initiatives. The paper identifies emerging practices that could be strengthened and scaled, rather than presenting a set of fully established models. It is accompanied by an Equitable Risk Sharing Playbook, which translates the findings into practical actions across key risk categories and three phases: before, during and after a crisis.

## Who this paper is for

The paper is intended for donors, intermediaries, local and national organisations, DEC members and broader humanitarian sector. It is also relevant to program, finance, compliance, safeguarding, security and partnership teams responsible for translating institutional commitments into operational practice.

# FINDINGS

## Key finding 1: Building a shared locally grounded understanding of risk is the foundation for equitable risk sharing

Local actors often describe risk sharing as practical support, shared responsibility and "not being left alone when things go wrong", rather than using formal terminology. Donors and intermediaries may instead frame it as improved risk management or due diligence. Bridging this gap requires accessible language and locally led identification of risks, including community dynamics, access, political pressures and operational realities. Partnership-level action can begin now; repeated improvements across partnerships can contribute to wider system change.

## Key finding 2: Types of funding partnerships and contracts determine whether risk is shared or transferred

Funding arrangements shape who has the authority, resources and flexibility to manage risk. Long-term, flexible partnerships enable joint reviews, adaptation and organisational strengthening; rigid, short-term and compliance-heavy arrangements often shift delayed payments, exchange-rate losses, duty-of-care costs and fixed delivery pressures to local partners. Responsibilities must be matched with adequate funding, realistic timelines, flexibility and clear contractual provisions for risks and losses.

## Key finding 3: Risk sharing must address both prevention and response to avoid unloading risk on local and national actors

Risk registers, due diligence, training and security plans are important, but often provide little clarity on what happens when a risk materialises. Partners should agree in advance on decision-making authority, escalation, eligible costs, communications, investigations, staff and community protection, and responsibility for losses. Without these arrangements, local organisations are left to absorb the financial, operational and reputational consequences of disruption.

## Key finding 4: Equitable risk sharing depends on institutional culture, trust and accountability - not risk tools or policies alone

Tools alone do not create equitable risk sharing. It is tested when partners disclose a concern, need flexibility, make a mistake or face a crisis. Stronger practice depends on safe, non-punitive reporting; timely and documented decisions; leadership that listens to local knowledge and supports adaptation; and coordination across programme, finance, compliance, safeguarding and security teams. These behaviours must be supported through organisational policies, delegated authority, funding arrangements and mutual accountability, not left to individual goodwill.

*Photo: Hpa-An, Myanmar. Christian Holzinger on Unsplash*

# RECOMMENDATIONS

The report identifies three mutually reinforcing priorities:

## Theme 1: Driving system-wide change

Embed risk-sharing principles in donor policies, partnership standards, contracts, risk-appetite frameworks and accountability systems. Agreements should clarify shared responsibilities, authority, eligible costs and responses when risks materialise, with local partner feedback informing policy and learning.

## Theme 2: Building incentives and triggers for risk sharing to become standard practice

Create practical incentives and triggers for action: joint risk assessments, live risk registers, contingency funding, crisis modifiers, fast-track approvals, proportionate compliance and pre-agreed arrangements to adapt budgets, timelines, targets or delivery models. Incidents should lead to non-punitive learning and improvements in practice.

## Theme 3: Investing in locally defined and prioritised risk-sharing processes and practices

Resource local actors to lead or co-lead risk analysis, identify priorities and negotiate practical mitigation. Funding should support locally led dialogue, flexible and longer-term partnerships, organisational systems, duty of care, security, wellbeing and contingency planning. Risk tools should be adapted to local language, context and operating conditions.

The accompanying playbook, found here, supports these actions before, during and after a crisis. Risk sharing is not achieved by naming risks or signing a matrix; it is demonstrated when partners jointly define risks, have the authority and resources to manage them, and remain supported when risks materialise.

*Photo: A hilltop village in rural Türkiye before 2023 Türkiye and Syria earthquakes. Credit: Özge Sebzeci/Fairpicture/DEC*

# 1. Introduction

Risk sharing has become an increasingly prominent topic in humanitarian action, but it remains unevenly understood and inconsistently applied. While the sector has made valuable progress in developing frameworks, guidance, and pilot approaches, there is still little evidence on how risk sharing works in practice, how it is negotiated between donors, intermediaries and local and national partners, and especially what concrete actions make it both more equitable and feasible. Risk perceptions differ substantially across humanitarian actors: donors and intermediaries tend to focus more on fiduciary, legal/compliance, and reputational concerns, while local and national partners are often more exposed to operational, safety, security and access-related risks.[1] Yet, these different perspectives are not always reflected in policies, agreements or funding arrangements, leaving local partners to shoulder disproportionate burdens and risk transfer.

Risk sharing is a collaborative way of managing risk in humanitarian action. The Risk Sharing Framework defines it as a reasonable sharing of both preventative measures and responsibility when risks materialise, emphasising that donors, intermediaries and implementers must work together to build a holistic picture of risks and agree how those risks and costs will be managed and divided in practice.[2] This research identified a range of emerging good practices that can support greater risk sharing if strengthened, resourced and applied consistently, but there remain few examples of fully realised, equitable risk sharing in practice.

## Why is it important to fill the risk sharing policy-to-practice gap?

While frameworks and guidance now describe risk sharing as joint identification, mitigation and responsibility across the delivery chain and in some contexts at the country or mechanism level, many partnerships and responses still operate through unidirectional risk management and downward risk transfer. Donor and subsequent intermediary requirements often focus on due diligence, compliance and fiduciary protection, without adequately resourcing or addressing the operational, security, access and duty-of-care risks that local partners face. Risk sharing is important because it turns these commitments into concrete arrangements that protect people and programs, by ensuring that those closest to the risk are not forced to absorb the bulk of its costs and that all partners contribute according to their capacities. Equitable risk sharing ultimately seeks to strengthen program quality, localisation and accountability to affected communities.

## What does this report do?

This report documents existing practices, identifies emerging positive examples to support risk sharing and where challenges remain, and translates learning into practical actions for donors, intermediaries and local partners. It centres the experiences and perspectives of local and national partners, showing how risk is transferred, what support and partnership approaches enable more equitable risk sharing, and how current systems create unintended burdens or exclusions. It also reflects the institutional perspectives of donors and intermediaries, informed by engagement with global and national risk-sharing networks, to develop practical

1 Eyokia Donna Juliet and Amy Croome, How to share risks and give more power to local actors? A look at adapting risk sharing for localisation, Voice Out Loud, 2023; and KIIs 2, 3, 16, 19 & 29.

2 Risk Sharing Platform, Risk sharing framework: Enhancing the impact of humanitarian action through improved risk sharing, 2023.

findings. This report is accompanied by a risk sharing playbook, which outlines practical actions (see Box 1) that partners can use and adapt to their partnerships and context.

### Box 1: The risk sharing playbook accompanying guidance: Translating findings into actions

The playbook supports donors, intermediaries and local partners to apply context-specific measures for both preventative and reactive risk sharing before, during and after crises. While this report provides the evidence and rationale for change, the playbook helps partners turn those insights into jointly agreed, context-specific actions that can shift the dial towards achieving risk sharing in humanitarian responses. The playbook can be accessed here.

The report is based on data collected from Disasters Emergency Committee (DEC) members, local and national partners, and broader sectoral initiatives across a range of contexts including Myanmar, Syria, Afghanistan, Pakistan and Ukraine.

The research presented in this report was guided by the following questions:

- How is risk currently shared and operationalised across humanitarian contexts, and what factors shape these practices?
- How do local partners experience and navigate risk-sharing arrangements, and what forms of support or partnership enable more equitable and effective outcomes?
- What actionable guidance and decision-making approaches can support donors and intermediaries to implement context-sensitive, consistent and equitable risk-sharing practices?

## Who is this report for?

This report is intended not only for DEC, and its members but also donors, intermediaries and local and national partners in the broader humanitarian sector to improve and clarify approaches to risk tolerance and risk appetite and strengthen the conditions under which local partners can engage safely and effectively in humanitarian response. It is also intended to support individual practitioners to influence for shifts within their own agencies and with their partners.

## Report structure

The report has five sections:

- Section 1 (this section) introduces the context and gives an overview of the report
- Section 2 outlines the research methodology, including data collection processes
- Section 3 presents how risk sharing is currently understood and what equitable risk sharing look like for local and national organisations
- Section 4 presents the key findings from the research
- Section 5 identifies recommendations for advancing more equitable risk sharing among the humanitarian actors in the response.

