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# Humanitarian Mini MBA: leading a humanitarian organisation

## Complete manual

A leadership programme of exactly 3 months (12 weeks, 144 hours): leadership, strategy, project cycle, MEAL, finance and donor budgets, compliance and fraud, resource mobilisation, supply chain, HR and safeguarding, risk and security, negotiation and advocacy, change and governance. Corrected numerical exercises, three demanding monthly exams with case studies, and a verifiable diploma from the Humanitarian Academy.

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# Week 1 : Humanitarian leadership and managing teams in crisis

**Objectives**

- Distinguish management from leadership, and choose a leadership style suited to the team's maturity and the level of urgency.
- Build and run a multicultural team under pressure: roles, delegation, psychological safety, conflict management.
- Make sound decisions under uncertainty and account for them, without sacrificing the team's health.

## Manager, leader, head of mission: what is really expected of you

In a humanitarian organisation, **management** means obtaining predictable results with limited resources: planning, organising, controlling, reporting. **Leadership** means giving direction when plans are no longer enough: giving meaning, mobilising people, arbitrating between values in tension. A project manager or head of mission needs both, but not in the same proportions at every phase of a crisis.

ALNAP studies on operational leadership (Buchanan-Smith and Scriven, 2011) showed that the managers their teams consider effective are not those with the best technical mastery, but those who combine four qualities: a **clear vision of priorities**, the **ability to decide** without complete information, **attention to people** and the **ability to work with other organisations**. Humanitarian leadership is therefore relational and collective first.

| Dimension | Management | Leadership |
|---|---|---|
| Central question | How do we do it? | Why, and towards what? |
| Horizon | Work plan, annual budget | Mandate, strategy, long-term reputation |
| Tools | Planning, procedures, dashboards, controls | Vision, narrative, example, network, arbitration |
| Risk if missing | Disorder, waste, non-compliance | Demotivated team, loss of meaning, mission drift |

High standard: a good humanitarian manager knows how to say what they will not do. Refusing an activity outside the mandate, funding that contradicts the principles, or an expansion into a new area without the means to keep staff safe is an act of leadership, not a lack of ambition.

## Choosing your style: situational leadership and emergency context

The **situational leadership** model (Hersey and Blanchard) suggests adapting your style to each team member's level of competence and commitment on a given task, not to the person in general:

- **Directing** (S1): precise instructions and close control, for a motivated person who is new to the task.
- **Coaching** (S2): instructions and explanations, for a person who is progressing but losing heart.
- **Supporting** (S3): listening and shared decisions, for a competent but hesitant person.
- **Delegating** (S4): objectives and trust, for a competent and autonomous person.

The humanitarian context adds a second variable: the **level of urgency**. In the first 72 hours of a sudden-onset crisis, a directive style is often necessary and expected (who does what, where, before tonight). But staying directive after the acute phase exhausts the team and blocks initiative. Goleman's model (2000) helps name these shifts: the **coercive** style is useful in immediate danger, the **visionary** style during a change of strategy, the **coaching** style to develop the national staff who will take over, and the **democratic** style when the team holds information you do not have.

> Common mistake: confusing urgency with haste. Even in an acute phase, take ten minutes to share your analysis: a team that understands why it is acting makes fewer mistakes and makes better decisions when you are not there.

## Building a high-performing team under pressure

**Tuckman's** model (forming, storming, norming, performing) describes the stages of a team. In humanitarian work, high staff turnover, especially among international staff in difficult contexts, means a team regularly returns to the storming phase. The manager's job is to shorten these phases through **rituals**: structured induction, written handover, a short weekly meeting, after-action review.

Amy Edmondson's research on **psychological safety** (and Google's Project Aristotle, 2015) shows that the first driver of team performance is the belief that one can report a mistake, ask a question or challenge a decision without being punished. In an NGO, it is also a condition for security and protection: a team that does not dare to pass on a rumour, an incident or a suspicion of abuse puts lives at risk.

- **Clarify roles** with a RACI matrix (who is Responsible, who is Accountable, who is Consulted, who is Informed) for each critical process: procurement, security, recruitment, donor reporting.
- **Delegate for real**: delegate a result, not a task; set the level of authority ("you decide and inform me" or "you propose and I decide").
- **Balance national and international staff**: national staff make up more than 90% of the humanitarian workforce; decision-making posts should progressively go to them, with an

explicit development plan.

## Conflict, diversity and intercultural communication

Humanitarian teams bring together very different nationalities, statuses (national, international, local contract, consultant), generations and attitudes to hierarchy. **Erin Meyer's** dimensions (The Culture Map) are useful for decoding misunderstandings: explicit or implicit communication, direct or indirect criticism, decision by consensus or by the boss, trust based on the task or on the relationship.

When facing a conflict, the **Thomas-Kilmann** model distinguishes five attitudes: competing, collaborating, compromising, avoiding, accommodating. None is good in itself. Collaboration takes time and suits important, lasting issues; compromise suits the sharing of resources; avoidance can be wise when the stakes are minor or emotions are running too high.

A five-step mediation method, applicable between two colleagues:

1. Separate interviews: listen to the facts, the feelings, the needs.
2. Check that the situation does not fall under a formal procedure (harassment, abuse, fraud): if it does, no mediation; refer it to the reporting mechanism.
3. Joint meeting with rules: each person speaks without interruption; describe behaviours, not people.
4. Look for options and write a simple agreement: who does what, from when.
5. Follow-up meeting after two or three weeks.

## Deciding under uncertainty and taking care of the team

The **Cynefin** framework (Snowden and Boone, 2007) helps choose how to decide. In a **simple** (clear) domain (a standard distribution), you apply the procedure. In a **complicated** domain (sizing a water network), you consult experts. In a **complex** domain (how a conflict evolves, acceptance by a community), you test on a small scale, observe and adjust. In **chaos** (an attack, an explosive epidemic), you act first to stabilise, then analyse.

For important decisions, a one-page decision note protects both the organisation and the decision-maker: context, options (at least three, including "do nothing"), criteria, risks, decision, conditions for review. It then allows an honest **after-action review**: the quality of the decision is judged against the information available at the time, not only against its outcome.

Finally, a humanitarian leader is responsible for the team's health. The Antares Foundation and CDC study (Lopes Cardozo et al., 2012) found that about one humanitarian worker in five showed symptoms of depression after their mission, and that team and organisational support clearly reduced that risk. The measures that really protect are well known: rest and leave actually taken (R&R), a realistic workload, peer support, access to confidential psychological support, recognition, and a manager who sets the example by respecting their own limits.

> Benchmark: if your team works more than 60 hours a week for more than four weeks, it is no longer an emergency phase; it is a staffing problem to raise with senior management

and donors.

## Exercise: leadership diagnosis of a field base

**Situation.** You arrive as base manager in an area where the organisation has been working for 18 months. The team has 26 people: 3 international, 23 national. In six months, two base managers have come and gone, three security incidents were not reported in time, the burn rate of the main grant is 41% at mid-term, and two national supervisors have stopped speaking to each other after a dispute over recruitment.

