

HOW TO DEAL WITH RISKS IN DEVELOPMENT COOPERATION?

Development cooperation to fragile and vulnerable environments involves different types of risk. The study ***Fit for Fragility? An exploration of risk stakeholders and systems inside Sida*** provides an analysis of how Sida works with management of these risks.

Great demands are put on Sida to achieve outcomes from its development cooperation in fragile and complex environments, which in turn, requires Sida to accommodate both accountability and flexibility. This study examines how Sida can meet the accountability demands, as well as the flexibility desires, within existing risk management systems and adapt these systems to overcome the many challenges fragile environments pose.

THE AUTHORS FIND THAT:

- 1 Within Sida, formal risk management systems systematically document risk-taking while allowing space for officials to adjudicate and prioritise risks, with such flexible risk management broadly welcomed.
- 2 The flexibility extended towards the management of risk in fragile states is not unfettered. Flexibility is enabling Sida staff to take on higher levels of programmatic and contextual risks, though constraints in relation to institutional risks remain.
- 3 There are important opportunities for Sida's risk management practices to better balance dual obligations to accountability and flexibility in all risk spheres.

THE STUDY CONTAINS RECOMMENDATIONS FOR SIDA TO:

- Give due consideration to the tradeoffs between keeping institutional risks low and prioritising needs and impact in fragile states.
- Produce guidelines for informed risk taking and clarify what constitutes a reasonable "burden of proof" in different contexts.
- Develop a risk communication strategy to demonstrate the organisation's own awareness of the complexity of, and challenges with, their mission.
- Nuance "never accept approaches" to corruption that can embed greater flexibility towards fiduciary risks faced in fragile states.

 The full report may be found at www.eba.se

THE AUTHORS



Nilima Gulrajani
is a researcher at the ODI and King's College in London.



Linnea Mills
is an independent research consultant based in London.