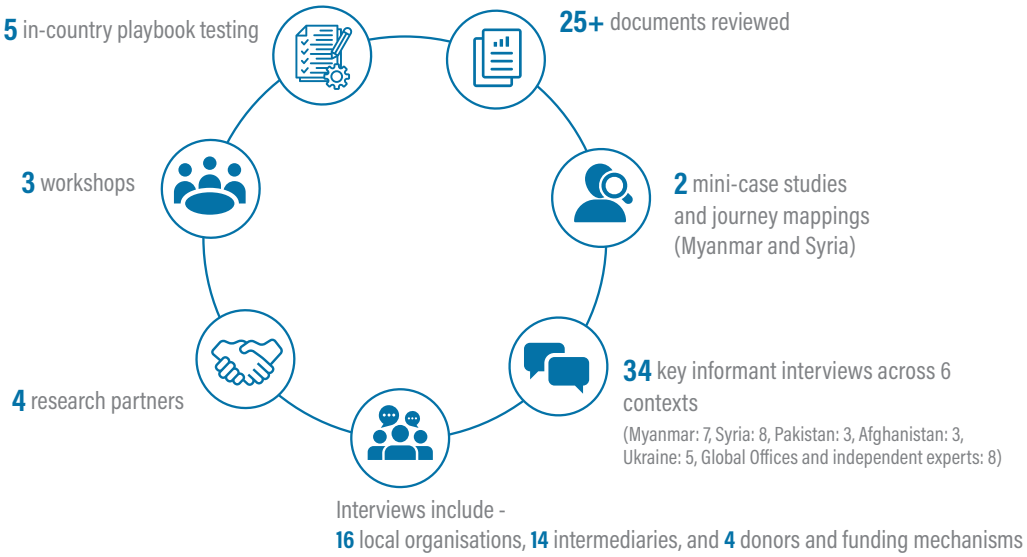
# 2. Methodology

This research used a mixed methods approach combining a desk review, key informant interviews (KIIs), journey-mapping exercises and facilitated workshops. The desk review synthesised existing frameworks, pilots and policy papers on risk management and sharing, while the interviews and journey mapping focused on how risk is identified, negotiated and managed across the response cycle and more collaboratively in specific contexts. Primary (interviews and workshops) and secondary data collection occurred in parallel, between April and August 2026. Workshops with DEC members and in-country local partners were conducted in August and September 2026 to test and refine emerging findings, test the playbook core elements, and identify practical constraints and opportunities. Together, these methods (see Figure 1 below) were used to document specific actions, decision points and processes that can be translated into operational guidance (see the risk sharing playbook for details).

The approach was grounded in local actor perspectives and lived experience. The analysis prioritised understanding how local partners experience risk transfer, what forms of support or partnership are most effective to support risk sharing, and where current approaches create unintended burdens or exclusions. This was complemented by engagement with donors and intermediaries to unpack institutional risk appetites, internal decision-making processes, and constraints related to compliance and accountability. The research team also engaged with strategic partners such as the Risk Sharing Community of Practice and Dutch Relief Alliance at the global level, and a local network focusing on intermediary in Myanmar, for technical inputs to strengthen the findings and the development of the playbook.

*Mini case studies:* The study includes two mini case studies in Myanmar and Syria, which revealed how risk is understood and emerging positive practices that support risk sharing in highly localised, high-risk and protracted crisis settings. Journey mapping exercises were also conducted in these two contexts to allow investigation of risk management examples and understanding of the key steps and actions involved in the process. These cases are complemented by interviews from Ukraine, Afghanistan and Pakistan, which provided additional perspectives on risk in active conflict, rapidly shifting political environments, and large-scale disaster responses. The research team compared patterns and divergences across types of risk, partnership models and funding arrangements, and drew out cross-cutting lessons for DEC members and the broader humanitarian sector.

**Figure 1: Research methods**



## SCOPE AND LIMITATIONS

- **Scope.** This report does not provide a comprehensive global mapping or systematic review of all risk-sharing frameworks, policies or pilots. Rather, it focuses on the experiences and perceptions of humanitarian actors across selected contexts (Myanmar, Syria, Afghanistan, Pakistan and Ukraine), and with respect to a small number of global and multi-country initiatives, as well as DEC appeals and pooled funding mechanisms, in which risk sharing has been discussed. The analysis was intended to inform DEC's internal guidance and broader sectoral learning rather than provide an exhaustive catalogue of risk-sharing practice.
- **Limited examples of comprehensive risk sharing.** The research unearthed few practical examples of comprehensive risk sharing in practice that include all partners, actors in a response, or context-specific groups of humanitarian actors proactively and collaboratively identifying and implementing risk sharing practices. The team focused instead on identifying emerging positive practices that can be scaled and leveraged to achieve the intended goals of risk sharing.
- **Representative sampling.** The interview sample was designed to capture perspectives from key groups of actors (donors, intermediaries, local and national organisations) across the chosen country contexts, supplemented by global-level informants. Participants were selected based on their involvement in risk management and localisation, their partnerships with DEC members, and/or their interest in sharing experience. While insights were triangulated across interviews to identify consistent patterns and highlight divergences (e.g. between intermediaries and local actors), these results are limited by the small sample size and may not fully capture the diversity of views within each stakeholder group.
- **Language and terminology.** Risk and risk sharing are not always easily translated or understood across languages and organisational cultures. Data collection showed considerable variation in how risk, risk sharing and related concepts (such as duty of care, compliance and localisation) were interpreted. In some contexts, the term "risk sharing" has no direct linguistic equivalent or is sometimes taken to mean general risk management or risk transfer.
- **Variation in data depth across contexts.** The depth and volume of data collected varied by location, depending on access, security and availability of participants. The analysis therefore focused on cross-cutting themes and illustrative examples rather than direct comparison between contexts.
- **Data collection in high-risk and conflict-affected settings.** The contexts examined are characterised by protracted conflict, political instability and high insecurity, which shape both the nature of risk and the kinds of risk-sharing practices that emerge. As a result, findings may reflect conditions in conflict-affected and highly constrained environments more than those in sudden-onset or climate-related disasters, where risk dynamics differ. While the research deliberately prioritised these high-risk settings, some conclusions about risk sharing and its operationalisation may not fully capture practices in other types of humanitarian responses.

# 3. The risk-sharing landscape

This section describes the current landscape of risk sharing in the humanitarian sector and how equitable risk sharing is understood. It also aims to address some misconceptions about risk sharing.

## What is equitable risk sharing?

This research drew on existing frameworks and evidence on localisation to define equitable risk sharing not as equal risk for everyone but as reasonable, context-sensitive sharing of both preventative measures and the consequences of risk when it materialises, grounded in joint analysis and mutual accountability.[3] It also requires that local partners' risk priorities such as staff safety, access, liquidity and community-level reputational risk are recognised alongside donors' common concerns about fraud and reputational exposure and intermediaries' discussions on security risks and due diligence burdens, and that decisions about who carries which risks are negotiated openly. Progress towards equitable risk sharing is therefore both a technical and cultural shift: it depends on trust, mutual accountability, long-term relationships, and a willingness to adapt policies and funding mechanisms so that risk is managed collectively and equitably, not simply transferred.

## How does risk transfer currently occur?

Risk is most commonly transferred when donor requirements, funding restrictions and contractual obligations are often shifted predominantly to local and national actors without allocating corresponding resources, authority or flexibility. Local and national organisations are routinely expected to meet demanding compliance, safeguarding, security and reporting standards, absorb exchange-rate losses, inflation, delayed payments, ineligible costs and operational disruptions, and deliver fixed targets despite changing access or security conditions. Although risks may be identified jointly in matrices and agreements, local partners frequently bear the responsibility for mitigation and face the consequences when a risk materialises – particularly when reporting incidents is perceived to trigger investigation, suspension or loss of future funding. In effect, risk transfer occurs when international actors retain control over decisions and while local partners carry the practical, financial and reputational consequences.[4] The examples in Table 1 reflect common patterns identified across the research (details of risk categories and how to promote and strengthen risk-sharing practices are covered in the playbook).

Interviews and consultations conducted for this research highlight that much of what is currently highlighted as risk sharing is better described as supported risk transfer: across the sectors, donors and intermediaries retain tight control over compliance and fiduciary standards, while local and national actors, carry most of the operational, security, duty-of-care and reputational risks with minimal resourcing and influence over decisions.[5] Intermediaries increasingly act as risk buffers, trying to reconcile donor requirements with localisation commitments, but they are often under-resourced, which leads to stricter compliance demands on local partners or a tendency to implement directly.[6]

3 Risk sharing definitions as described in Dutch Relief Alliance and the Netherlands Ministry of Foreign Affairs, Lessons learned from the Risk Sharing Pilot in Humanitarian Programming, 2024; InterAction and CDA, *Responding amid uncertainty and managing risk in humanitarian settings*, 2022; and Risk Sharing Platform, Risk sharing framework: Enhancing the impact of humanitarian action through improved risk sharing, 2023.

4 USAID & Concern Worldwide, Beyond barriers: Overcoming funding and workforce obstacles to achieve a localized humanitarian response, 2022; Global Interagency Security Forum and Humanitarian Outcomes, State of practice: The evolution of security risk management in the humanitarian space, 2024.

5 KIIs 3, 6, 16, 17, 18 & 30.

6 Global Interagency Security Forum, *Security risk sharing in partnerships: Practical barriers and pathways for intermediaries*, 2026.