**Task (2 pages).** 1) Classify the problems using Cynefin (simple, complicated, complex, chaos) and justify. 2) For each of the five key team members (experienced deputy logistician, new MEAL officer, the two supervisors in conflict, a very autonomous base accountant), state the appropriate situational style. 3) Propose your 30-day plan: three team rituals, a RACI matrix for incident reporting, and the mediation approach between the supervisors.

**Answer key.** The failure to report incidents is first a problem of psychological safety and role clarity (complex), not only a missing procedure. Budget underspending is a complicated problem: line-by-line analysis with finance and the project manager. The conflict between the supervisors must be checked first: if it involves suspicions of favouritism in recruitment, it falls under a formal procedure, not mediation.

## Key takeaways

- Management produces predictable results; leadership gives direction when plans are no longer enough.
- Style is chosen per task and per person (Hersey and Blanchard), and according to the phase of the crisis.
- Psychological safety is a performance factor and a condition for security and protection.
- Before any mediation, check that the conflict does not fall under a formal procedure (abuse, harassment, fraud).
- Decide according to the Cynefin domain, document the decision, and protect the team's health as a result in its own right.

## Quiz

1. A very experienced national logistician is handling an international tender under a new donor's rules for the first time. According to situational leadership, for this specific task the most appropriate style is:
   A. Delegating, because she is experienced
   B. Coaching: explain the rules and follow closely, because her competence on this task is low even though her commitment is high
   C. Supporting through listening only
   D. Changing nothing in her job description

2. A team rarely reports its mistakes and incidents arrive late. The most effective long-term lever is:
   A. Systematically sanctioning late reporting
   B. Adding another form
   C. Building psychological safety: thank people for reporting, analyse without looking for a culprit, lead by example
   D. Centralising all decisions with the base manager

3. Two supervisors are in conflict; one accuses the other of hiring members of his family. What is the right approach?
   A. Organise a mediation so they make peace
   B. Refer it to the formal reporting procedure (potential conflict of interest) and not treat it as a simple relationship conflict
   C. Transfer one of them immediately
   D. Let time settle the dispute

4. How acceptance of your organisation evolves among communities in a newly accessible area belongs, in the Cynefin framework, to the domain that is:
   A. Simple: apply the procedure
   B. Complicated: ask an expert
   C. Complex: test on a small scale, observe and adjust
   D. Chaotic: act without analysing

5. Which statement about the decision note is correct?
   A. It is only useful if the decision succeeds
   B. It allows the quality of a decision to be judged against the information available when it was made, and must include the "do nothing" option
   C. It replaces consulting the team
   D. It only concerns financial decisions

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

# Week 2 : NGO strategy: mandate, theory of change and positioning

**Objectives**

- Analyse an organisation's strategic environment (PESTEL, stakeholders, SWOT) and turn it into choices, not a list.
- Build a rigorous theory of change, with its assumptions and evidence, and link it to a multi-year strategic plan.
- Position the organisation: added value, partnerships, localisation, and criteria for saying no.

## Why an NGO needs a strategy (and what a strategy is not)

A strategy is a **coherent set of choices** about where to work, for whom, with which approach and which resources, in order to maximise impact in line with the mandate. It is neither a catalogue of activities nor a sum of funded projects. According to Richard Rumelt (Good Strategy, Bad Strategy, 2011), a good strategy has three elements: a **diagnosis** (what is the central problem?), a **guiding policy** (how will we approach it?) and **coherent actions** that reinforce one another.

The non-profit sector adds a particular feature, described by Mark Moore (the public value triangle, 1995): an organisation must align three elements, the **value created** for people, **legitimacy and support** (donors, authorities, communities, public opinion) and **operational capacity**. A strategy that neglects one corner fails: a very useful project without support is not funded; a well-funded project beyond the organisation's capacity damages its reputation.

> Bad strategy test: if your "strategic pillars" could appear word for word in any other NGO's strategy ("strengthen the resilience of vulnerable communities"), they are not choices, they are intentions.

## Analysing the environment: PESTEL, stakeholders and SWOT

A **PESTEL** analysis reviews political, economic, social, technological, environmental and legal factors. For an NGO, the decisive points are often: humanitarian space and laws on associations (registration, restrictions on foreign funding), counter-terrorism regulations and sanctions that govern work in certain areas, inflation and the exchange rate, climate and recurrent disasters, and the downward trend in humanitarian funding since 2023.

**Stakeholder mapping** (power-interest matrix) classifies actors: manage closely (high power and high interest: main donors, line ministry), keep satisfied (high power, low interest: security authorities), keep informed (high interest, low power: communities, but beware, accountability requires giving them real power), monitor.

A **SWOT** only has value if it leads to choices. The **TOWS** matrix makes it operational: strengths-opportunities strategies (exploit), weaknesses-opportunities (strengthen yourself to seize them), strengths-threats (protect yourself), weaknesses-threats (reduce exposure or withdraw).

| | **Opportunity: new country-based pooled fund on protection** | **Threat: 35% cut from the main donor** |
|---|---|---|
| **Strength**: long-standing, accepted presence in 3 provinces | SO: position ourselves as the lead protection partner in these provinces | ST: diversify towards pooled funds and development donors in the areas where we are accepted |
| **Weakness**: no protection specialist | WO: recruit or partner with a specialised local NGO | WT: drop low-value sectors to concentrate resources |

## The theory of change as a tool for rigour

A **theory of change** explains how and why a set of interventions should produce the expected change in a given context. It is built backwards: start from the long-term change, identify the necessary preconditions, then the interventions that produce them. Unlike the logframe, it makes the **causal assumptions** and the role of other actors explicit.

Example of a chain: if female heads of household receive a monthly cash transfer for 6 months *and* training in an income-generating activity *and* access to a savings group, *then* they will rebuild a productive asset, *because* the transfer covers basic needs and avoids the sale of the asset, *provided that* local markets function and security allows access to markets.

Each assumption must be **backed by evidence** (evaluations, literature, monitoring data) and **tested** by the MEAL system. For "graduation" programmes, for example, the multi-country trial published in Science (Banerjee et al., 2015) showed lasting effects on consumption and assets, which strengthens the assumption; but results vary greatly between contexts, which requires local testing.

> High standard: a theory of change without explicit assumptions is just a logframe drawn in circles. MBA-level work means identifying the weakest assumption and planning how to check it within the first three months.

## From strategic plan to portfolio decisions

A 3- to 5-year strategic plan translates the theory of change into **strategic objectives** (3 to 5, measurable), **geographic and sector choices**, a **financial trajectory** and **capacity investments** (systems, staff, partnerships). It must state explicitly what the organisation will stop doing.

To arbitrate a project portfolio, a simple matrix crosses **added value for people** (needs, quality, coverage, alignment with the theory of change) and **viability for the organisation** (cost coverage, risks, capacities). A high-value but loss-making project can be kept if it is

strategic, provided it is deliberately subsidised with unrestricted funds; a low-value, loss-making project should be closed or handed over.

The plan must come with a **strategic dashboard** (for example along the lines of Kaplan and Norton's balanced scorecard, adapted to non-profits): impact and quality for people, stakeholder support, internal processes, learning and staff, financial health (reserves in months of expenditure, share of unrestricted funds, coverage of indirect costs).

