

5. WHAT/IF RISK ANALYSIS

Risk is defined as the effect of uncertainty on objectives (whether positive or negative). Risk management can therefore be considered the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events.

Table 2 - PoA-related risk analysis

Key risks	Impact	Probability	Assumptions
Political uncertainties, the lack of full implementation of the CPA	High impact, affecting project implementation by impeding access to beneficiaries and preventing beneficiaries from accessing fields for planting and/or harvesting as the current security situation in some places may not get better and could worsen due to resurgence of conflict.	Medium to high, as there has been little progress in the implementation of some of the signed peace agreements.	The various parties will respect the signed agreements and work towards their successful implementation. The international community will play a big role in ensuring that the terms and conditions of agreements are adhered to.
Worsening of climatic conditions	High impact, affecting large regions and leading to significant loss of production and assets. Further displacement of targeted households; limited or no access to beneficiaries by FAO and implementing partners; massive destruction of crops, losses of livestock and its products, which can lead to forced migration.	Likely, as the frequency of, for example, drought/dry spells has reduced to 1-5 years from 5-10 years in the past.	There will be contingency planning in collaboration with other humanitarian agencies for response in the event of worsening conditions. There will be good collaboration with the Government to address problems.
Animal diseases and pests	High impact, leading to death of many livestock and affecting livestock production (meat, milk, cheese, etc.) and income levels of livestock owners.	High, there have been livestock disease outbreaks almost every year in various states.	Early warning and detection is done by state and federal line ministries. Appropriate control mechanisms are used in a timely manner. Support is provided to the Government in areas where capacity is lacking.
Plant pests and diseases	High impact, affecting both summer and winter season crop production, thereby reducing yields and leading to food gaps/shortages.	High.	Early warning and detection is done by state and federal line ministries. Appropriate control mechanisms are used in a timely manner. Support is provided to the Government in areas where capacity is lacking.
Ethnic conflicts	Medium to high impact, leading to loss of lives, destruction of crops, livestock and other assets and, in the worst case, displacement of people.	Moderate, and often locally limited in magnitude and coverage.	Local and federal authorities will be able to quell any upcoming ethnic conflicts. Different tribes will be able to respect the agreements/rules/regulations put in place.

5.1 RISK MONITORING

Regular risk monitoring provides management with the assurance that established controls are functioning properly. While every FAO staff member is concerned with and will have a role to play in risk monitoring, it will be the overall responsibility of the FAO Senior Emergency and Rehabilitation Coordinator for North Sudan to determine: (i) if any risks have changed; (ii) risk controls being used; and (iii) the effectiveness of the risk control actions and techniques.

5.2 CONTINGENCY PLANNING

In the Sudan, contingency planning will be of vital importance in the coming months. Contingency planning is a process, in anticipation of potential crises, of developing strategies, arrangements and procedures to address the humanitarian needs of those adversely affected by crises. The referendum currently scheduled for January 2011 will be a milestone to monitor.

In the build up to the referendum, continuing insecurity will destabilize the situation and could have regional implications. In case of the separation of Southern Sudan from North Sudan, it is expected that donor attention could start focusing mainly on the south, leading to low funding levels for operations in North Sudan. Tensions at the border could be expected, increasing insecurity and the number of IDPs. If, instead, the outcome of the referendum does not favour separation, there is likely to be resistance and hostilities in Southern Sudan, leading to a resurgence of the conflict and possible cessation of the implementation of the CPA. This could lead to more displacements, even in areas where IDPs have returned to their homes, e.g. the Transitional Areas and Eastern Sudan. At the same time, the insecurity in Darfur could escalate, leading to more displacement and reduced access to land for cultivation and grazing by the displaced. NGO capacity to respond to the humanitarian situation in Darfur would be reduced, with a direct effect on aid delivery, and quality of services, as well as monitoring of needs.

In such a situation, FAO will prioritize its cluster coordination activities to ensure all needs are covered. This would call for a renewed effort by FAO in planning, strategizing and targeting of beneficiaries in the affected areas, focusing mainly on emergency agricultural support as opposed to the early recovery and diversified support that is currently being provided, particularly in areas that are more secure with improved access to land and other livelihoods assets.

Overall, for FAO to be prepared, this will involve continuously liaising with other partners, developing scenarios in order to anticipate the crisis and determine the objectives of FAO in these situations, as well as defining what will be needed to reach those objectives.

At their simplest level, contingency plans answer some basic questions about a potential situation.

These include:

- *What could happen?*
- *What would be needed to alleviate the situation?*
- *How would action be taken?*
- *What materials, supplies and staff would be needed?*
- *What preparation is necessary?*
- *How much will it cost?*

*(Richard Choularton,
Overseas Development Institute 2007)*