Table 1: How risk transfer to local partners can occur

| Risk category | How risk transfer happens |
|---|---|
| Safety and security risks | Local staff are expected to operate in insecure areas, manage security arrangements or continue delivery under unsafe conditions, without equivalent access to security information, equipment, insurance, psychosocial support or authority to pause activities |
| Operational risks | Local partners are held to fixed targets, locations and timelines despite delayed approvals, access constraints, disrupted supply chains or changing needs, and may be required to absorb the costs of adapting delivery |
| Fiduciary risks | Partners carry exchange rate losses, cashflow gaps caused by delayed instalments, disallowances, price increases or losses during implementation, despite insufficient reserves or contingency funding |
| Ethical risks | Local partners are asked to navigate complex community dynamics, negotiations and protection issues while external actors retain control over program design and may withdraw support when difficult ethical consequences arise |
| Information and data risks | Local organisations are required to collect, store and report sensitive data through systems that may be unsafe or impractical, while carrying the consequences of data exposure, device searches, connectivity failures or reporting delays |
| Reputational risks | Local organisations, as the visible face of delivery, bear community complaints, reputational damage and potential loss of future funding when programs fail or decisions made upstream cause harm |
| Legal and compliance risks | Donor and intermediary compliance requirements are cascaded to local partners without contextualisation, capacity or operating conditions; partners may face extensive due diligence, audits and reporting without sufficient funding or support |
| Environmental, political and other risks | Local partners are left to navigate political sensitivities, engagement with authorities, environmental harms and wider conflict dynamics, even when these risks are beyond their control and require donor or intermediary advocacy, flexibility or protection |

## Where are we at with risk sharing in humanitarian action?

Across the sector, risk sharing has moved from a largely theoretical idea to having concrete frameworks, pilots and community-of-practice discussions (see Table 2), but implementation remains very uneven and partial, and actors' understanding of risk sharing practices remains poor. Current practices that support risk sharing concentrate on preventative measures in tools and policies rather than reactive measures for when a risk materialises. The Risk Sharing Framework, the Dutch Relief Alliance's pilots, and InterAction's simulation all show that actors recognise the need to move beyond unilateral risk management and to address risks holistically across the response, with donors, intermediaries and local partners working together to identify, prioritise and plan for risks that affect them all.[7]

7 Government of Netherlands and ICRC: Risk sharing in practice: Success stories, enablers, and barriers to risk sharing in the humanitarian sector, 2022.

*Photo: A village located on the outskirts of Kabul, Afghanistan. Credit: Ali Gilani/Islamic Relief*

Table 2: Snapshot of existing frameworks, guidelines and initiatives

| Framework or initiative | How it supports risk sharing understanding |
|---|---|
| Risk Sharing Framework | Provides a common process for actors across the humanitarian response to identify and assess risks jointly, consider how one actor's risk decisions affect others, and agree on preventative and reactive measures |
| Risk sharing community of practice | Provides a forum for donors, intermediaries, local and national organisations and technical experts to exchange practice examples and develop more practical, action-oriented approaches to risk sharing |
| Dutch Relief Alliance risk-sharing dialogue and pilots | Translates risk-sharing principles into facilitated dialogue and joint action planning. Pilots have used preparatory sessions, local language engagement and multi-stakeholder workshops to help delivery chain actors identify priority risks and agree on mitigation actions |
| Charter for Change / Voice Out Loud guidance on risk sharing and localisation | Connects risk sharing to localisation by calling for proportionate due diligence, simplified contractual requirements, joint risk assessment, funding for mitigation and capacity strengthening, and fair sharing of direct and indirect costs with local and national actors |
| ISO 31000:2018 Risk Management – Principles and Guidelines[8] | Provides the baseline for how to design, implement and continuously improve risk management. The concept of equitable risk sharing in this work extends beyond traditional risk management by specifying not just whether risk is shared but how it is shared, who is involved, what resources and safeguards are allocated, and what responsibilities and consequences follow |

Global guidelines such as the Risk Sharing Framework organises risk into a core set of categories: operational, safety, security, legal/compliance, financial/fiduciary, data/information, ethical and reputational risks. While these categories provide a useful common language, local organisations and networks in Myanmar have emphasised that they may not fully capture the risks most critical for local partners. Notable risks are political risks (e.g. registration and reporting risks, conscription, access restrictions, and post-project residual security risks due to ongoing surveillance by authorities) and environmental risks linked to climate-related shocks, loss of fertile lands and chronic hazards affecting the livelihoods of communities.

Initiatives like the Risk Pool Alliance[9] developed a more granular categorisation, identifying 28 distinct risk types/challenges affecting program delivery under the broad categories of political/economic and bureaucratic barriers, banking restrictions, market disruption, financial shocks, operational constraints and extraordinary events including environmental or climate related events. This schema recognises that frontline partners face specific, predictable risks that broad global frameworks can overlook.

8 International Organization for Standardization, ISO 31000:2018 Risk management – Principles and Guidelines, 2018.

9 Risk Pool Alliance set 28 challenges as criteria to qualify support for partners under 5 broad risk categories such as Political economy or bureaucracy challenges, External market forces, Financial challenges, Operational challenges, and Extraordinary unpredictable events.

## Misconceptions vs. reality

Risk sharing is often conflated with traditional risk management or risk transfer. Table 3 is a triangulation of the results from the desk review and interviews across multiple contexts and contrasts the reality and common misconceptions of risk sharing and illustrates how current practice diverges from the principles of equitable risk sharing.

**Table 3: Misconceptions vs reality on risk sharing**

| Theme | What risk sharing is (principles) | What risk sharing is not: common misconceptions and current practices |
|---|---|---|
| Core definition | A collaborative approach to risk management in which actors reasonably share the burden of preventative measures and the responsibility for risks when they materialise | Unilateral risk management or due diligence processes in which each actor focuses on its own exposure and pushes risk downwards |
| Scope of actors | Involves donors, intermediaries and local/national partners jointly identifying, assessing and prioritising risks | Donors or intermediaries deciding risk priorities, then expecting local partners to implement mitigation and absorb consequences with little or no support |
| Cost and resourcing | Includes sharing the costs of risk mitigation: covering full direct and indirect costs, security, duty of care, audit support, and organisational strengthening of partners | Expecting local partners to comply with strict standards (safeguarding, security, compliance) without adequate budget lines, authority, flexibility or technical support |
| Preventative vs reactive | Combines preventative (joint risk registers, security planning, shared SOPs, budgeting) and reactive measures (agreed protocols and support when incidents occur) | Focusing on preventative controls with no clear agreement on what happens when risks materialise |
| Decision-making and power | Involves open dialogue and joint decision-making; local partners help co-design mitigation and response, and donors and intermediaries adapt rules when they clash with realities | Treating risk sharing as top-down instructions or clauses in contracts; power imbalances remain and local partners have little decision-making power |
| Due diligence and compliance | Uses due diligence and compliance to enable safer partnership, e.g. proportional requirements, passporting assessments, sharing audit costs, and capacity-sharing tools | Using due diligence as a gatekeeping or risk-dumping tool; duplicating assessments across donors and adding extra rules beyond donor requirements |
| Role of intermediaries | Intermediaries act as risk buffers and allies, advocates, absorbing some fiduciary risk, sharing ICR, negotiating with donors to ensure local partners aren't exposed to standards they cannot safely meet | Intermediaries treating themselves primarily as compliance enforcers and gatekeepers, passing donor risk downward, or choosing to implement directly rather than sharing risk |
| Locally informed practice | Recognises local partners' context knowledge and lived experience as central to defining risk and determining who is best placed to carry which part of the burden | Assuming that international actors always know best which risks matter and how to manage them, or reducing local partners to implementers/ subcontractors |
| Partnership horizon | Works best in longer-term, trust-based relationships where partners can jointly update risk registers, adjust programming, share transparent and equitable ICR, and strengthen and share capacity over time | Expecting equitable risk sharing in short-term, heavily compliance-driven projects; no flexibility or dialogue |

# 4. Key findings

This section describes the research findings in detail. It seeks to foreground positive examples that can be leveraged and scaled to support more comprehensive risk sharing practices. Risk sharing is still an emerging practice; the research team found few examples of comprehensive risk sharing contexts, partnerships and programs in which all actors discuss and implement actions to equitably share different types of risks. Nonetheless, the case studies highlight some promising actions and initiatives to build on.

## Key finding 1: Building a shared locally grounded understanding of risk is the foundation for equitable risk sharing

Risk sharing is an often-misunderstood concept that is not part of the everyday language or culture of many organisations and networks working in humanitarian response. Global frameworks and policy papers describe risk sharing in precise terms, but this terminology is not recognised or used consistently at field level. In some contexts, there is no equivalent term in local languages for risk sharing; attempts to translate it directly can make it sound technical or threatening, which discourages open discussion. In several interviews, local partners said they rarely encountered the term 'risk sharing' explicitly; instead, they talked about 'support', 'standing with us when things go wrong', or 'not leaving us alone with the problem', indicating that the underlying idea is familiar but the formal language is not (see Box 2).

### Box 2: Terms partners used to explain risk sharing (some are translated from local languages)

This gap is mirrored in how different actors interpret risk sharing in practice. It is not simply that actors use different terminology, they differ in their views about what risk sharing is meant to achieve. Some donors and intermediaries described risk sharing primarily as 'better risk management' or 'doing due diligence differently', focusing on refining assessments and controls rather than on redistributing responsibility and costs when risks materialise. For local and national organisations, however, risk sharing is relational and more often associated with concrete actions. Examples included a donor accepting digital records instead of paper in Myanmar, an intermediary absorbing disallowed costs in Afghanistan, or a pooled mechanism like the Risk Pool Alliance stepping in when a mid-implementation obstacle threatens humanitarian impact. The discrepancy between interpretations and lived experience contributes to confusion about what risk sharing should deliver and who is expected to do what.[10]

> "If an incident occurs, the international partner should not say, 'This is your problem; we will now treat you solely as a compliance case and open an investigation.' It should instead say, 'We are jointly responsible for this project. Let us establish what happened, what investigative, security and protection measures are required, and what responsibility each party carries.' *(Local organisation representative – Syria)*

Actors also understand and prioritise risks differently. Across the research, donors tended to focus on fiduciary and reputational exposure, intermediaries on navigating both upstream and downstream risks, and local partners on their experiences of the most immediate operational, safety, political and community-facing consequences.[11] This difference in understanding and prioritisation of risks also shapes the opportunities and challenges for risk sharing. Figure 2 shows how risk is commonly understood and prioritised, and some key issues emerging from the research related to building more comprehensive risk-sharing practice.