## Positioning, partnerships and localisation

An organisation's **added value** is what it brings that others cannot provide at a comparable cost: technical expertise, access, closeness to communities, rapid deployment capacity, advocacy capacity. Positioning means concentrating resources where this value is greatest.

Since the **Grand Bargain** (2016), signatories have committed to channelling at least 25% of humanitarian funding as directly as possible to local and national actors. Monitoring data show that this target remains far from being met globally. For an international NGO, localisation requires strategic choices: equitable partnerships (covering partners' indirect costs, shared decisions), real institutional strengthening, and accepting to give up visibility and sometimes areas of operation.

- **Sub-contracting partnership**: the partner implements activities defined by the international NGO. Risk: dependency, weak legitimacy.
- **Equitable partnership**: joint design, sharing of indirect costs, risk management that is shared rather than transferred.
- **Support towards autonomy**: transition plan, target of direct funding for the partner, planned withdrawal of the international NGO.

> Criteria for saying no to a funding opportunity: outside the mandate or the theory of change; an area where safe access is not guaranteed; indirect costs not covered with no compensating funding; conditions contrary to the principles (imposed targeting, military visibility); management capacity already saturated.

## Exercise: the two-page strategy note

**Situation.** A medium-sized national NGO (annual budget of USD 4.2 million, 180 staff, 4 provinces) depends on a single donor for 62% of its funding, and that donor announces a 40% cut next year. It works in 6 sectors; its evaluations show high quality in protection and water, average elsewhere. A country-based pooled fund opens a call on protection, and a development agency is looking for partners for rural water management.

**Task.** 1) Diagnosis in five lines (the central problem). 2) TOWS matrix with one strategy per box. 3) Simplified theory of change for the main pillar, with two critical assumptions and the evidence expected for each. 4) Three decisions: what the NGO strengthens, what it stops, what it hands over. 5) Three strategic dashboard indicators with their three-year targets.

**Answer key.** The central problem is not "the drop in funding" but the dispersion across six sectors combined with extreme dependency on one donor. A strong answer focuses the organisation on protection and water, reduces dependency on the main donor to below 40% within three years, and sets a reserves target (for example 3 months of operating costs).

## Key takeaways

- A strategy is a coherent set of choices: diagnosis, guiding policy, coherent actions (Rumelt).
- Public value triangle: value created, legitimacy and support, operational capacity.
- A SWOT without a TOWS matrix and decisions has no strategic value.
- The theory of change makes causal assumptions explicit; test the weakest one first.
- Localisation: equitable partnerships, shared indirect costs, and written criteria for saying no.

## Quiz

1. According to Rumelt, which of these statements is a guiding policy and not a mere intention?
   A. Strengthen the resilience of vulnerable communities
   B. Be an organisation recognised for its excellence
   C. Concentrate our resources on protection and water in three provinces where our access is accepted, and exit the other sectors within two years
   D. Increase our budget by 20%

2. In the TOWS matrix, "recruit a protection specialist to respond to the new pooled fund" is a strategy of type:
   A. Strengths-opportunities
   B. Weaknesses-opportunities
   C. Strengths-threats
   D. Weaknesses-threats

3. What distinguishes a theory of change from a logframe:
   A. It contains no objectives
   B. It makes explicit the causal assumptions, the role of other actors and the evidence supporting them
   C. It is required by all donors
   D. It replaces the budget

4. A project has high value for people but does not cover its indirect costs. The right strategic decision is:
   A. Close it immediately
   B. Keep it without saying anything; the loss will be absorbed
   C. Keep it if it is strategic, deciding explicitly to top it up with unrestricted funds, and negotiate better cost coverage
   D. Lower quality to reduce costs

5. The Grand Bargain (2016) localisation target was to channel:
   A. 10% of funding to international NGOs
   B. At least 25% of humanitarian funding as directly as possible to local and national actors
   C. 50% of posts to expatriates
   D. 100% of funds to governments

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

# Week 3 : Project cycle: design, planning and performance management

**Objectives**

- Design a project from an analysis of problems, stakeholders and options, and build a coherent logframe.
- Plan the work (work breakdown structure, critical path, resources) and anticipate the constraints of emergencies.
- Steer a project with performance indicators (earned value, burn rate) and manage changes with the donor.

## The phases of the cycle and the decision gates

The project cycle has five phases: **identification**, **design**, **implementation and monitoring**, **evaluation**, **closure and learning**. The PMD Pro guides (PM4NGOs) add a logic of **decision gates**: at the end of each phase, a body decides whether to continue, adjust or stop. In practice, many organisations never stop a project during design because a donor is interested; this is one of the main causes of failure.

The three classic constraints (scope, time, cost) are complemented in humanitarian work by **quality** (Sphere standards, CHS), **risks** (security, protection, fraud) and **accountability**. Any change to one constraint affects the others: reducing the timeline without reducing the scope raises the cost or degrades quality.

| Phase | Key output | Decision question |
|---|---|---|
| Identification | Needs analysis, concept note | Is the problem a priority and within our mandate? |
| Design | Logframe, budget, MEAL plan, risk analysis | Is the solution feasible, relevant and fundable? |
| Implementation | Work plan, monitoring reports | Are we on track? Do we need to revise? |
| Evaluation | Evaluation report, management response | What results and what lessons? |
| Closure | Final report, inventory, archives, exit strategy | Have commitments been met and handed over? |

## From the problem tree to the logframe

The **problem tree** organises the causes (roots) and effects (branches) of a central problem. Converted into an **objective tree**, it reveals several possible pathways; the **options analysis** chooses the one that matches the priority needs, the organisation's added value, what other actors are doing, cost and risk.

The **logical framework** then organises the project into four levels: overall objective (impact), specific objective (outcome), results (outputs) and activities. Its vertical logic is checked with the "if... and... then" test: if the activities are carried out *and* the assumptions hold, *then* the results are achieved. The horizontal logic associates indicators, means of verification and assumptions with each level.

Three mistakes get a proposal rejected by a demanding reviewer: a specific objective that repeats an activity ("distribute kits") instead of a change ("households apply key hygiene practices"); assumptions that are in fact risks the project should manage ("staff are recruited on time"); indicators with no baseline or target.

> A good assumption is an important external factor, likely but not certain, that the project does not control. If it is very unlikely, it is a killer assumption: change the design, do not write it in the column.

## Planning: breakdown, critical path and resources

The **work breakdown structure** (WBS) breaks each result down into work packages precise enough to be estimated, assigned and tracked. From the WBS, you estimate durations, identify dependencies (for example, the baseline survey must precede targeting, and targeting must precede distribution) and calculate the **critical path**: the longest sequence of dependent tasks. Any delay on a critical-path task delays the whole project.

Example: recruiting enumerators (10 days), then baseline survey (15 days), then analysis and targeting (10 days), then distribution (20 days) = 55 days. In parallel, procuring the kits takes 45 days but must be completed before distribution, which starts on day 35: it therefore has a negative float of 10 days. Procurement becomes critical: it must be launched before the survey ends, based on estimated quantities, or through a framework agreement.

