What is Crisis Risk Management?

Global challenges, such as climate change, population growth, inequality, and food- and energy-price volatility, are increasing the risk of humanitarian crises. These crises now last longer, and the occurrence of new risks, as well as the accumulation of existing ones, is increasing the frequency and intensity of cyclical shocks. Crises may not always be prevented, but most can be predicted. Crisis risk management can save countless lives and greatly reduce suffering.

Crisis risk management is the process of assessing the risks of crises, reducing the probability and size of losses, preparing for them and coping with their effects. Humanitarian organizations already engage in crisis risk management. Examples of these activities include preparing multi-hazard contingency plans, pre-positioning humanitarian goods and undertaking vaccination campaigns.

From a humanitarian perspective, a crisis risk management approach is specifically focused on addressing contextual risks, such as natural hazards (floods, drought, etc.), armed conflict and political violence. Managing these risks ensures OCHA and other humanitarian organizations are better prepared to provide the appropriate response.

Risks such as programme failure, misappropriation of aid and reputational damage are not contextual risks. Therefore, they fall outside the scope of managing the risk of humanitarian crises.

Crisis risk management can be divided into the following steps.

**Understanding, analysing and monitoring risk**

Risk analysis identifies the hazards that could trigger a crisis, ranking them by impact, likelihood and existing capacities to respond. It requires analysing all drivers of the crisis and understanding how hazards can affect different people. It takes into consideration vulnerabilities at different stages of life; the unique ways that disasters can affect women, men, boys and girls; and people’s abilities to cope.

Risk analysis and monitoring should be an ongoing process.

**Reducing and/or transferring risks**

Reducing risk includes reducing exposure to hazards and minimizing vulnerability through natural resource management, and measures such as enacting national disaster law regulations. For example, planting mangroves can reduce the risk posed by tidal surges. Humanitarian action must also focus on reducing vulnerability to risks so that people can be more resilient to shocks and stresses. Strengthening or diversifying livelihoods enables people or households to develop strategies to reduce their vulnerability.

In addition, risk transfer mechanisms—such as insurance—can shift the consequences of risk to the market. People can also share risks with others to help protect themselves. For example, family savings can temporarily support children’s nutrition during a crisis. Neighbours can offer shelter and other help in natural disasters.

**Managing residual risks**

When risks cannot be sufficiently reduced in advance, measures need to be taken to cope with their impact. These measures include preparedness and contingency planning, humanitarian assistance and recovery support. During times of crisis, impacts and losses can be substantially reduced if authorities, communities and individuals in hazard-prone areas are well prepared, ready to act and equipped with the knowledge and capacities for effective crisis management.
What is OCHA’s role?

Risk analysis: OCHA coordinates joint risk analysis to identify the people most likely to experience humanitarian crises. The Index for Risk Management (InfoRM—see box) is a tool of the Inter-Agency Standing Committee (IASC) to help analyse the risks associated with humanitarian crises.

Strategic coordination: OCHA ensures that crisis risk management is integrated into the humanitarian programme cycle.

Technical guidance: OCHA works with the humanitarian community to develop policy and guidance on how to embed crisis risk management in the humanitarian aid system.

Advocacy: OCHA advocates a crisis risk management approach to be applied systematically in humanitarian and development efforts.

Emergency preparedness: OCHA helps to ensure aid agencies are prepared to respond quickly and effectively to emergencies, as well as build national capacity to lead and coordinate the response to humanitarian emergencies before and after crises. Preparedness efforts should be informed by appropriate risk analysis, and preparedness actions should be taken when facing imminent risk. Preparedness is one of the four priorities of the Sendai Framework for Disaster Risk Reduction.

Emergency response: When risks are not sufficiently reduced, or when major crises are not anticipated, emergency response will be needed. Coping with these residual risks remains a core function of humanitarian actors and is an integral part of crisis risk management.

What does OCHA say?

1. Risk management saves lives. Humanitarian organizations should place more emphasis on managing crisis risks and shift towards a more anticipatory and preventative approach, instead of just responding to their consequences.

2. Humanitarian and development organizations must address crisis risks according to their comparative advantages and factor them into their planning processes.

3. Risk management requires the commitment of donor and affected Governments, aid and development organizations, the private sector and civil society.

To find out more