



# **Political risk management and international NGOs**

Introductory considerations

2023

## **NGOs have typically not given political risk management much consideration**

### **Political risk management means:**

- Having a shared intelligence picture of the socio-political actors, factors and issues that could affect the organisation or specific operations
- Coordinated, cross-functional plans and initiatives to address priority challenges and frictions
- Overall, a coherent, holistic approach to resilience in politically volatile or sensitive contexts

- NGOs do considerable research on the socio-political factors and actors relevant to country programmes

- And NGOs tend to take personnel security quite seriously

Yet more holistic intelligence and planning exercises aimed at organisational and operational resilience are uncommon – some hypotheses:

- Mission-first - programme impact is front of mind, organisational resilience seems like an abstraction

- Following from above, technical expertise is prioritised partly at the expense of investment in organisational support skills and functions

- Mission speaks for itself – organisational “self defence” is seen as unnecessary and even at odds with “benevolent and neutral”

**NGOs tend to assess and manage socio-political challenges to programme delivery.**

**But the resilience of the wider organisation and country operations is often not explicitly considered.**

**However, NGOs can face considerable political risk simply because it is intrinsic to what they do...**

### **NGOs go where there are problems**

**For an organisation seeking to alleviate underdevelopment, hunger, injustice or conflict, opportunities for mission fulfilment are stronger in unstable and weakly governed environments.**

**Unlike companies, NGOs go to places because of political risk, not in spite of it. As a result, NGOs often operate in hazardous or politically thorny terrain.**

### **NGOs challenge the status quo**

**If the socio-economic and political status quo were ideal from a humanitarian or developmental point of view, there would be no mission in a given society or polity. Explicitly or tacitly, NGOs challenge current power structures and ways of doing of things.**

**And behind every status quo are powerful groups and interests who like things the way they are.**

### **NGOs operate across jurisdictions**

**Like international companies, NGOs operate under and within the laws of multiple governments, and in some cases even under the de facto rules imposed by non-state actors.**

**Contradictions between rules, and rivalry between rule makers, can put an NGO between a rock and a hard place.**

**Political risk is often inherent in NGOs' mission fulfilment – to achieve the mission, NGOs need to expose themselves to political risk**

**...and several trends are making political risk to NGOs even more acute**

**Global rivalries**

- West vs. China / Russia is politicising issues that were once just matters of humanitarian necessity
- And making the space between a rock and hard place even smaller

***Climate change***

**Hyper-nationalism**

- Us vs. them, the real nation vs. outsiders
- Harder for NGOs to work with “outside” groups
- NGOs face accusations of treason when seen as part of the globalist agenda
- Less state donor funding for NGOs as ruling parties cater to nationalist agendas to not lose votes

