HUMANITARIAN ACADEMY · HUMANITAIRES JOBS

Mini MBA Project Management and AI: PMP, PRINCE2, Agile and PMD Pro applied to humanitarian work

Course handout · Week 8 : Risks, stakeholders, responsibilities and procurement

A programme of exactly 3 months (12 weeks, 144 hours) to manage humanitarian projects with the main methodologies and artificial intelligence: project cycle, PMBOK and PMP, PRINCE2, Agile (Scrum, Kanban) and hybrid approaches, Project DPro (PMD Pro), logical framework, theory of change and results-based management, planning and critical path, donor budget and earned value, risks and stakeholders, MEAL, donor reporting, change management, leadership and closure. At every step, AI (Claude, Gemini, Copilot and project management tools) is used methodically, protecting the data of the people we serve. Corrected numerical exercises, three monthly exams with case studies, and a verifiable diploma from the Humanitarian Academy. Independent preparation programme: it does not award the PMP, PRINCE2 or PMD Pro certifications, which are obtained through the official exams.

https://humanitairejobs.org/en/academy/mini-mba-gestion-projet-ia/semaine-8/

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Week 8 : Risks, stakeholders, responsibilities and procurement

Objectives

- Keep a risk register: identification, qualitative analysis (probability × impact) and quantitative analysis (expected monetary value), responses and owners.
- Analyse and engage stakeholders, including communities, and clarify roles with a RACI matrix.
- Plan project procurement according to donor rules, and use AI to enrich risk analysis without exposing sensitive information.

The risk management process

A **risk** is an uncertain event that, if it occurs, has an effect on objectives: negative (threat) or positive (opportunity). An **issue** is a risk that has materialised.

The process, common to the PMBOK, PRINCE2 and Project DPro:

1. **Identify**: workshops with the team, partners, logistics, security; review of lessons from previous projects; context analysis;
2. **Analyse**: probability and impact, on a scale of 1 to 5; score = probability × impact;
3. **Plan responses**: for threats, **avoid**, **transfer**, **reduce** or **accept**; for opportunities, **exploit**, **share**, **enhance** or **accept**; and sometimes **escalate** to the higher level;
4. **Implement and monitor**: one owner per risk, triggers, a monthly review.

Phrase each risk in three parts: **cause**, **event**, **effect**. "Because of the rainy season (cause), the road to the East district may be cut (event), which would delay distributions by 4 to 6 weeks (effect)."

Quantitative analysis and reserves

For major risks, the **expected monetary value** (EMV) = probability × financial impact is calculated. Threats have a negative value, opportunities a positive value.

Example. Threat: cement price increase, probability 30%, extra cost USD 50,000: EMV = −USD 15,000. Opportunity: joint purchase with another cluster member, probability 20%, saving USD 10,000: EMV = +USD 2,000. Contingency reserve justified by these two risks: 15,000 − 2,000 = USD 13,000.

We distinguish the **contingency reserve** (identified risks, under the project manager's authority, included in the cost baseline) and the **management reserve** (unidentified risks, under management's authority, outside the baseline). Many donors do not accept a reserve line: risk coverage then relies on prudent price assumptions, revision clauses and the possibility of reallocating.

In humanitarian work, always include risks of **security**, **fraud and diversion**, **protection and sexual exploitation and abuse (PSEA)**, **reputation** and **sanctions compliance**.

Analysing and engaging stakeholders

Stakeholders are all the people and organisations that influence the project or are affected by it: affected populations (in their diversity: women, men, children, older people, people with disabilities, minorities), local and national authorities, community leaders, partners, the donor, the cluster, other NGOs, suppliers, armed groups in some contexts.

The **power/interest grid** helps prioritise: high power and high interest = **manage closely**; high power, low interest = **keep satisfied**; low power, high interest = **keep informed and consult**; low power, low interest = **monitor**. Careful: affected populations often have little formal power but are the project's reason for being. The Core Humanitarian Standard (CHS) requires their participation and access to feedback and complaints mechanisms, whatever their place on the grid.

The **engagement plan** specifies for each group the objective, channels, frequency and owner.