Resource planning must include **constraints specific to humanitarian work**: rainy seasons and access, the agricultural calendar, religious holidays, import and customs clearance times, donor approval times (often 4 to 8 weeks for a modification), and the real workload of teams already committed to other projects.

## Steering with earned value and burn rate

Simple budget monitoring (spent versus budget) is misleading: a project may have spent 50% of its budget at mid-term while having completed only 30% of the work. The **earned value** method compares three figures:

- **Planned value (PV)**: budgeted cost of the work scheduled to date.
- **Earned value (EV)**: budgeted cost of the work actually completed.
- **Actual cost (AC)**: what has actually been spent.

From these come the **schedule performance index** SPI = EV / PV and the **cost performance index** CPI = EV / AC. An index below 1 signals a delay or an overrun. The estimate at completion is often calculated as EAC = total budget / CPI, if the observed performance continues.

**Worked example.** Total budget USD 800,000 over 12 months. In month 6: PV = 400,000, EV = 320,000, AC = 360,000. SPI = 320 / 400 = 0.80 (20% behind the planned work). CPI = 320 / 360 ≈ 0.89 (you pay USD 1.12 for USD 1 of work). EAC = 800,000 / 0.89 ≈ USD 900,000: without action, the project will overrun by about USD 100,000 or will not complete all the work.

> Manager's reading: a low SPI with a CPI close to 1 signals a capacity or access problem (less work done, but at the right price). A low CPI signals a problem of price, productivity or, sometimes, fraud. The two call for different actions.

## Managing changes, stakeholders and closure

No humanitarian project unfolds as planned. **Change management** requires a log in which each change is described, assessed (effects on scope, cost, time, quality, risks), decided at the right level and, where necessary, approved by the donor. Most donors set a flexibility threshold between budget headings (for example 15% for several European donors, under conditions), beyond which an amendment is mandatory. Exceeding this threshold without agreement exposes the organisation to ineligible costs.

Major modifications (area, target group, duration) are requested before being applied, with a data-based justification (monitoring, security, market), a revised budget and a revised logframe. A no-cost extension request must arrive at least one to two months before the end date, depending on the donor.

**Closure** is often rushed. It includes: checking commitments, the final narrative and financial report, inventory and disposal of assets according to donor rules, ending or transferring contracts, archiving (often 5 to 10 years depending on the donor), informing communities and implementing the exit strategy, and a lessons-learned workshop.

## Exercise: mid-term review with earned value

**Data.** 18-month multi-sector project, budget EUR 1,200,000. In month 9: planned value EUR 640,000; work completed estimated at EUR 512,000 of budgeted value; actual expenditure EUR 590,000. The delay comes from 7 weeks during which one area was inaccessible (floods); the high spending comes from a 22% rise in fuel prices and an unplanned vehicle rental.

**Task.** 1) Calculate SPI, CPI and the estimate at completion. 2) Interpret the two indices separately. 3) Propose three recovery measures and state which ones require donor approval. 4) Write, in ten lines, the modification request to the donor.

**Answer key.** SPI = 512 / 640 = 0.80; CPI = 512 / 590 ≈ 0.87; EAC = 1,200,000 / 0.87 ≈ EUR 1,380,000, i.e. a potential overrun of about EUR 180,000. The delay is external and documentable (floods): it justifies a no-cost extension. The cost overrun is partly external (fuel) and partly a management issue (unplanned rental): renegotiate the rental or pool vehicles, and reallocate between headings within the flexibility limit; beyond it, an amendment is needed.

## Key takeaways

- At the end of each phase, a decision gate: continue, adjust or stop.
- Specific objective = a change, not an activity; assumption = a likely but uncertain external factor.
- The critical path determines the project's duration; procurement is often on the critical path.
- SPI = EV / PV; CPI = EV / AC; EAC ≈ budget / CPI.
- Every change is documented, assessed and, beyond the flexibility thresholds, approved by the donor before it is applied.

## Quiz

1. In month 4 of a project: PV = 200,000, EV = 180,000, AC = 150,000. Which reading is correct?
   A. The project is behind schedule and over budget
   B. The project is behind schedule (SPI = 0.90) but under the planned cost for the work done (CPI = 1.20)
   C. The project is ahead of schedule and over budget
   D. The project is exactly on schedule

2. Which of these statements is a correct assumption at the specific objective level?
   A. Project staff are recruited on time
   B. The kits are purchased on time
   C. Prices of staple goods on local markets stay within a range of plus or minus 20%
   D. The NGO complies with its procedures

3. A 45-day procurement must be completed before a distribution planned for day 35; it can only start on day 25. What should you conclude?
   A. Nothing, procurement is not on the critical path
   B. Procurement has a negative float of 35 days and becomes the critical element: it must be brought forward or the supply method changed
   C. Simply postpone the distribution by one week
   D. Reduce the length of the survey

4. An SPI of 0.75 with a CPI of 1.00 most likely indicates:
   A. Price fraud
   B. A capacity or access problem: less work done than planned, but at the right unit cost
   C. A major budget overrun
   D. A project ahead of schedule

5. An NGO wants to move 25% of the budget from one heading to another, while the contract allows 15% flexibility. It must:
   A. Make the transfer and explain it in the final report
   B. Request and obtain an amendment before committing the expenditure, with a justification and a revised budget
   C. Spread the transfer over two financial years to stay under the threshold
   D. Ask the programme officer for verbal approval

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

# Week 4 : Strategic MEAL: accountability, evidence and decisions

**Objectives**

- Design a proportionate MEAL system that serves management decisions, accountability to people and donor requirements.
- Choose rigorous indicators and methods (sampling, attribution, contribution) and interpret results correctly.
- Put accountability to affected people at the centre (CHS) and turn data into organisational learning.

## MEAL as a decision system

MEAL (monitoring, evaluation, accountability, learning) is not a reporting function. For a senior manager, it answers three questions: **are we doing what we promised?** (monitoring), **is it really changing people's situation?** (evaluation), **do people have a say and are they safe?** (accountability). Learning links all three to decisions.

A proportionate MEAL system generally devotes 3 to 10% of a project's budget to monitoring and evaluation, depending on its size and complexity. It is formalised in a **MEAL plan**: an indicator tracking table (definition, method, frequency, person responsible, disaggregation), a survey calendar, feedback mechanisms, an evaluation plan and data protection rules.

> Relevance test: for every piece of data collected, you must be able to name the decision it informs and the person who will make it. Data that informs no decision costs the teams and the people interviewed time, and increases data protection risks.

## Indicators, sampling and data quality

A good indicator is **valid** (it measures what it claims to measure), **reliable** (two enumerators get the same result), **sensitive** (it changes when the situation changes), **disaggregated** (sex, age, disability using the Washington Group questions) and **realistic to collect**. For food security, standardised indicators (food consumption score, reduced coping strategies index) are preferred so that results can be compared with other actors.