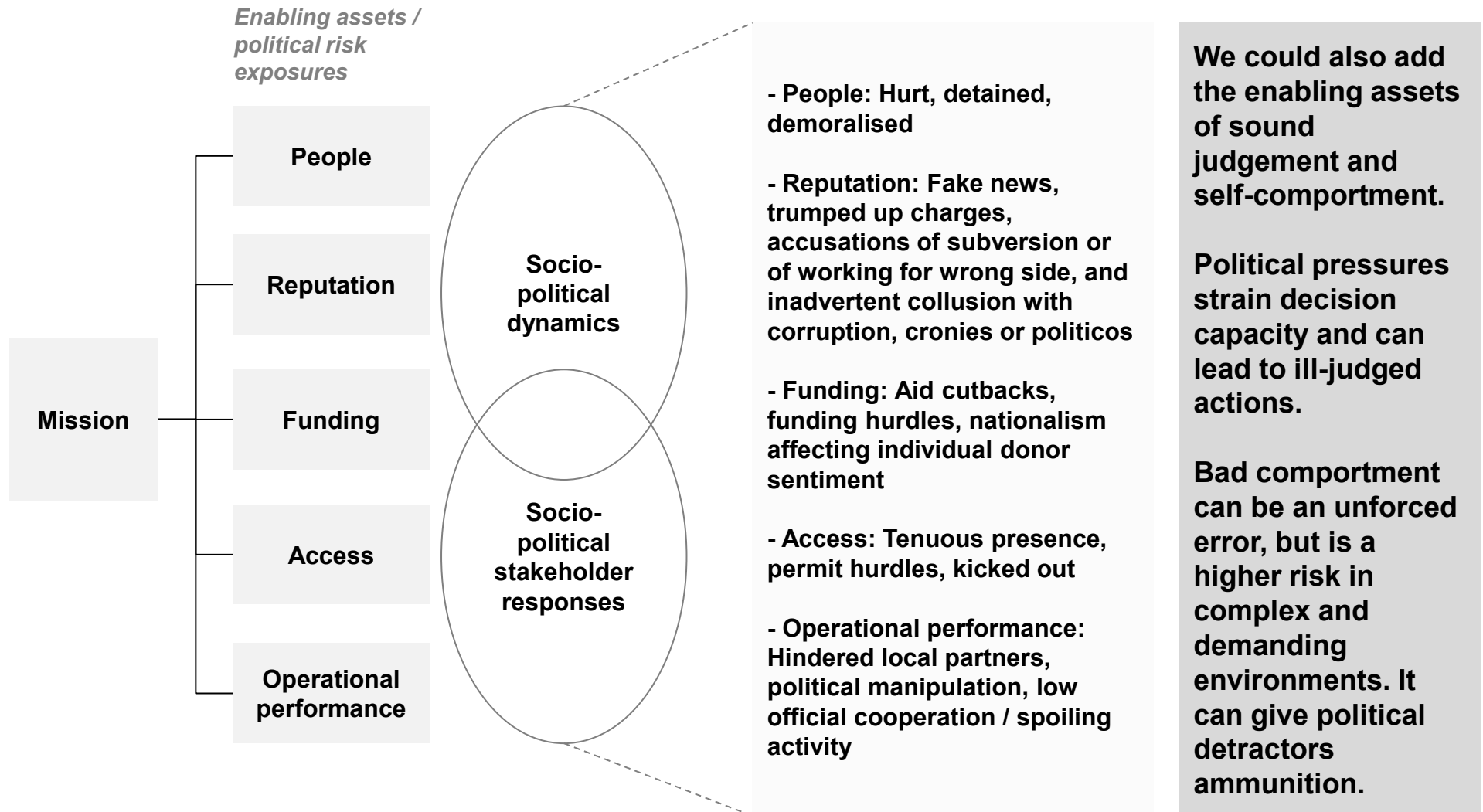
**Democratic backsliding**

- Since 2005 the decline in genuine democracy has been steady and accelerating
- A major side-effect has been a squeeze on CSO and NGO formation, activity, and even staff wellbeing