Clarifying roles: the RACI matrix

The **RACI** matrix shows for each deliverable or decision who is:

- **R** (Responsible): does the work;
- **A** (Accountable): approves and answers for it, **one person only** per line;
- **C** (Consulted): gives their opinion beforehand;
- **I** (Informed): is informed afterwards.

Example. "Selection of kit suppliers": R = logistics manager; A = procurement committee; C = project manager and finance; I = field coordinator. If a line has two A's, or none, decisions drag on or nobody answers for mistakes. The RACI is also an internal control tool: the same person must not order, receive and pay.

Project procurement

Procurement often represents more than half of a humanitarian budget. The **procurement plan** lists, at start-up, each major purchase: description, quantity, estimated amount, applicable procedure, lead time and date needed.

Procedure thresholds depend on the donor's and the organisation's rules: for example, direct purchase below a small amount, three quotes above it, open tender above a higher threshold. The full lead time (needs definition, tender, evaluation, contract, delivery, customs clearance) can exceed three months: it must appear in the schedule and on the critical path if necessary.

Contract types: **fixed price** (risk on the supplier, ideal if the need is well defined), **cost reimbursable** (risk on the buyer), **time and materials** (short services). **Framework agreements** with pre-selected suppliers greatly speed up emergency response.

Enriching risk analysis with AI

An AI assistant is useful to **broaden** thinking:

- "Here is our risk register for an urban cash project: which common risks in this type of project are missing? Classify them by category (security, fraud, protection, market, technology, reputation)."
- "Rephrase these risks in cause-event-effect format and propose two responses per risk."
- "Act as the donor's auditor: what control weaknesses do you see in this procurement procedure?"

Precautions: do not enter sensitive security information (routes, convoy times, location of stocks or people), nor named information about suppliers suspected of fraud. AI does not know your local context: probability and impact are assessed by the team, with security and partners.

Exercise: risk register and reserve

Situation. Shelter project of the fictitious NGO Waha, budget USD 900,000. Three risks: R1 devaluation of the local currency (probability 40%, impact −USD 60,000); R2 delayed customs clearance of tarpaulins (probability 50%, impact −USD 24,000 in storage and transport); O1 in-kind donation of timber by a local authority (probability 25%, gain +USD 16,000). Qualitative scale from 1 to 5: R1 probability 3, impact 4; R2 probability 3, impact 3.

Task. 1) EMV of each risk? 2) Justified contingency reserve? 3) Qualitative score of R1 and R2: which to address first? 4) One response for R2.

Answer. 1) R1: 0.40 × −60,000 = −USD 24,000; R2: 0.50 × −24,000 = −USD 12,000; O1: 0.25 × 16,000 = +USD 4,000. 2) 24,000 + 12,000 − 4,000 = USD 32,000, about 3.6% of the budget. 3) R1: 3 × 4 = 12; R2: 3 × 3 = 9. R1 is the priority. 4) Reduce: place the order earlier, prepare exemption documents in advance, plan a regional supplier; owner: logistics; trigger: documents not validated 4 weeks before arrival.

Key takeaways

- A risk is phrased as cause-event-effect, with an owner and responses.
- EMV = probability × impact; the contingency reserve covers identified risks.
- Power/interest grid, but affected populations always participate (CHS).
- RACI: only one A per line; separate ordering, receiving and payment.
- The procurement plan and its lead times are part of the schedule; AI broadens analysis without security data.

Quiz

1. Probability 20%, impact −USD 40,000. The EMV is:
   A. −USD 8,000
   B. −USD 40,000
   C. −USD 20,000
   D. +USD 8,000

2. Taking out insurance for a risk corresponds to the response:
   A. Avoid
   B. Accept
   C. Exploit
   D. Transfer

3. In a RACI matrix, the number of "A" per line must be:
   A. At least two
   B. Exactly one
   C. Zero
   D. Unlimited

4. The management reserve covers:
   A. Identified risks
   B. Salaries
   C. Unidentified risks, under management's authority
   D. Indirect costs

5. Which information must not be entered into an AI assistant?
   A. Convoy times and routes
   B. A list of risk categories
   C. A generic procurement procedure
   D. An empty register template

Quiz answers : 1. A · 2. D · 3. B · 4. C · 5. A