10 KIIs 1, 2, 15, 29, 30 & 34.

11 Eyokia Donna Juliet and Amy Croome, How to share risks and give more power to local actors? A look at adapting risk sharing for localisation, *Voice Out Loud*, 2023; Dutch Relief Alliance and the Netherlands Ministry of Foreign Affairs, Lessons learned from the Risk Sharing Pilot in Humanitarian Programming, 2024; and Becky Carter and Hassan-Alattar Satti, *Supporting mutual aid in Sudan: Conflict-sensitive approaches to risk and accountability*, 2025.

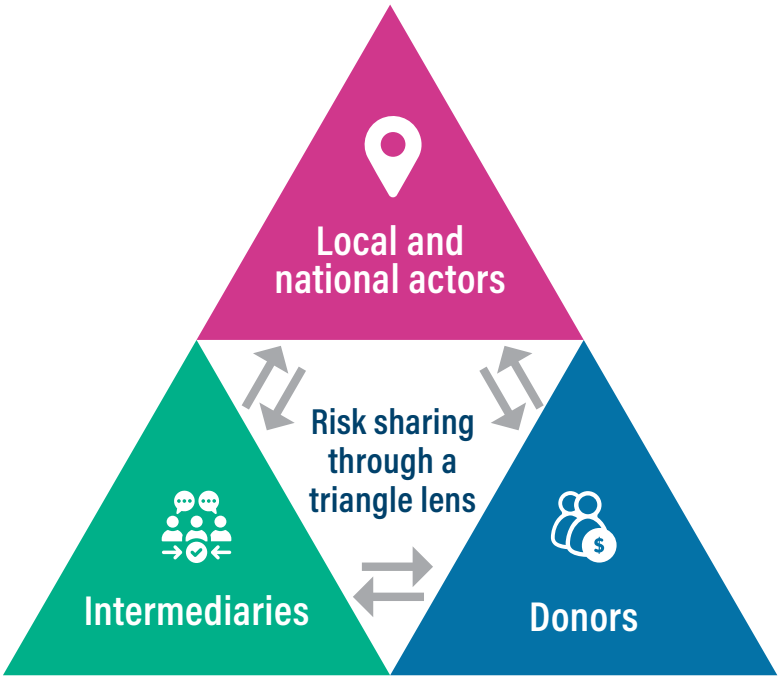
*A dog waits outside a newly rebuilt community centre in Mykolaiv region, Ukraine, 14 June 2024. The centre was created from the village's destroyed library and now offers space for community activities, reading and psychosocial support. Credit: Katya Moskalyuk/Fairpicture/DEC.*

Figure 2: High-level interpretations of risk and risk sharing

**How risk is commonly understood:** Risks that affect people, operations, organisational survival, community trust, and access

**Risks commonly prioritised:** Staff safety, access, political pressure, liquidity/cash movement, operational disruption, community acceptance, data exposure

**Ways to strengthen risk sharing:** Provide practical support when risks materialise, such as flexible funds, shared decisions, security support, adaptive timelines and donor advocacy. Avoid penalising partners for context-driven incidents




**How risk is commonly understood:** Risks to delivery, compliance with donor obligations, partner performance, and relationships across the response

**Risks commonly prioritised:** Compliance, fiduciary risk, program quality, partner capacity, security, reputational risk

**Ways to strengthen risk sharing:** Navigate risk sharing opportunities between donors and partners: translating requirements, sharing ICR, providing capacity support, absorbing selected costs/losses, and advocating with donors

**How risk is commonly understood:** Risks to the responsible use of public or institutional funds, legal obligations, and organisational legitimacy

**Risks commonly prioritised:** Fraud, financial loss, compliance, sanctions, reputational damage, audit findings

**Ways to strengthen risk sharing:** Develop a clearer risk appetite, proportionate requirements, flexible budgets, acceptance of justified losses, funding mitigation and contingency measures

## The translation challenge is not only linguistic, but organisational and cultural

Existing pilots and initiatives reflect different organisational approaches and understandings of risk sharing. Workshops in Myanmar, the Dutch Relief Alliance pilots, and discussions within the Risk Sharing Community of Practice all underscored the need for thorough pre-work discussions, shared definitions and myth-busting before meaningful dialogue can begin. Participants at these events arrived with very different assumptions – some expecting donors to write off all losses, others thinking merely of more detailed risk registers – and facilitators had to invest time in defining risk. In many risk-sharing discussions, English is the default common language, creating an additional barrier for local partners to participate fully, articulate context-specific concerns and influence decisions. (Table 3 shows general misconceptions about risk sharing, and the reality.)

> The language was important to consider, translation was important. Risk discussions use a lot of complex language – so during the workshop, we used the steps in the international framework, which was really helpful. Content can be difficult and complex – you need two or three days to cover a few key topics. We need to look at what it means for donors, what it means for intermediaries, what it means for partners. *(International actor - Global)*

These shared understandings matter because they shape who feels able to participate in risk-sharing conversations and whether local perspectives are heard properly. If risk sharing is framed only in technical or compliance-heavy terms, it risks becoming another top-down requirement rather than a relational process of mutual support and accountability. The evidence from both existing frameworks and interviews for this research point is that risk sharing in practice must use clear, accessible language, include concrete examples that resonate with local partners, and explicitly challenge common misconceptions (e.g. that risk sharing is simply better risk management or that it can be achieved without redistributing costs and consequences). This underscores the need to adapt and extend global classifications so they reflect locally prioritised risks and the ways those risks intersect with security, duty of care, and community-level accountability, and help donors and intermediaries anticipate, resource and share responsibility for the risks that most directly affect local delivery. Without this foundational work on language and understanding, more ambitious changes in policy and practice are unlikely to take hold at scale.[12]

## Risk sharing definitions and discussions must prioritise the realities and legitimacy of local responders

There is a clear need to reorient how risks are defined and prioritised toward an evolving system that centres local and national leadership and legitimacy. Local responders' legitimacy is itself a critical risk-sharing asset: their relationships with communities, local authorities and informal networks often determine whether assistance can be delivered safely, accepted and adapted to changing needs. For example, in Pakistan, a local organisation began its flood response by engaging district authorities, community representatives and local social activists to identify priority areas and vulnerable households. Local legitimacy helped build government buy-in, manage community expectations, reduce crowd management and staff safety risks, and make the response acceptable to affected communities. This example demonstrates why local partners' relationships and contextual knowledge should be core to risk management.[13]

Existing approaches recognise that actors perceive risk differently, but they still tend to emphasise donor concerns about fraud, compliance and reputational exposure rather than local partners' priorities such as staff safety, community-level reputational risk, access, liquidity and political risk. Interviews from Myanmar, Syria, Afghanistan, Pakistan and Ukraine highlight that local organisations are the ones navigating checkpoints, conscription laws, MoU delays, community expectations and restrictions on female staff, yet these risks are often deprioritised in practice.

12 Risk Sharing Platform, Risk sharing framework: Enhancing the impact of humanitarian action through improved risk sharing, 2023; Government of Netherlands and ICRC: Risk sharing in practice: Success stories, enablers, and barriers to risk sharing in the humanitarian sector, 2022; Dutch Relief Alliance and Netherlands MFA, *Risk-sharing approach July 2023 – Localisation Working Group Revised 2025 with learnings pilots Yemen, Ethiopia and Democratic Republic of the Congo* (DRC), 2026; HAG, GLOW Consultants & inSights, *Beyond good intentions: Closing the duty of care divide*, Humanitarian Horizons, 2026; KIIs 7, 9, 13, 21, 22, 26, 27 and 35.

13 Stella Anjani, Humanitarian Practice Network, *When local response meets national narratives: Reflections from the Sumatra floods*, 2026; People in Need, *Risk-sharing frameworks in humanitarian partnerships – A multi-country study on equitable partnerships*; KIIs 2 & 13.

Recentering local and national leadership means enabling existing work of local networks (see Box 3) and other country-level coalitions to define risk categories in their own terms, including political and environmental risks, and to lead joint analysis on which risks matter most, who is most affected, and which actor is best placed to carry each part of the burden. Only by aligning definitions and priorities with the realities and legitimacy of local responders can risk-sharing systems move beyond nominal localisation to genuinely equitable practice.

### Box 3: A local network in Myanmar's local perceptions of risk sharing initiative

In Myanmar, an initiative on local perceptions on risk sharing demonstrates how country-level processes can make risk sharing more locally grounded and practical. Through a Village–Yangon–Bangkok–Geneva consultation pathway, the local network documented how local civil society organisations understand and experience risk, then brought a broader group of frontline organisations together to validate and deepen the findings. This process helped redefine risk beyond organisational and fiduciary concerns to include trust, staff and community safety, political and environmental pressures, and residual and future risks. By creating space for local partners to explain their realities, challenge assumptions and identify priorities, the local network is supporting the development of a Myanmar-contextualised risk-sharing framework based on local knowledge and shared decision-making, rather than applying global models unchanged.