For a simple random sample survey, the sample size is calculated as $n = z^2 \times p \times (1 - p) / e^2$. With a 95% confidence level ($z = 1.96$), an unknown prevalence ($p = 0.5$) and a 5% margin of error ($e = 0.05$): $n = 3.8416 \times 0.25 / 0.0025 \approx 384$. With cluster sampling, multiply by the **design effect** (often 1.5 to 2); then add a margin for non-response (for example 10%). With a design effect of 2 and 10% non-response: $384 \times 2 / 0.9 \approx 854$ households.

Data quality is controlled at every step: training and testing enumerators, a questionnaire piloted in the local language, automatic checks in the tool (KoboToolbox, ODK), re-checking a

sample of interviews (back-checks), daily analysis of outliers and of abnormally short interview durations.

## Evaluating: criteria, attribution and contribution

Evaluations most often use the six revised **OECD DAC** criteria (2019): relevance, coherence, effectiveness, efficiency, impact and sustainability. For humanitarian action, ALNAP proposes complementary criteria such as coverage, connectedness and coordination.

The hardest question is **causality**: is the observed change due to the project? Three families of approaches:

- **Experimental approaches** (randomised trials): they establish attribution with the greatest rigour, but are expensive, raise ethical issues in emergencies (you do not deny aid to a control group in need) and do not always explain why something works.
- **Quasi-experimental approaches** (difference-in-differences, propensity score matching, regression discontinuity): they use natural comparisons, for example households just above and just below an eligibility threshold.
- **Theory-based approaches** (contribution analysis, process tracing, outcome harvesting): they check whether the planned causal chain actually happened and rule out alternative explanations.

**Worked difference-in-differences example.** The average food consumption score rises from 28 to 41 among beneficiary households, and from 30 to 36 in a comparison group. The estimated effect is $(41 - 28) - (36 - 30) = 13 - 6 = 7$ points, not 13: part of the improvement is explained by the harvest season.

## Accountability to people and the Core Humanitarian Standard

The **Core Humanitarian Standard** (CHS), revised in 2024, sets nine commitments to affected people and communities: assistance that is appropriate, effective and timely, that strengthens local capacities and avoids negative effects, based on communication, participation and feedback, with complaints handled, coordination, learning, competent and well-managed staff, and resources managed responsibly.

An effective **complaints and feedback mechanism** offers several channels (hotline, boxes, help desks, committees, digital channels), adapted to people who cannot read, older people and people with disabilities; it separates sensitive complaints (sexual exploitation and abuse, fraud, corruption), which are handled confidentially through a dedicated channel; and it **closes the loop** by responding to people within an announced timeframe.

Useful management indicators for a senior leader: rate of responses within the deadline, share of complaints that led to a programme change, share of feedback coming from women and people with disabilities, and time taken to handle sensitive complaints.

> Warning sign: a mechanism that receives almost no complaints is not proof of a perfect programme. Most often it is proof that people do not know about it, cannot access it or do not trust it.

## From data to organisational learning

Learning happens when evidence changes decisions. The most effective tools are simple: **quarterly progress reviews** centred on three questions (what works, what does not work, what are we changing?), **after-action reviews** at the end of each emergency phase, a **management response** to the recommendations of every evaluation (accepted, partially accepted, rejected, with an action plan and a person responsible), and follow-up of those plans.

**Adaptive management** formalises this cycle: explicit assumptions, leading indicators, scheduled decision points, and room for manoeuvre negotiated with the donor to change activities without a heavy amendment. Several donors explicitly encourage it in unstable contexts.

Finally, **data protection** is a leadership obligation: minimising the data collected, informed consent, encryption, restricted access, retention periods, and an impact assessment before sharing beneficiary lists with third parties (authorities, payment providers). The ICRC Handbook on Data Protection in Humanitarian Action (2nd edition, 2020) is the sector's reference.

### Exercise: design and critique a MEAL plan

**Situation.** A 9-month cash transfer project for 3,000 households in 12 villages. The donor asks you to demonstrate the effect on food security. Available MEAL budget: USD 45,000. A second area, not covered for lack of funding, has similar characteristics.

**Task.** 1) Three standardised outcome indicators with their method. 2) Calculate the sample size of a cluster survey (95% confidence, p = 0.5, 5% margin, design effect 1.5, 10% non-response). 3) Choose a method to estimate the effect and justify it, including from an ethical standpoint. 4) Describe the complaints mechanism, including the channel for sensitive complaints. 5) Write two quarterly review questions and the decision each one can trigger.

**Answer key.** Sample: 384 × 1.5 = 576; 576 / 0.9 = 640 households. The uncovered area allows a difference-in-differences design: before-and-after comparison in both areas, without denying aid to anyone since the comparison area is not funded (you should nevertheless advocate for its coverage and share the data with the cluster). Possible indicators: food consumption score, reduced coping strategies index, share of expenditure on food.

## Key takeaways

- Every piece of data collected must inform an identified decision.
- $n = z^2 \times p \times (1 - p) / e^2$; then × design effect; then ÷ (1 − non-response rate).
- OECD DAC 2019 criteria: relevance, coherence, effectiveness, efficiency, impact, sustainability.
- Difference-in-differences: subtract the change observed in the comparison group.
- CHS 2024: nine commitments; a complaints mechanism with no complaints is a warning sign.

## Quiz

1. With z = 1.96, p = 0.5, e = 0.05, a design effect of 2 and 20% non-response, the target sample size is about:
   A. 384
   B. 768
   C. 960
   D. 461

2. Beneficiaries' average income rises from 50 to 80; a comparison group's from 52 to 70. The effect estimated by difference-in-differences is:
   A. 30
   B. 18
   C. 12
   D. 28

3. The "coherence" criterion added by the OECD DAC in 2019 concerns:
   A. The consistency of the budget with the logframe
   B. The compatibility of the intervention with other interventions and policies in the same context
   C. The quality of the report's writing
   D. The consistency of the indicators with one another

4. A complaint of sexual exploitation arrives through a village suggestion box. It must be:
   A. Read out at a community meeting for transparency
   B. Handled by the programme team like other complaints
   C. Passed on confidentially to the dedicated channel (PSEA focal point), protecting the person, following a survivor-centred approach
   D. Ignored if it is anonymous

5. Why is a randomised trial often unsuitable during an emergency?
   A. Because it is always imprecise
   B. Because it raises an ethical problem if aid is denied to people in need to form a control group, and it is slow and costly
   C. Because donors forbid it
   D. Because it only measures activities

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

# Week 5 : NGO finance: donor budgets, indirect costs and financial management

**Objectives**

- Build a complete and defensible project budget: direct costs, shared costs, indirect costs, exchange rates and inflation.
- Understand the economics of an NGO: restricted and unrestricted funds, full cost recovery, reserves and cash flow.
- Manage financial performance: burn rate, variances, forecasts, cost per beneficiary and cost-effectiveness.

## The economics of an NGO: what senior managers must master

An NGO funds its activities with two types of resources: **restricted funds** (donor grants tied to a project, to rules and to a budget) and **unrestricted funds** (private donations, core contributions, margins on indirect costs), which the organisation uses freely. Unrestricted funds pay for what donors do not: pre-financing of projects, ineligible costs, fundraising, systems investment, and **reserves**.