**These trends, all of which are linked to and worsened by climate change, are not risks in themselves.**

**But they are making the “usual suspects” more acute and pervasive, and are driving new challenges.**

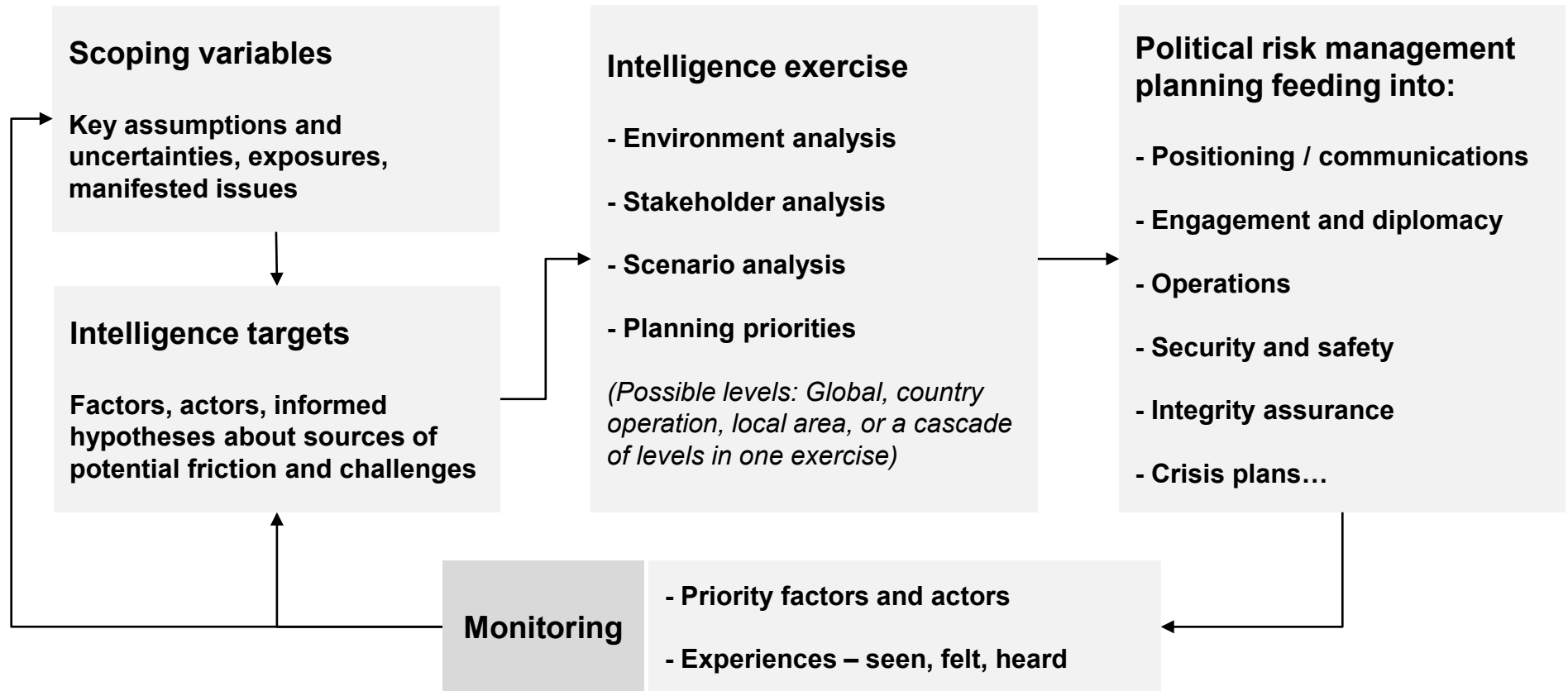
# A very top level sketch of the kinds of challenges that many NGOs face, aggregating both home and host environments



**At a high level challenges are similar, but they vary in nuance between NGO sectors – a few truncated, illustrative examples (with some aggregations)**

<i>Source of political risk</i>	Humanitarian response	Development	Rights / social justice / equality	Environment / wildlife protection
<p><b>Environmental dynamics</b></p> <p>(e.g. weak governance, instability, conflict...)</p>	<p>- High exposure to conflict dynamics: risk of harm to personnel (unless purely in context of natural disaster)</p>	<p>- Some exposure to violent dynamics</p> <p>- Working with / through local authorities might be necessary but can incur hindrance and corruption pressure</p>	<p>- Even if not directly targeted, could be exposed to effects of regime and security force paranoia</p> <p>- Often within wider context of entrenched and resistant status quo</p>	<p>- Weak or arbitrary regulatory enforcement hinders working with and through local authorities</p> <p>- Low political commitment to international agreements</p>
<p><b>Socio-political stakeholder attitudes and responses</b></p> <p>(e.g. authorities, business-political interests, nationalist / sub-nationalist groups...)</p>	<p>- If the NGO needs to work with armed groups for aid access, possible backlash from host and foreign governments</p> <p>- Subnational groups will closely watch for apparent favouritism in aid distribution</p> <p>- Armed groups and governments can seek aid diversion</p>	<p>- Business-political interests can try to capture local partnerships to augment their own influence</p> <p>- Governments can be wary of potential political applications of community self-help mobilisation capacity</p>	<p>- Dominant groups and entities, probably with regime links, will likely resist any redistribution of power or increase in accountability</p> <p>- Governments and security agencies could regard activism as subversion</p>	<p>- Business-political and politico-mafia groups can strongly resist initiatives to protect what they see as valuable commodities</p> <p>- If a regime relies on the support of such groups, it too can resist preservation initiatives</p>

**What does political risk management mean for NGOs? It would vary by context, but in general it entails an intelligence and planning capability, e.g.**



**Thoughtfully directed intelligence is at the heart of political risk management – relevant, effective plans derive from an understanding of one’s fit with the socio-political environment and milieu**