Contractual arrangements used by donors or intermediaries, such as service contracts or subcontracts, may create legal and financial risks for NNGOs, including threats to their non-profit status. A local partner in Ukraine highlights that requiring partners to comply with national legislation while using arrangements that are themselves difficult to reconcile with the law and failing to cover the resulting compliance costs can create a significant risk-sharing gap. An example from Syria (see Box 4) highlights the importance of understanding local legal and operational realities in high-risk, protracted and fragile contexts, and adapting global requirements accordingly.

### Box 4: Legal and compliance risks need local interpretation – Syria

Syrian organisations noted that full compliance with labour requirements, social insurance, taxation and other legal obligations can add substantial cost in fragile settings. They outlined that donors should recognise these as material delivery risks and fund them, rather than rewarding the lowest-priced proposal or holding local organisations responsible when such costs emerge later. This underlines the broader point that compliance risk cannot be understood only through global rules – it must be interpreted through local legal and operational realities.

## Risk sharing with affected populations in mind

Local and national actors are essential to ensuring that risk sharing supports effective assistance. Their proximity to communities gives them a critical understanding of people's needs, preferences, protection concerns and acceptable ways of receiving support – knowledge that may not be visible in donor-led risk processes. For example, in Pakistan, a local organisation explained that it may assess many households during an emergency but have insufficient funding to assist them all. Families not selected can believe they were promised assistance in return for their information and may hold the local organisation responsible, harming its reputation, even when donors set the targeting criteria and funding limits. This illustrates how community trust and reputational risk are experienced directly by local partners but may be overlooked in donor-led

risk processes. Examples from Syria also made a connection between the significance of risk sharing and SCLR (supporting community-led response) approaches. In Syria, SCLR made risk sharing central to how funds and responsibility are transferred to community initiatives. The local organisation and its international partner jointly negotiated lighter, workable procedures that enabled communities to access support while maintaining minimum safeguards against compliance and financial risk, demonstrating that community-led action requires partners to share, rather than simply pass down, the risks of flexibility.[14] Risk-sharing approaches should therefore connect decisions about risk to affected populations' priorities and preferred delivery methods, with local partners involved from the outset in identifying risks, assessing potential harm and co-designing context-appropriate responses for communitites.

## Key finding 2: Types of funding partnerships and contracts determine whether risk is shared or transferred

Funding mechanisms, partnership models and contractual arrangements are not neutral: they shape who has the authority, resources and flexibility to manage risk, and who ultimately bears the consequences when conditions change. Equitable risk sharing is most likely to occur when funding and partnerships support long-term collaboration, joint decision-making and adaptation; it is least likely when rigid compliance, fixed outputs, punitive mindsets and unfunded liabilities push risk down the response.

Longer-term, flexible arrangements make it more feasible to undertake joint risk reviews, revise activities and budgets, cover the real costs of adaptation, and agree which actor is best placed to mitigate or retain a particular risk. For example, in Myanmar, a longstanding faith-based partnership used unrestricted funds to reduce unexpected risks that could not be covered through restricted project budgets. This included adapting activities, supporting risk reduction measures and negotiating access when conditions changed. In another example in Pakistan, during a flood response, a local organisation was given flexibility to procure emergency shelter materials from vendors in the local market rather than relying on suppliers located farther away. This reduced delays and transport costs during the emergency, while strengthening local supplier capacity and supporting the local economy, showing how adapting standard procurement requirements can give local partners the flexibility to manage time-sensitive operational risks. Syrian and Ukrainian organisations (see Box 5) described strategic relationships as more conducive to risk sharing because they created trust, a shared language and regular communication. In stronger examples, partners jointly adjusted targets, delivery models, locations and timeframes as population movements, prices and access conditions changed.[15]

### Box 5: Flexible approval processes enable safer delivery – Ukraine

A Ukrainian partner described adapting an aid delivery model because large vehicles became military targets in frontline areas. If donors approved a shift to smaller deliveries quickly, the partner could continue safely. In other cases, delayed approvals or rigid budget rules left local organisations managing the operational and security consequences of aid delivery alone.

In contrast, short-term, rigid and compliance-heavy arrangements can transfer risk down the response

14 Ed Hughes and Anne Moenster, Risk sharing framework simulation outcome report, InterAction, 2024; USAID & Concern Worldwide, Beyond barriers: Overcoming funding and workforce obstacles to achieve a localized humanitarian response, 2022; Government of Netherlands and ICRC: Risk sharing in practice: Success stories, enablers, and barriers to risk sharing in the humanitarian sector, 2022; and KIIs 2 & 21

15 KIIs 2, 18, 20, 22 & 31.

hierarchy – particularly to local organisations that lack flexibility, sufficient overheads, transparent budgets or pre-agreed processes for responding to shocks. For example, interviewees spoke about political, legal and financial liability around cash handling, theft or loss being assigned to the local partner, even when international organisations selected or contracted the transfer provider. In many contexts, short-term projects will remain necessary and appropriate, particularly for rapid humanitarian response. This research shows that humanitarian actors must pay more attention to how risk sharing can be promoted and practised within these partnerships, including through proportionate compliance, realistic timelines, flexible budgets, contingency arrangements and clear agreements on how responsibilities and costs will be managed when risks materialise.[16]

> "Because if you only have project-based funding and are funded only by institutional donors, you cannot really be flexible … and all these risks are also transferred to the local partner. *(Intermediary actor – Ukraine)*

Table 4 illustrates some positive examples of how different funding mechanisms and partnerships can strengthen risk sharing.

**Table 4: How funding and partnership arrangements can support risk sharing**

| Funding or partnership arrangement | How risk sharing could be operationalised | Enablers of risk sharing | Good examples that support sharing risk |
|---|---|---|---|
| **Long-term, flexible funding** | Joint risk reviews, adaptable activities and budgets, funding of contingency, security and duty-of-care costs | Greater scope for genuine risk sharing, adaptation and jointly managed shocks | In Pakistan, multi-year consortia and long-term partnerships allow ongoing adaptation (e.g. adjusting to earthquakes/floods, revising sector plans, adding duty-of-care and security costs) |
| **Pooled funds and microgrants** | Simplified due diligence, smaller grants and lighter reporting, contingency support | Wider access and more equitable distribution of risk (but only when requirements are proportionate to the resources allocated) | In Sudan and Yemen, humanitarian fund and pooled funds have adapted systems to support small, unregistered mutual aid groups through microgrants and group cash transfers, simpler action plans and shorter reports, improving access and spreading risk[17] |
| **Locally led funds and networks** | Local partners define risks, lead mitigation decisions and determine what can be documented safely | More locally legitimate risk management and greater control over risk narratives, especially for sensitive risks | In Myanmar, local partners define risks in their own terms, including sensitive issues like checkpoint passage that may be discussed orally rather than written down |

16 InterAction and CDA, *Responding amid uncertainty and managing risk in humanitarian settings*, 2022; Ed Hughes et al., *Risk sharing in pooled funds: Insights for donors, fund managers and NGOs on advancing risk sharing and localisation*, 2025; KIIs 1–4, 18, 19 & 30.

17 Nicholas Noe, *Accelerating localization: A roadmap for The Sudan Humanitarian Fund*, 2025; The CALP Network, Group Cash Transfers; The Group Cash Transfer Approach in Yemen

| Funding or partnership arrangement | How risk sharing could be operationalised | Enablers of risk sharing | Good examples that support sharing risk |
|---|---|---|---|
| **Consortia and intermediary-managed grants** | Shared tools and protocols; lead organisations negotiate with donors and authorities; intermediaries share indirect costs or absorb some losses | Can provide an important buffer, but risk is transferred when leads retain decision-making power or impose additional controls | In Afghanistan and Myanmar, consortia maintain joint risk registers, undertake monthly reviews, and uphold agreed protocols for staff detention and cash transport |
| **Direct donor–local organisation partnerships** | Direct negotiation on risk, program changes and duty of care | Promotion of risk sharing when donors are flexible and context-aware; however, this can increase exposure to risk when compliance demands are rigid | In Myanmar, some donors show flexibility; accepting digital records, modifying plans when security worsens, funding digital security and emergency response with low administrative burden |

The examples in Table 4 highlight that risk sharing is supported when funding and contracts explicitly match responsibilities with the resources, authority and flexibility needed to manage them. The implication for donors, intermediaries and local and national actors is that risk sharing must be embedded throughout the partnership cycle and crisis response – from program co-design and due diligence to budgeting, contracting, implementation and incident response. Quality partnership and funding practices are a critical foundation. Donors should provide flexible, proportionate and adequate funding for risk management of the whole response; intermediaries should act as risk buffers and allies rather than add further compliance burdens; and local and national actors should be supported to negotiate clear responsibilities, realistic risk management costs and safe mechanisms for escalation. Across all actors, regular joint risk reviews, transparent communication and pre-agreed arrangements for responding to shocks are essential to replace unfunded risk transfer with shared accountability. System-wide alignment is a longer-term goal, but iterative changes in individual partnerships through co-designed risk assessments, open discussions of risk appetite, and agreed response arrangements can build the evidence, trust and norms to drive broader change.

