



**Fragility and Risk Management:
The UK example**
Jan Pospisil, PSRP, Edinburgh Law School

www.politicalsettlements.org

Political Settlements Research Programme



Background of the input:

- DFID-funded research programme on *political settlements* ('... the new Holy Grail ...')
- RQ: '*How to transform political settlements towards open and inclusive settlements*'
- hybrid position in terms of DFID's demands: produce high-level academic research, and strong policy impact at the same time



Risk Management in DFID



- Three levels of risk: **corporate, operational, intervention**
- Differently assessed along a **traffic light system** that works with **subjective ratings** (usual matrix approach: impact/probability)
- ‘risk registers’
- Five main responses: transfer, tolerate, treat, terminate or take the opportunity





'Risk Appetite'

- Important concept in UK government: 'the **amount of risk to which the organisation is prepared to accept, tolerate or be exposed to at any point in time**'
- DFID: high risk appetite when it comes to achieving targets, more particularly:
 - 'DFID has a **high risk appetite** to invest in research opportunities which support the creation of new evidence...'
 - But very **low risk appetite** 'in relation to staff safety and security and fiduciary risk'



Risk in Fragile Situations



- DFID uses particular risk assessments when dealing with fragile situations:
 - Country risks, partner risks, programme risks
 - Additional elements: reputational risks, political risks, security risks, fiduciary risks
- Generally: **high risk appetite** in fragile situations (eg budget support)
- Main approach in risk management: **diversifying, knowledge production**



Barriers to Risk Management



- ‘box-ticking’
- Staff looks for optimistic signs, positive trends are overstated
- Resource problem, in particular staff time – risk management has to be senior management responsibility, not a technical exercise
- Strategic risk assessment done by top-management, neglecting local expertise





'Duty of Care'

- Low risk appetite in terms of staff safety translates to **strict duty of care procedures**
- Corresponds with tight '**ethics procedures**' of UK universities and research institutes
- DoC provisions in programmes and projects are constantly tested, reviewed and revised (particularly in the field)
- Safety procedures have to be in place and working – strict requirement by DFID



Risk and Innovation in the Context of Fragility



- DIFD is willing to make **serious investments in research and innovation in the context of conflict and fragility:**
 - Political Settlements Research Programme (PSRP)
 - Justice and Security Research Programme (JSRP)
 - Secure Livelihoods Research Consortium (SLRC)
 - Upcoming: Conflict Research Programme (CRP)
- About £20mio invested into fundamental research on conflict and fragility by DFID over a period of 10 years
- Willing to engage with **new concepts** (political settlements, political marketplace), and to **challenge ‘common knowledge’**





Example: Research Programme Risk Assessment

- Self-measurement – KPI table, DFID measurement – main instrument: annual review
- Four **risk categories**: output quality, output impact, programme management, external environment (relevant in fragile settings)
- **Annual review**: scoring, risk rating (for research almost always ‘moderate’ or higher – assessed against logframe)
 - ‘... One particular risk the PSRP wanted to highlight was the security of researchers in fragile and conflict affected states. The Programme has a strong approach to this particular risk.’
 - Again: duty of care, assessed by DFID in the field (DRC)



Working Politically in Fragile Contexts



- ‘Evidence’ suggests more political work is necessary – hence ‘political settlements’ approach
- Particularly PSRP and forthcoming CRP are concerned with the question *how* to do that – main concerns are issues of inclusion (inclusive institutions, inclusive settlements?) and peace-justice-trade-offs



Working Politically in Fragile Contexts



- Risk management approach of diversifying – adaptive learning instead of rigorous programming
- ‘theory of change’ needs to take account of complexity
- Political settlement analysis
- Strategic policy formulation: from ‘best practice’ to ‘best fit’



Concluding Remarks



- ‘high risk appetite’ leads to **offensive uptake of new innovations and concepts**
- **Positive:** relevant questions are tackled, policy up-to-date with research, theory-practice-gap lowered – how to work politically in fragile contexts is not just accepted as a question, but answers are sought
- **Critiques:** ‘the next DFID invention’, almost too much in terms of innovation and concept development, implementation cannot cope