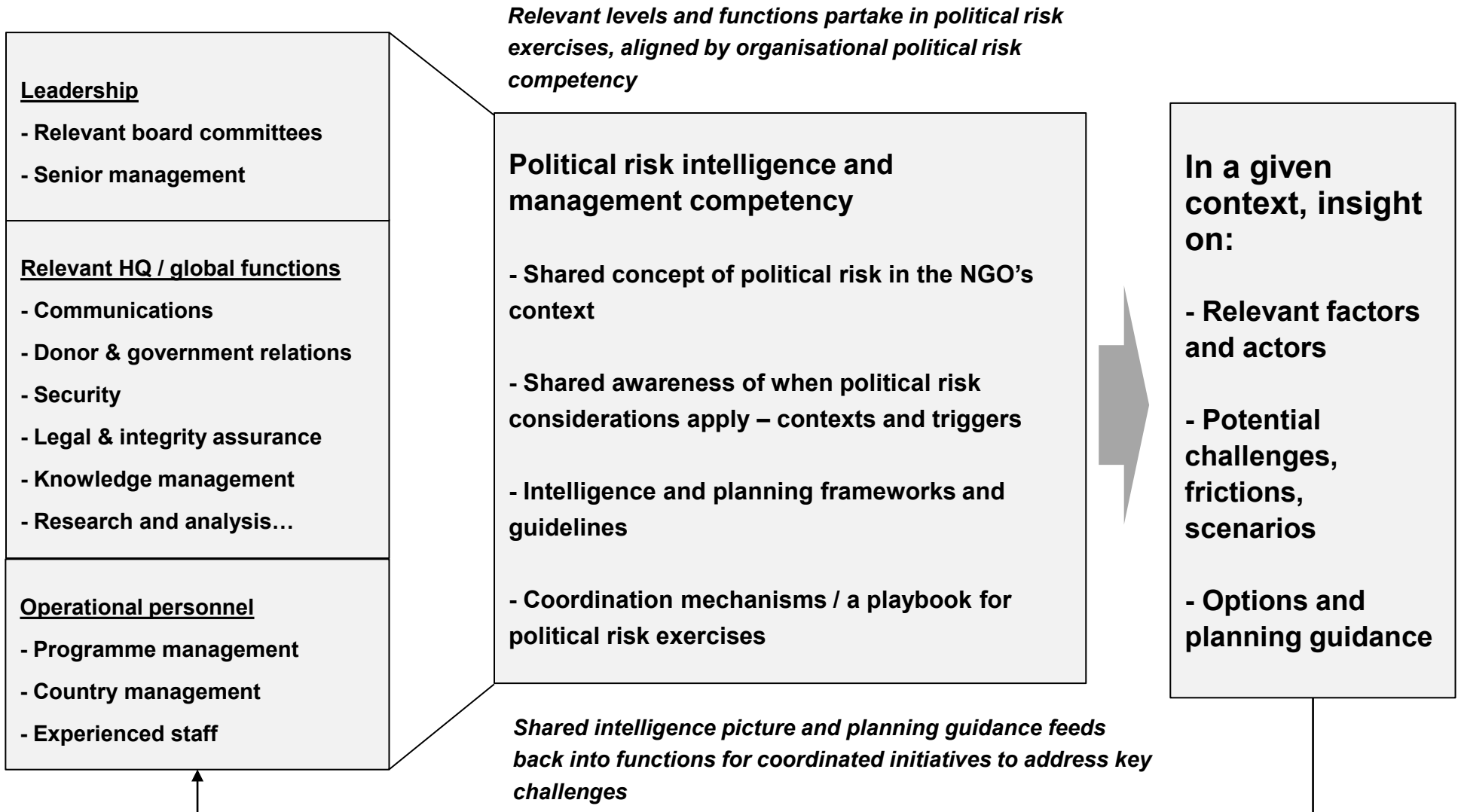
**Once a political risk management capability exists, it is not constrained to planning cycles or major decision points, but can be applied to a range of situations, e.g.**