## Risk sharing journey map: Shared responsibility in the Syria earthquake response

This map (see Figure 3 below) shows the partnership journey of one local and one international partner and their approach to risk sharing. The partnership had mechanisms flexible enough to protect life-saving delivery, but not to protect the local partner and its people from the full operational, reputational costs of the response.

Risk sharing was strongest when the international and local partners jointly understood the problem, adapted procedures, shared decision-making and used institutional authority to remove barriers. It was weakest when the local partner was forced to deal with delays, new requirements and duty-of-care costs.

**The central lesson:** emergency flexibility must be pre-agreed and resourced, because faster delivery can simply mean that local partners and their staff absorb the costs of system-wide uncertainty.

Figure 3: Journey map of two partners in the Syria earthquake response

## Key finding 3: Risk sharing must address both prevention and response to avoid unloading risk on local and national actors

Current approaches promoting risk sharing are stronger at preventing and mitigating risks than at responding when they materialise. The desk review and interviews unearthed joint risk registers, SOPs, training, due diligence, security planning and budgeted management measures. These are important foundations, but they do not always clarify what happens when risk prevention fails – who decides, who pays, who advocates, and how legal, financial and reputational consequences will be managed.[18]

Examples of preventative practice are better established. In Afghanistan, partners in a consortium used a single project-level risk register, reviewed monthly, to track changing risks such as access for women staff, new restrictions and security conditions, and to agree on additional mitigation measures. In Myanmar, organisations have used joint dialogue, shared security procedures, safer documentation practices and context-specific support for communications and access (see Box 6). In Ukraine, an intermediary recognised that a donor's fixed monthly exchange rate rule could create losses that a small local partner could not

18 KIIs 1, 3, 5, 7 & 15; Ed Hughes et al., *Risk sharing in pooled funds: Insights for donors, fund managers and NGOs on advancing risk sharing and localisation*, 2025; Dutch Relief Alliance and the Netherlands Ministry of Foreign Affairs, Lessons learned from the Risk Sharing Pilot in Humanitarian Programming, 2024; and Ed Hughes and Anne Moenster, Risk sharing framework simulation outcome report, InterAction, 2024.

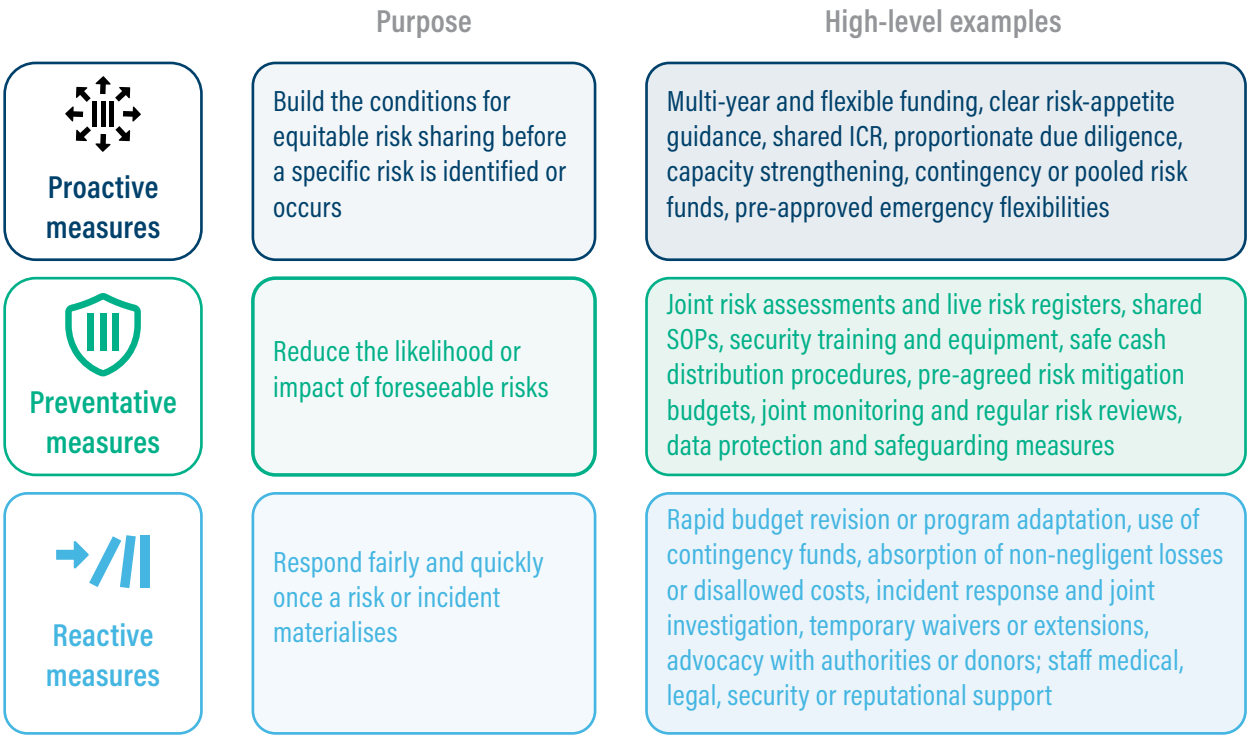
absorb. It therefore amended its sub-grant agreement to cover any negative exchange rate difference itself, retaining the financial risk rather than passing it downstream. This illustrates that preventative and proactive risk sharing is strongest when partners anticipate foreseeable risks and implement practical protections before harm occurs. These approaches help partners anticipate risks, make better-informed decisions and reduce the likelihood of harm.[19]

### Box 6: Strong preventative practice, weak arrangements for loss – Myanmar

A Myanmar consortium used shared SOPs, communication trees, travel check-ins and regular meetings to manage security risks. Partners jointly agreed safe routes for transporting cash and materials and committed to support staff detained or arrested. However, financial responsibility was still commonly assigned to the local organisation through cash-handling clauses and zero-tolerance requirements. This shows the gap between well-developed preventative arrangements and limited sharing of consequences once an incident occurs.

Figure 4 shows that effective risk sharing requires multiple measures. Proactive measures establish the policy, resources and authority to act,[20] preventative measures reduce foreseeable risks, and reactive measures ensure that local and national organisations are not left to absorb the consequences when a risk event occurs.

Figure 4: Examples of proactive, preventative and reactive risk sharing measures




However, arrangements for reactive risk sharing are often unclear or negotiated only after an incident occurs. Local partners reported uncertainty about how costs and responsibility would be handled following sudden

19 KIIs 5, 7, 11, 16–18, 28–30.

20 Caritas, *Risk sharing in humanitarian action: Insights from Ukraine*, 2026; Government of Netherlands and ICRC: Risk sharing in practice: Success stories, enablers, and barriers to risk sharing in the humanitarian sector, 2022.

access restrictions, currency fluctuations, lost or confiscated documents or cash, and other unanticipated shocks. In Pakistan, partners noted that contracts rarely specify how such events will be managed; if a risk was not identified at design stage, local organisations were often expected to absorb its operational consequences or seek approval on a case-by-case basis. Reputational risk is particularly difficult; while partners may implement controls to prevent incidents, there is often disagreement about how to protect a local organisation's standing, staff and community relationships when a complaint, investigation or public allegation arises.[21]

A few examples portray more effective reactive arrangements. These include pre-agreed crisis-management support, pooled contingency mechanisms, insurance, and explicit agreements on when an intermediary will absorb a loss or support an incident response. Such measures provide predictability and make it possible for partners to judge whether the remaining risk is acceptable.[22] Box 7 shows an emerging initiative that offers eligible partners rapid assistance when risks materialise, reducing the impact of compliance gaps or unforeseen events on program delivery.

### Box 7: Example of practice-oriented risk sharing mechanism: Risk Pool Alliance

Risk Pool Alliance provides fast, flexible grants to partners facing unexpected mid-implementation obstacles. Donors pre-purchase slots for selected organisations, which can then access up to around USD50,000 when an unforeseen issue threatens program impact, provided the challenge is genuinely unexpected and the proposed solution is clear, discrete and designed to preserve the original intervention. Requests are reviewed by a roster of contextual and technical experts (mostly based in affected regions) rather than by the original donor, and the alliance is deliberately decoupled from standard donor reporting to reduce partners' fear of admitting problems.

Since 2018, Risk Pool Alliance has disbursed roughly USD5 million in grants, protecting an estimated USD263 million in programming. This shows what is possible when risk is actively resourced rather than left to local organisations to absorb alone.

Risk-sharing tools and agreements should address both prevention and response. Alongside joint risk registers and mitigation plans, partners should agree in advance how they will respond if a risk materialises; escalation pathways, decision-making authority, eligible costs, communication and advocacy responsibilities, protection for staff and communities, and fair processes for investigations and reputational harm. Without these arrangements embedded in the process and risk sharing intent, the consequences of risk events are most likely to fall on local and national organisations with the least capacity to absorb them.

21 Ed Hughes et al., *Risk sharing in pooled funds: Insights for donors, fund managers and NGOs on advancing risk sharing and localisation*, 2025; Risk Sharing Platform, Risk sharing framework: Enhancing the impact of humanitarian action through improved risk sharing, 2023; Global Interagency Security Forum and Humanitarian Outcomes, State of practice: The evolution of security risk management in the humanitarian space, 2024; KIIs 1, 3, 5, 6, 8, 14, 28, 29 & 31.