The sector's structural problem is the **under-coverage of indirect costs**. A frequently cited study (Bridgespan, "The Nonprofit Starvation Cycle", 2009) described the starvation cycle: donors fund too little of the overhead, organisations under-report these costs to look efficient, and end up lacking systems, qualified staff and controls, which increases the risks of fraud and failure.

| Financial health indicator | Formula | Prudent benchmark |
|---|---|---|
| Free reserves in months | Available own funds / average monthly expenditure | 3 to 6 months |
| Liquidity | Available cash / next month's expenditure | At least 1.5 |
| Dependency on the largest donor | Largest donor's funding / total resources | Less than 40% |
| Indirect cost coverage | Indirect costs recovered / actual indirect costs | 100% or more |

## Building a defensible project budget

A budget is built from the **activities** (activity-based budget), then presented in the donor's format (budget headings). Each line rests on a **quantity**, a **unit**, a sourced **unit cost** (quotation, history, market price) and a **percentage charged** to the project.

- **Direct costs**: inputs, project staff, transport, training, cash transfers.

- **Shared costs** (or shared direct costs): field office, vehicles, security, support staff used by several projects. They are allocated according to a documented and consistent **allocation key** (time spent, floor space, kilometres, share of the direct budget). Their total charged across all projects must never exceed 100% of the actual cost.
- **Indirect costs**: headquarters, central functions, governance. They are covered by a flat rate set by the donor (for example 7% of eligible direct costs in European Commission humanitarian agreements and in many UN agreements) or by a negotiated rate.

Two financial risks must be budgeted explicitly: the **exchange rate** (if the contract is in EUR and spending is in a local currency pegged to the USD) and local **inflation**, which can exceed 30% a year in some crisis countries. They are handled with realistic unit prices, a revision clause in the contract, or a contingency line when the donor accepts it.

> A donor reviewer checks three things first: the link between the budget and the logframe (every result has resources), the justification of unit costs, and the consistency of the allocation key for shared costs.

## Indirect costs and full cost recovery

**Full cost recovery** means getting each project to fund its fair share of all the costs required, whether direct, shared or indirect. It requires knowing your true indirect cost rate.

**Worked example.** An NGO has USD 10 million in direct programme costs and USD 1.3 million in headquarters and central function costs. Its true rate is 1.3 / 10 = 13% of direct costs. If 70% of its funding comes from donors who pay 7%, the costs recovered are 7 × 0.7 = 4.9 points, plus 13 points on the remaining 30% (if those funds cover costs in full), i.e. 4.9 + 3.9 = 8.8% recovered against 13% actual costs. The shortfall of 4.2% of direct costs, i.e. USD 420,000, must be covered by unrestricted funds or by cutting costs.

Levers to reduce this shortfall: have costs that can legitimately be charged recognised as shared direct costs (security, field support), negotiate a certified indirect cost rate where the donor allows it (for example the negotiated rate in US government cooperative agreements, or failing that the de minimis rate provided for in its regulations), pool support functions, and turn down funding that deepens the shortfall without strategic value.

The same rule applies to local partners: passing on a share of indirect costs to them (for example half of the rate received, or their own rate) is a condition of their institutional strength and a commitment made by many Grand Bargain signatories.

## Budget monitoring: variances, forecasts and cash flow

The monthly **budget versus actuals** report (BvA) compares, for each line, the budget, cumulative spending, the burn rate and the remaining balance. It only becomes meaningful with a **forecast** to the end of the project: actual spending + commitments + forecast for the remaining months. The variance to explain is not the past variance, but the variance forecast at the end of the project.

**Example.** 12-month project, budget USD 600,000, in month 8: spending 330,000, commitments (orders placed but not paid) 60,000, forecast for the remaining 4 months 140,000. Forecast final spending: 530,000, i.e. an underspend of USD 70,000 (11.7%). The raw burn rate (330 / 600 = 55% for 67% of the time) did not show this as clearly. Decision: reallocate to a priority activity within the flexibility limit, or request an amendment, at least three months before the end.

**Cash flow** is a separate risk: many donors pay in instalments, often after reports have been approved, and some reimburse after expenditure. A 6- to 12-month cash flow plan matches expected receipts with planned expenditure across all projects, so that the need for pre-financing from own funds can be anticipated.

## Cost per beneficiary, cost-effectiveness and value for money

Donors and boards increasingly ask organisations to demonstrate **value for money**, often broken down into the British government's "4 Es": **economy** (buying inputs at the right price), **efficiency** (converting inputs into outputs), **effectiveness** (converting outputs into outcomes), **equity** (reaching the most vulnerable, even if it costs more).

**Cost per beneficiary** is a misleading indicator when used alone: reaching people in remote areas or people with disabilities costs more, and that is often where the greatest needs are. **Cost-effectiveness analysis** relates costs to a comparable outcome. The IRC has developed a method and a tool (Dioptra) to compare the cost per result of similar programmes.

**Example.** Two modalities to cover the food basket of 1,000 households for 6 months: in-kind distribution, USD 420,000 all-inclusive; cash transfers, USD 330,000 of which 270,000 is transferred to households. Transfer ratio: 270 / 330 ≈ 82% for cash. If markets function and the effect on consumption is comparable, cash is more cost-effective; if food price inflation exceeds 25% over the period, the conclusion may be reversed, hence the importance of market monitoring.

## Exercise: budget, shared costs and forecast

**Part 1.** A field office costs USD 18,000 a month (rent, security, vehicles, support staff). Three projects use it: A (direct budget 900,000), B (600,000), C (300,000). Allocate the monthly cost according to share of direct budget, then explain why C's donor could challenge this key if C accounts for 50% of travel.

**Part 2.** 18-month project, budget EUR 1,500,000, in month 12: spending 870,000, commitments 110,000, forecast for the last 6 months 420,000. Calculate the forecast final spending, the variance in EUR and as a percentage, and propose two decisions.

**Answer key.** Part 1: A 50% (USD 9,000), B 33.3% (6,000), C 16.7% (3,000). If C generates half of the travel, a single key based on budget can be challenged: use different keys for different types of cost (kilometres for vehicles, time spent for staff). Part 2: 870 + 110 + 420 = EUR 1,400,000; forecast underspend of EUR 100,000, i.e. 6.7%. Decisions: reallocate to a high-impact activity within the flexibility limit, or a no-cost extension if the variance comes from a delay; proactive communication with the donor.

## Key takeaways

- Unrestricted funds: pre-financing, ineligible costs, investment, reserves (benchmark 3 to 6 months).
- Budget = quantity × sourced unit cost × % charged; shared costs with a documented key, never more than 100%.
- Calculate your true indirect cost rate and the coverage shortfall it creates.
- Manage the forecast final spending (actuals + commitments + forecast), not just the burn rate.
- Value for money: economy, efficiency, effectiveness, equity; cost per beneficiary alone is misleading.

## Quiz

1. An NGO has USD 20 M in direct costs and USD 2.4 M in actual indirect costs. All its donors pay 7%. What is its annual indirect cost coverage shortfall?