	<b>Global</b>	<b>Country</b>	<b>Local</b>
<b>Strategic / medium to long-term</b>	<ul style="list-style-type: none"> <li>- Anticipate and plan for the effects of twists and turns in global or regional rivalries</li> <li>- Monitor global trends in the clampdown on civil society space, and plan collaborative global responses</li> </ul>	<ul style="list-style-type: none"> <li>- Assess potential evolution of a conflict and develop contingent options for operational resilience and avoiding exposure</li> <li>- Set up a warning system to anticipate anti-NGO legislation, and intensify engagement / lobbying efforts as indicators “light up”</li> </ul>	<ul style="list-style-type: none"> <li>- Assess fracture lines within the host community and how they could affect the programme, and vice versa (conflict sensitivity)</li> <li>- Understand social networks around bandit kidnapping and proactively develop legitimate local sources of potential support for kidnap prevention / resolution</li> </ul>
<b>Tactical / near to medium-term</b>	<ul style="list-style-type: none"> <li>- Assess hazards across global operations and update HQ security policy standards and guidance</li> <li>- Assess and proactively adapt to electoral outcomes and national leadership changes that could affect NGOs’ support, access or public trust (e.g. Niger Aug 2023)</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct problem diagnosis if programme is encountering a spike in socio-political friction, and develop remedial options</li> <li>- Assess implications of new government counter-insurgency strategy and proactively plan to mitigate effects on programme</li> </ul>	<ul style="list-style-type: none"> <li>- Examine motives of, and pressures on, actors whose behaviour towards us has changed, and plan re-engagement</li> <li>- Assess implications of recent ethnic rioting for programme relationships and plan for implications</li> </ul>

**Fundamental intelligence practices can be applied to a wide range of uncertainties and ill-understood problems, yielding insight to inform appropriate plans and initiatives to sustain the organisation and its performance, or to minimise exposure to threats and hazards**



# Political risk intelligence and management is not a standalone function, rather it draws on and joins up a range of functions, and feeds back into their work



# Some problems, mistakes and dilemmas that private entities of all types encounter when trying to address political risk

## Lack of coherence

- No shared concept of political risk (by whatever label)
- Different functions address it in their own way without acting on a shared intelligence picture
- Fragmented, piecemeal approach

## How explicit?

- We accept that political risk is a unique and germane type of challenge
- So does it need its own team or department, or is shared awareness enough?
- Should it be collaborative between functions or should it be a support function?

## Political risk silo

- Crammed into one function (e.g. security, risk, or government relations), or made into its own niche department
- It becomes a silo in its own right, remote from strategy and operations

## Box-ticking

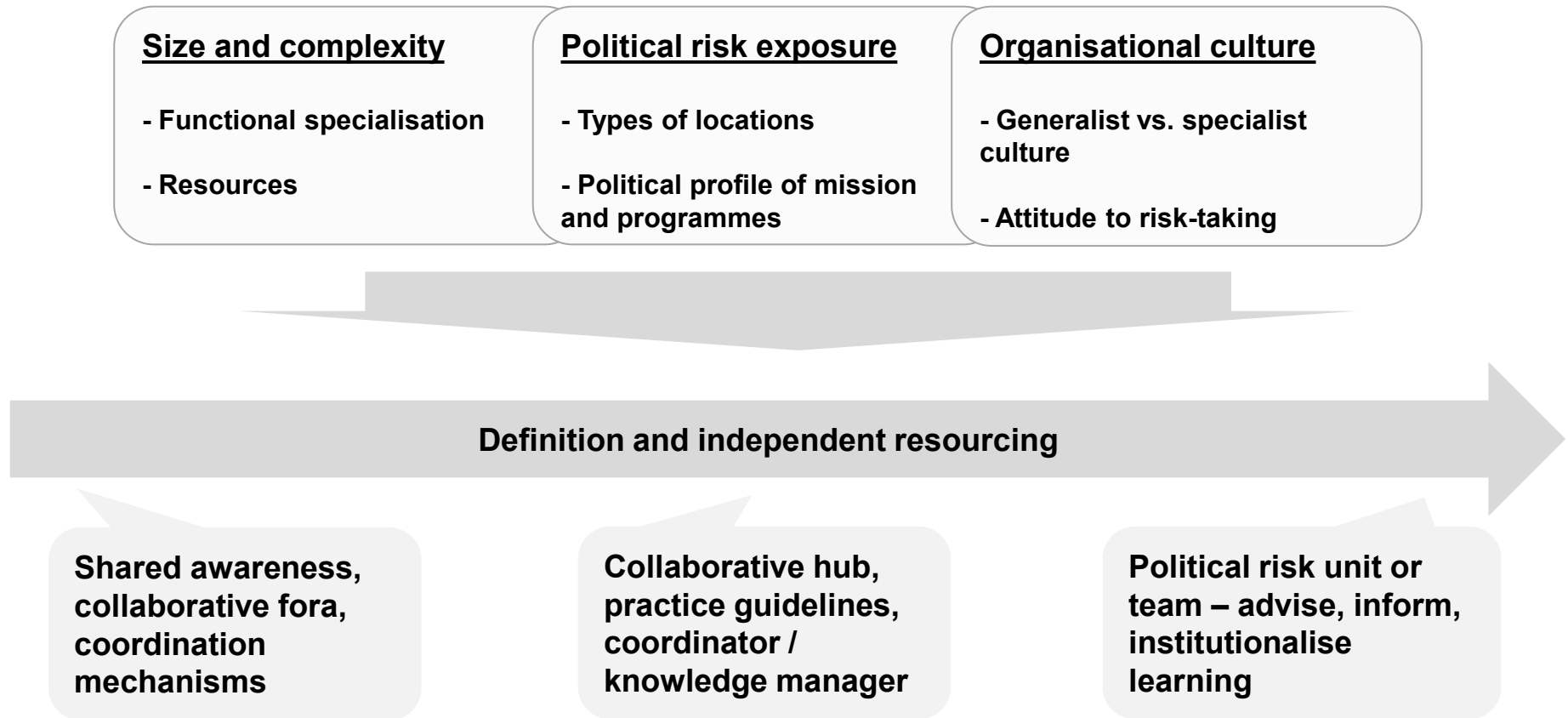
- Sounds necessary and donors might be pleased to see it being addressed
- Intelligence reports and monitoring churned out and disseminated
- No one's job to read or act on them, but it looks like it's being handled