22 KIIs 8, 13, 16, 18, & 20.

## Key finding 4: Equitable risk sharing depends on institutional culture, trust and accountability - not risk tools or policies alone

Most partnerships in this research had formal risk management tools: due diligence assessments, risk registers, partnership agreements, reporting requirements, safeguarding policies and compliance procedures. These tools provide an important foundation, but they do not by themselves produce equitable risk sharing. The decisive test is whether partners can use them to make joint decisions when conditions change, an incident occurs or a difficult concern is raised. In practice, risk sharing should be implemented through the quality of relationships, the clarity of decision-making and the willingness of organisations to stand behind agreed actions, not through documentation alone. Trust-based, longer-term partnerships are critical enablers of equitable risk sharing. Meaningful examples of risk sharing between partners were most evident in sustained relationships, regular communication, flexible funding and programming, and transparency about funding, responsibilities and risk appetite.[23]

### Box 8: Regular reviews create safety to speak openly – Afghanistan and Syria

In Afghanistan, joint project risk registers were reviewed regularly, creating space for partners to identify new risks, reconsider mitigation measures and discuss sensitive questions such as whether female staff could safely access particular communities. Intermediaries also affirmed that partners should be able to decline work they considered unsafe, with concerns discussed collectively rather than treated as a failure to deliver. This illustrates how routine dialogue and an explicit right to pause or withdraw can make risk sharing practical.

In Syria, when communities disputed or rejected assistance, local and international partners in one program conducted joint analysis, site visits and stakeholder meetings before adapting the approach. This shared responsibility helped protect the local organisation from being left to manage community tensions created by program decisions.

A recurrent finding of this research was that local and national organisations often manage significant risks internally without support rather than reporting the incidents to donors early. This is often because they fear that disclosure will be interpreted as a capacity weakness, compliance failure or indication that they are not a reliable partner. The consequences can be serious: emerging risks are not addressed collectively, local staff make urgent decisions without support, and a manageable issue can escalate into financial, operational, reputational or safeguarding harm. In Pakistan, for example, local organisations described hesitating to report risks that might affect their current partnership or future funding prospects. In Syria, partners described occasions when requests for guidance went unanswered or advice was given informally but not documented, leaving the local organisation exposed if the decision was questioned later.[24]

23 KIIs 2, 3, 10, 14 & 15; Darina Pellowska and Johanna Fipp, *Localisation in practice II: Implementing risk sharing in humanitarian action. Findings from Bangladesh*, 2023.

24 Dutch Relief Alliance and the Netherlands Ministry of Foreign Affairs, Lessons learned from the Risk Sharing Pilot in Humanitarian Programming, 2024; Adelicia Fairbanks, *Partnerships and security risk management: a joint action guide for local and international aid organisations*, 2022; KIIs 2, 15 & 29.

## What enables stronger practice?

The analysis determined that promoting risk sharing was associated with regular, transparent communication and predictable processes for resolving problems. This includes clear escalation routes, timely responses to partner requests, shared authority to adapt programming, and an expectation that early disclosure will lead to support and problem-solving rather than automatic sanctions. In Myanmar, locally led dialogue has brought local partners, intermediaries and donors together to identify risk priorities, discuss risk appetite and agree on context-specific actions. This process is particularly important in an environment where political, security, environmental and digital risks may not be adequately reflected in standard risk categories. It also offers a more inclusive model for moving from discussion to jointly owned commitments across the response.[25] In another example, a Ukrainian intermediary established a dedicated partnership team and developed and updated a duty-of-care package in response to partner feedback. It included protective equipment, insurance, psychosocial support, first aid training and drone risk measures.[26] The example demonstrates that sharing risk becomes more consistent when an organisation allocates staff, resources and authority to support its partners and build trust, rather than relying on informal goodwill.

### Box 9: From dialogue to joint action – Dutch Relief Alliance pilots[27]

The Dutch Relief Alliance and the Netherlands Ministry of Foreign Affairs piloted structured risk-sharing dialogues between organisations involved in multi-annual programs and relationships in the Democratic Republic of Congo, Ethiopia and Yemen in 2024. The process brought donors, intermediaries and local and national organisations together to identify and prioritise risks across the response, discuss each actor's perspective and agree on context-specific actions. Preparatory meetings, translation and separate spaces for local partners helped reduce power imbalances and support open discussion before joint dialogue. The pilot evaluation found that direct, face-to-face engagement improved understanding of risk priorities and enabled jointly owned action plans. It also highlighted the importance of involving decision-makers, allowing sufficient time for preparation and follow-up, and maintaining a confidential, non-punitive environment in which local partners could raise concerns without fear of consequences for funding.

The examples given in this finding demonstrate that trust is not simply a soft feature of partnership – it is an operational condition for early warning, honest reporting, adaptation and shared decision-making. Trust grows when partners experience consistent behaviour: their concerns are heard, decisions are explained, risks are not automatically equated with poor capacity, and commitments are followed through when pressure increases.[28]

25 KIIs 7 ,12 & 31.

26 KIIs 16, 17 & 19.

27 Dutch Relief Alliance and the Netherlands Ministry of Foreign Affairs, Lessons learned from the Risk Sharing Pilot in Humanitarian Programming, 2024.

28 Abby Stoddard, Katherine Haver and Monica Czwarno, *NGOs & risk: Managing uncertainty in local-international partnerships*, InterAction and Humanitarian Outcomes, 2019; Eyokia Donna Juliet and Amy Croome, How to share risks and give more power to local actors? A look at adapting risk sharing for localisation, *Voice Out Loud*, 2023; KIIs 4, 8, 12, 18, 19, 30 & 31.

## Where practice breaks down

Supporting risk sharing becomes fragile when it depends on individual relationships or discretion rather than institutional policy, authority and accountability. Interviewees emphasised that a supportive program manager or country team can make a substantial difference, but this support may disappear when staff change, a crisis intensifies, or a decision is escalated to a more risk-averse headquarters or donor function. In Syria, for example, local and national organisations described agreements on flexibility being insufficiently reflected in organisational policy or written procedures. This meant that during serious incidents, staff lacked clarity on who would investigate, whether salaries or essential activities would continue, or how communication and support would be managed. In Pakistan, local partners reported that broad contractual clauses put responsibility for any risk on the implementing organisation and caused delays in getting guidance when issues arose. In both examples, local organisations were left to take urgent operational decisions and absorb the legal, financial and reputational consequences.[29] In a similar example in Ukraine, an intermediary was held accountable for the implementing partners in pooled fund contracts, highlighting the need for joint accountability across humanitarian actors, including donors, beyond project-level contracts.

The evidence also highlights a power imbalance in existing accountability mechanisms. Local partners are routinely assessed, audited and monitored, but may have little ability to assess intermediaries' partnership practice, appeal decisions, or raise concerns safely when the same organisation controls funding and performance assessment.[30] This weakens openness and can reinforce a culture in which partners prioritise protecting the relationship over transparent risk management. Risk sharing is most effective when embedded in organisational culture, policies and decision-making, with support that enables local partners to apply it consistently despite differences in capacity and competing operational demands. Donor leadership and long-term funding commitments are essential to maintain momentum, reinforce accountability, and translate risk-sharing principles from principle to practice.

### Box 10: Connecting commitments to practice: what needs to shift?

Donors and intermediaries should ensure that commitments made during project design are reflected in contracts, budgets, operating procedures and headquarters-level policies. This includes:

- Clear, time-bound escalation and decision-making procedures for when risks materialise
- Non-punitive channels for early disclosure, learning and corrective action
- Written arrangements detailing the support that continues during an investigation or operational suspension, including staff welfare, essential services and communication with communities
- Transparent risk appetite and delegated authority for country teams to approve proportionate, context-specific adaptations
- Safe feedback, appeal and mutual assessment mechanisms so local and national actors can raise concerns about partnership practice without risking future funding
- Oversight of whether risk is being shared across the response, not simply recorded in risk registers.

29 KIIs 2, 3, 21–25.

30 KIIs 9, 12, 18 & 31; Eyokia Donna Juliet and Amy Croome, How to share risks and give more power to local actors? A look at adapting risk sharing for localisation, *Voice Out Loud*, 2023.

## Translating risk sharing tools into consistent field-level practice matters

Stakeholders noted that global risk-sharing frameworks and tools are often developed by international organisations and external experts, but their practical meaning is determined at country level. National partnerships teams are typically the main interface between intermediaries and local partners: they interpret organisational policies, facilitate risk discussions and translate commitments into day-to-day decisions. Where this depends primarily on an individual staff member's confidence, experience or willingness to act, practice can vary substantially even within the same organisation.[31] A shared understanding and consistent approach are therefore needed across the full response, from framework design and headquarters policy to country office systems and field-level engagement. Leadership behaviours also shape how risk sharing could be promoted and strengthened as leaders reinforce a culture of safe, non-punitive reporting, timely decision-making, and accountability. While policies and frameworks set expectations, observable behaviours such as open dialogue and willingness to adjust plans, and leadership competencies such as decision clarity and cross-functional collaboration translate those expectations into action.[32] Risk sharing is not established simply because a risk matrix is signed; it is demonstrated when a partner can raise a concern, seek support, make an informed decision and remain protected from disproportionate consequences. Embedding this consistency across policies, leadership, people and practice is essential to turn risk sharing from a stated principle into an equitable partnership reality.