   A. USD 0.4 M

   B. USD 1.0 M

   C. USD 1.4 M

   D. USD 2.4 M

2. In month 9 of a 12-month project (budget 400,000): spending 250,000, commitments 40,000, forecast for the last 3 months 90,000. The forecast variance at the end of the project is:
   A. Underspend of 150,000
   B. Underspend of 20,000 (5%)
   C. Overspend of 20,000
   D. No variance
3. What is the main risk of a poorly designed allocation key for shared costs?
   A. The report is longer
   B. Costs charged beyond 100% or unrelated to actual use, therefore ineligible and comparable to double charging
   C. The donor pays faster
   D. None, donors do not check
4. In the "4 Es" of value for money, choosing to serve a remote camp that costs more per person because needs there are most severe falls under:
   A. Economy
   B. Efficiency
   C. Equity
   D. Effectiveness
5. A contract is denominated in EUR, and salaries are paid in a local currency that loses 20% against the EUR during the project. All else being equal:
   A. The project will run short of funds
   B. The EUR cost of salaries falls: an exchange gain arises, to be declared and used according to the donor's rules
   C. Nothing changes
   D. The donor must pay a top-up

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

# Week 6 : Compliance, internal control, fraud and audit

**Objectives**

- Design a proportionate internal control system (COSO, three lines model, segregation of duties) for a multi-donor NGO.
- Prevent, detect and handle fraud and corruption, including aid diversion, with a rigorous investigation procedure.
- Prepare for a donor audit, understand ineligible costs and manage risks linked to sanctions and counter-terrorism.

## Internal control: principles and architecture

The **COSO** framework (2013) defines internal control as a process that provides reasonable assurance on three objectives: effective operations, reliable financial information, and compliance with laws and contracts. It rests on five components: **control environment** (tone at the top, ethics, competence), **risk assessment**, **control activities**, **information and communication**, **monitoring**.

The Institute of Internal Auditors' **three lines model** (2020) divides the roles: the **first line** (operations: programmes, logistics, field finance) manages risks day to day; the **second line** (compliance, risk management, financial control) sets the rules and checks them; the **third line** (internal audit) provides independent assurance to the board.

Key controls for a field-based NGO:

- **Segregation of duties**: the person who requests a purchase is not the one who approves it, receives the goods or pays.
- A written **delegation of authority**, with signature thresholds by amount and by type of expenditure.
- Monthly **bank reconciliations** signed by someone who handles neither cash nor the bank.
- Surprise **cash counts**, physical inventories and stock control.
- **Verification of beneficiaries** and payment lists, preferably by a team independent from targeting.

> In a small base, full segregation is impossible. Compensate with detective controls: monthly review of supporting documents by the next level up, job rotation, surprise remote checks.

## Understanding fraud: triangle, schemes and red flags

The **fraud triangle** (Cressey) combines three conditions: **pressure** (debts, family pressure, unrealistic targets), **opportunity** (weak controls) and **rationalisation** ("I'm underpaid",

"everyone does it"). Management acts mainly on opportunity, but also on rationalisation through culture and example.

The most frequent schemes in humanitarian work:

| Area | Scheme | Red flags |
|---|---|---|
| Procurement | Collusion between suppliers, splitting orders to stay under thresholds, fictitious suppliers, bribes | Always the same bidders, bids with very close prices, identical addresses or phone numbers, orders just below the threshold |
| Beneficiaries | Fictitious or duplicate beneficiaries, inclusion in exchange for payment, taxation of aid by intermediaries | Duplicate names or phone numbers, complaints from excluded households, gaps between lists and actual attendance |
| Human resources | Ghost employees, fictitious overtime, jobs in exchange for payment | Staff never seen, shared bank accounts, complaints from candidates |
| Stock and fuel | Theft, diversion, abnormal consumption | Repeated inventory discrepancies, abnormal consumption per kilometre |

**Aid diversion** by armed groups or authorities (taxation at checkpoints, imposed lists, levies on beneficiaries) is a major risk in conflicts. It is managed through risk analysis, independent verification, suspension where necessary, and coordination with other organisations so as not to give in separately.

## Handling a suspicion: reporting, investigation and sanctions

An anti-fraud policy must provide for: several **reporting channels** (including one outside the line management and anonymous), **protection of whistleblowers** against retaliation, a rule of **zero tolerance for inaction** (every credible suspicion is handled), and the **obligation to notify donors** within contractual deadlines, often very short (for example within a few working days of becoming aware of a credible suspicion).

Steps of an internal investigation:

1. **Initial assessment**: is the report credible and within the scope of the policy? Who must be informed? Is there a risk to anyone's safety?
2. **Preserving evidence**: copying data, securing documents, suspending access if necessary, without alerting the person implicated.
3. **Investigation** by trained people, independent from the line management concerned, with an investigation plan, interviews with witnesses, then with the person implicated, who has the right to respond.
4. **Report** based on facts, with an explicit standard of proof (in disciplinary matters, generally the balance of probabilities).
5. **Decisions**: disciplinary sanctions, recovery of losses, reporting to the authorities if the law requires it or if appropriate, and above all **fixing the control weaknesses**.

> Serious mistake: entrusting the investigation to the suspected person's direct manager, or starting interviews before securing the evidence. The first compromises independence; the second makes documents disappear.

## Donor audits and ineligible costs

A project audit checks that the expenditure declared is **real**, **eligible** (provided for in the budget, incurred during the period, compliant with the rules), **justified** by supporting evidence, **recorded** in the accounts and compliant with procurement and visibility rules. Any expenditure that does not meet these conditions becomes an **ineligible cost** that the organisation must repay from its own funds.

The most frequent causes of ineligible costs: procurement procedure not followed (number of quotations, advertising, thresholds), missing or non-original documents, expenditure outside the period, unjustified allocation keys, wrongly calculated exchange differences, and assets that cannot be found in the inventory.

Preparing for an audit in six points: a file per contract with all the documents in the order of the procedure; reconciliation between the financial report and the general ledger; a list of staff charged with contracts, timesheets and payslips; an inventory of tagged assets; a register of exchange differences; a note explaining the allocation keys.

**Worked example.** An auditor tests a sample of USD 120,000 of expenditure out of a total declared of USD 1,000,000 and finds USD 9,000 of errors (7.5%). Depending on the agreed method, some auditors extrapolate this rate to the whole population: USD 75,000 of potentially ineligible costs. A systematic error, such as an allocation key, therefore costs far more than its amount in the sample.

## Sanctions, counter-terrorism and partner vetting

NGOs working in areas controlled by designated groups must comply with **sanctions regimes** (UN Security Council, European Union, United States, United Kingdom) and with the counter-terrorism clauses in their contracts. These clauses prohibit making funds or resources available to listed persons or entities, directly or indirectly.

Security Council resolution 2664 (2022) introduced a cross-cutting **humanitarian exemption** to UN asset-freeze regimes for humanitarian assistance and activities that support basic human needs, and several jurisdictions have adopted comparable exemptions. But these exemptions do not remove the need for due diligence or the donors' contractual clauses.

Due diligence includes: screening partners, suppliers and key staff against sanctions lists before contracting and periodically, a diversion risk analysis, controls on payments (no cash payments to unvetted intermediaries), and a written policy for managing the contacts with armed groups that are necessary for access.