There are lost opportunities to effectively understand and manage political risk.

As fundamentals, an organisation needs a shared concept, collaborative approaches and a clear intelligence to action pathway.

But there is no one-size-fits-all model.

**A political risk management capability can range from tacit to explicit, and ultimately depends on several organisational characteristics, e.g.**



**Whichever model is optimal, leadership support would be critical to sustaining the capability and to ensuring that it remained well integrated with the wider organisation**

## A top-line summary of the benefits of a political risk management capability

- Identify the socio-political variables that matter to the organisation or country presence
- Separate background noise from key factors for effective, targeted planning

- Develop a sense of relevant dynamics and actors – origins, pressures, motives, evolution
- Be capable of interpreting behaviours and changes and understanding potential effects on us

- Understand how we look from the perspective of socio-political actors
- And apply that to communications, diplomacy, engagement, and threat management

- Sense of what could happen, the effect on us, and what to look out for to see change coming
- Develop contingency plans and implement them in advance of potentially harmful change

### Political risk management capability:

- Awareness
- Sense-making
- Proactive responses
- Informed adaptation
- Effective engagement

= *Organisational resilience, health, and integrity*

## Some final thoughts

**The label doesn't matter as long as the meaning is clear**

- "Political risk" has been around a while and is the most well known term for issues arising from political dynamics and responses

- But the relationship between the NGO and the socio-political environment is what it is really about, and as long as the meaning is consistent, different terms or concepts would work and might already be used in the organisation

**International NGOs have a lot to build on for a political risk management capability**

- NGOs conduct considerable research and planning on the factors and actors relevant to programme performance

- This activity often focuses on the same variables that drive political risk, and current capabilities could be turned to the question of organisational resilience

**Why political risk is not just an aspect of "enterprise risk management" (ERM)**

- More NGOs are adopting risk management, or ERM, partly because donors like to see it – ERM done well has merit, but it is usually about discrete potential risk events (hazards, mistakes...)

- Political risk is about challenges inherent in the intersection of the NGO and its socio-political milieu – this is a broader, more systemic perspective than ERM allows for

# Harmattan Risk

## Organisation

- Conceptual clarity for shared awareness
- Appropriate organisational options
- Room for improvement

## Learning

- Political risk dynamics and sources
- Intelligence and planning frameworks
- Intelligence thinking and case management

## Application

- Advice and guidance for specific intelligence exercises
- Country operation status and resilience review

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