31 KIIs 4–6, 16, 21 ,22 & 31.

32 KIIs 7 & 22; HAG, GLOW, CoLAB & inSights, Bridging the intention to action gap: The future role of intermediaries in supporting locally led humanitarian action, 2021; Government of Netherlands and ICRC: Risk sharing in practice: Success stories, enablers, and barriers to risk sharing in the humanitarian sector, 2022; Eyokia Donna Juliet and Amy Croome, How to share risks and give more power to local actors? A look at adapting risk sharing for localisation, *Voice Out Loud*, 2023.

*Farmers maintaining their floating farms on the Inle Lake, Myanmar. Credit: Phyo Maung Maung/Arete/DEC*

# 5. Recommendations

This research was designed to determine how to move risk sharing from a principle or project-level tool to a funded, accountable way of working across the humanitarian response. Achieving this goal requires complementary and collaborative actions by donors, intermediaries and local and national actors. The findings show that equitable risk sharing is not achieved through risk registers, compliance processes or making commitments to equitable partnership. It depends on a shared understanding of locally experienced risks; funding and contracts that match responsibilities with resources and flexibility; clear arrangements for both preventing and responding to incidents; and trusted, accountable relationships that enable partners to raise concerns without fear. Together, these conditions provide a practical blueprint for building more equitable partnerships, strengthening locally led action and ensuring that risks are managed collectively in support of safer, more effective humanitarian outcomes.

Three themes distilled from the research results are presented below, followed by specific recommendations for improving risk sharing in relation to each theme. Progress indicators are suggested for each theme.

## Theme 1: Driving system-wide change

**Establish risk sharing as a shared system-wide responsibility, not an optional partnership practice:** Risk sharing should be embedded in donor policies, intermediary operating models and partnership standards, rather than left to individual relationships or discretionary decisions. System-level change should focus on aligning risk appetite, contractual expectations and accountability across the delivery chain, while enabling actors to apply these principles at program and partnership level.

### Recommendations

**Donors:** Identify unintended risk transfer within funding models. Set clear expectations for equitable risk sharing in funding guidance and agreements, including requirements to share preventative costs and responsibility when risks materialise.

**Intermediaries:** Translate donor commitments into practical partnership procedures, identify where risk is being passed down and report on how it is being shared, and oppotunities to strengthen risk sharing.

**Local partners:** Participate in defining context-specific risks and document where funding, contractual or compliance arrangements create unintended risk transfer. Identify and feedback opportunities to promote and strengthen risk sharing.

### Indicators of progress

- Risk-sharing principles are reflected in donor policies, grant agreements and intermediary partnership standards.
- Agreements specify shared responsibilities, decision-making authority, eligible costs and responses when risks materialise.
- Local partners' feedback is used routinely to review and improve risk-sharing arrangements.

## Theme 2: Building incentives and triggers for risk sharing to become standard practice

**Make risk-sharing actions expected, resourced and reviewable:** To make risk sharing a routine practice, it should be linked to clear incentives, decision points and accountability mechanisms. Donors and intermediaries should create practical triggers that prompt joint risk assessment, budget adaptation, escalation and post-incident review, rather than relying on individual relationships or judgement.

### Recommendations

**Donors:** Include flexible funding, contingency resources, duty-of-care costs and indirect cost support in grants; establish fast-track approval processes and clear provisions for reasonable losses.

**Intermediaries:** Use the playbook to convene risk-sharing discussions during design, implementation and end of response; maintain live risk registers and ensure program, finance, compliance, safeguarding and security teams follow up consistently.

**Local partners:** Raise risks early, contribute local knowledge to joint assessments, propose feasible mitigation options and track whether agreed support and resources are provided.

### Indicators of progress

- Joint risk assessments and response arrangements are completed at the start of partnerships and revisited when context changes.
- Contracts include triggers for budget, timeline, modality or target adjustments without penalty.
- Duty of care, contingency, security and organisational strengthening costs are funded and used.
- Incidents and unexpected challenges lead to documented, non-punitive learning and changes to practice.

*Photo: Ma'loula, Syria. Wietse Jongsma on Unsplash*

## Theme 3: Investing in locally defined and prioritised risk-sharing processes and practices

**Resource local leadership in defining, prioritising and managing risk:** Local partners should not only be consulted on risks defined elsewhere; they should have the power, authority and resources to identify, prioritise and manage the risks most relevant to their operational realities. This includes recognising local capacities that are often undervalued, such as community legitimacy, access, relationships and contextual knowledge.

### Recommendations

- **Donors:** Fund locally led or co-led risk dialogue, flexible and longer-term partnerships, organisational strengthening, security and wellbeing support, and locally determined mitigation measures.
- **Intermediaries:** Create safe spaces for local partners to challenge assumptions, adapt tools and negotiate risk-sharing arrangements; provide technical support without replacing local decision-making.
- **Local partners:** Lead context-specific risk analysis, define acceptable risk and preferred delivery approaches, and develop practical systems including safe reporting, cash handling, data protection and emergency response procedures that fit local realities.

### Indicators of progress

- Local partners lead or co-lead risk identification, prioritisation and mitigation planning.
- Risk tools are adapted to local language, capacity, political and operational conditions.
- Funding supports local organisations' core systems, duty of care, security, contingency planning and organisational resilience.
- Local partners report greater confidence in raising risks, negotiating flexibility and participating in decisions.
- Evidence from locally led processes informs organisational policies, donor guidance and wider system-level learning.

The risk sharing playbook that accompanies this report translates the findings into practical guidance across key risk categories, setting out the key issues donors, intermediaries, and local and national actors can consider before, during and after crisis responses. It is designed to support context-specific dialogue, clarify responsibilities, and help partners move from risk transfer towards shared, practical action. The playbook can be found here.

# Appendix 1 Promoting risk sharing in different contexts: Myanmar and Syria

Myanmar and Syria were studied to illustrate why promoting risk sharing should be grounded in local knowledge and contextualised for shared understanding across the humanitarian actors. Both are protracted, conflict-affected settings in which local and national organisations are central to humanitarian delivery, but the risks they face and the forms of partnership needed to address them differ. In Myanmar, risk sharing is shaped by political sensitivity, fragmented authority, restrictions on banking and movement, and the need to protect local partners' visibility, information and relationships. In Syria, it is shaped by rapidly changing access conditions, financial and compliance pressures, community expectations, and the need to sustain local organisations through the operational and human consequences of protracted crisis. This appendix provides snapshots of the two humanitarian response contexts, and priorities for promoting risk sharing.

## Myanmar response: Locally led dialogue and political sensitivity

**Crisis context**[33]

- Myanmar remains one of the world's most severe humanitarian crises, with over 16 million people requiring assistance and nearly 3.8 million people displaced nationwide
- People in need: 16.2M
- Funding requested: USD889M
- Funding allocated: USD417.5M (about 47% of requirement)[34]

Risk sharing in Myanmar must account for a fluid political and security environment, multiple authorities, restrictions on access and banking, and the risks that local civil society organisations face when their relationships, data or operational decisions become visible. Local partners emphasised that conventional risk frameworks do not always capture the political, environmental, digital and residual risks that shape their work. For example, documenting certain access or checkpoint risks can itself create exposure, meaning that some risks need to be discussed through trusted dialogue without being recorded in standard reporting formats.

**Key priorities for promoting risk sharing in Myanmar include:**

- Recognising that some risks cannot safely be formalised in conventional risk registers or shared through standard reporting channels
- Providing flexible financing, contingency resources and practical support for access, communications, security and staff protection
- Involving donors, intermediaries and local partners in direct dialogue so that risk appetite, funding restrictions and decision-making authority are transparent
- Ensuring that local organisations can retain discretion over sensitive information, while still receiving support to manage the associated risks.

33 OCHA, *Myanmar Humanitarian Update No. 52*, 13 July 2026.
34 OCHA Financial Tracking Service, as of 16 September 2026, on Myanmar Humanitarian Needs and Response Plans 2026.

## Syria: Shared consequences and organisational sustainability

**Crisis context**[35]

On 6 February, a 7.8-magnitude earthquake struck Türkiye and north-west Syria, followed by aftershocks and two further earthquakes on 20 February

People in need: 15.6M

Funding requested: USD2.9B

Funding allocated: USD891M (about 31% of requirement)[36]

In Syria, risk sharing is strongly shaped by the operational demands placed on local organisations that continue to work amid fluctuating access, population movements, insecurity, funding delays, price volatility and demanding compliance requirements. Local partners described risks extending beyond staff safety and fraud to include community tension, reputational harm, delayed payments, exchange rate losses, changing government requirements, and the pressure to deliver against fixed targets in a changing environment.

**Key priorities for promoting risk sharing in Syria include:**

- Establishing clear protocols for what happens when a risk materialises, including who decides, who investigates, what support continues and how staff and communities are protected
- Matching changes in scope, time or compliance requirements with corresponding adjustments to budget, staffing or deadlines
- Funding duty of care, insurance, mental health support, surge capacity and core operational functions as essential costs
- Creating safe reporting and feedback mechanisms so local organisations can raise concerns without fear of suspension, reputational damage or exclusion from future funding.

35 OCHA, *Syrian Arab Republic: Humanitarian Update No. 6*, May–June 2026.

36 OCHA Financial Tracking Service as of 16 September 2026 on Syrian Arab Republic Humanitarian Needs and Response Plan 2026.