> Ethical point of attention: according to most donors and sector positions, screening does not apply to beneficiaries, because aid is based on need. Screening beneficiaries against

lists would violate the principle of impartiality; in case of contractual doubt, the question must be settled in writing with the donor.

## Exercise: the red file

**Situation.** During a review, the country finance manager notices that over 14 months, the same building materials supplier has won 11 out of 12 contracts at the Kalumbi base, that 7 orders are between USD 4,800 and 4,990 while the threshold for a restricted tender is USD 5,000, and that two of the three competing quotations carry the same phone number. The base logistician approved all the evaluation minutes. The main donor requires notification within 5 working days of any credible suspicion.

**Task.** 1) Identify the red flags and the probable scheme. 2) List, in order, your first ten actions over 72 hours. 3) State who must investigate and who must not. 4) Write the notification to the donor (8 lines, factual, without accusing anyone). 5) Propose three control improvements.

**Answer key.** Probable scheme: order splitting and collusion or fake quotations. Actions: secure the procurement files and data (copies), discreetly restrict the logistician's procurement rights, inform the anti-fraud focal point and country management, assess the security risk, notify the donor within the deadline, appoint an investigation team independent from the base. Improvements: automatic control of cumulative orders per supplier and per period, supplier vetting (address, registry, phone), a bid opening committee with at least one member from outside the base.

## Key takeaways

- COSO: control environment, risks, control activities, information, monitoring; three lines: operations, second line, internal audit.
- Fraud triangle: pressure, opportunity, rationalisation.
- Investigation: secure the evidence before any interview; independent investigators; notify the donor within the deadline.
- A systematic error can be extrapolated by the auditor to the whole population of expenditure.
- Sanctions: due diligence on partners and suppliers; no screening of beneficiaries against lists.

## Quiz

1. Eight orders of USD 9,700 to 9,950 to the same supplier over two months, with a tender threshold of USD 10,000, mainly suggest:
   A. Good budget management
   B. Order splitting to get around the procedure
   C. Local inflation
   D. A cash flow problem

2. In the three lines model, the regional financial controller who sets procedures and checks they are applied belongs to:
   A. The first line
   B. The second line
   C. The third line
   D. No line

3. First action after a credible report of fraud at a base:
   A. Immediately summon the suspected person
   B. Secure the evidence and assess the risks, without alerting the person implicated, then organise an independent investigation
   C. Ask the base manager to investigate
   D. Wait for the annual audit

4. An auditor finds USD 12,000 of errors in a sample of USD 200,000 out of 2,000,000 declared, and extrapolates. The amount at risk is:
   A. USD 12,000
   B. USD 60,000
   C. USD 120,000
   D. USD 200,000

5. According to the dominant position in the sector, screening against sanctions lists should cover:
   A. All beneficiaries
   B. Partners, suppliers and key staff, but not beneficiaries whose aid is based on need
   C. Only international staff
   D. No one, since resolution 2664

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

# Week 7 : Fundraising and donor relations: strategy, proposals and diversification

**Objectives**

- Build a diversified resource mobilisation strategy: institutional donors, pooled funds, foundations, private sector, individual giving.
- Write a competitive proposal: analysis of the call, intervention logic, budget, evidence and differentiation.
- Manage the donor relationship over time and measure the return on fundraising effort.

## The humanitarian funding landscape

International humanitarian funding is concentrated: about ten public donors provide most of the money, and UN-coordinated response plans are structurally underfunded (often funded at less than half of their requirements in recent years, with a sharp drop in 2024 and 2025). The main sources for an NGO:

| Source | Examples | Characteristics |
|---|---|---|
| Bilateral and multilateral donors | European Commission (ECHO, INTPA), government agencies, development banks | Large amounts, strict compliance requirements, annual or multi-year cycles |
| Pooled funds | Country-based pooled funds (CBPF) managed by OCHA, CERF (for UN agencies), Red Cross Movement funds such as the DREF | Accessible to national NGOs, aligned with the response plan's priorities, prior capacity assessment |
| Partner UN agencies | Partnership agreements with UNICEF, UNHCR, WFP, IOM | The NGO implements part of the agency's programme; variable cost coverage |
| Foundations | Family and corporate foundations, international philanthropy | Often more flexible, interested in innovation and learning |
| Private sector and individual giving | Sponsorship, emergency appeals, regular giving, legacies | Often unrestricted funds; high acquisition cost but strong long-term value |

Trends to build into a strategy: multi-year and flexible funding encouraged by the Grand Bargain, the rise of **anticipatory action** (funding triggered by forecasts, before the shock), localisation, and growing demands for evidence of results.

## Resource mobilisation strategy

A resource mobilisation strategy starts from the organisation's strategy: **how much** must be raised, **for what**, **from whom**, with **what investment**. It includes:

- A **portfolio target**: for example no donor above 35%, at least 15% unrestricted funds, at least 30% multi-year funding.
- A **donor map** by priority: strategic alignment, likely amount, probability of success, cost of the effort, compliance requirements.
- A **pipeline** (opportunity tracking table) with, for each one, the amount, the probability, the decision date and the **weighted value** = amount × probability.
- An **investment plan**: development staff, donor management systems (CRM), visibility, compliance readiness.

**Pipeline example.** Opportunity A: USD 800,000 at 25% = 200,000; B: 300,000 at 60% = 180,000; C: 150,000 at 80% = 120,000. Total weighted value: USD 500,000. If the organisation must find USD 900,000 to cover its minimum budget, the pipeline is insufficient: it needs to generate new opportunities, not just write better.

> A rule for leaders: fundraising is won before the call for proposals, in the relationship, the reputation and the presence in coordination. A call discovered on the day it is published is, statistically, a lost call.

## Writing a winning proposal

Evaluators read dozens of proposals using a **scoring grid**. The first task is to dissect it: criteria, weightings, page limits, mandatory annexes, eligibility conditions. A proposal must answer each criterion explicitly, using the words of the call.

Structure of a solid proposal:

1. **Context and needs analysis**: recent, sourced and disaggregated data (multi-sector assessments, cluster, your own data), with the gaps in the current response.
2. **Intervention logic**: theory of change, logical framework, justification of the choice of modalities and areas.
3. **Methodology and quality**: standards applied (Sphere, sector standards), community participation, protection mainstreaming, gender and disability.
4. **Capacities and added value**: presence, access, proven experience, partnerships, systems.
5. **Risk management**: security, fraud and diversion, data protection, with concrete measures.
6. **MEAL and accountability**.
7. **Budget and value for money**: consistent with the activities, justified unit costs.
8. **Sustainability and exit**: what will remain, who will carry it.

What sets a winning proposal apart: **evidence** (figures from your previous projects, evaluation results), **precision** (names of localities, numbers, a realistic timeline) and **consistency** (the

same number of beneficiaries in the narrative, the logframe and the budget). A single numerical inconsistency is often enough to lose several points.

## Managing the donor relationship

The relationship with a donor is one of **trust** based on transparency. Donor programme officers hate surprises: a delay, an incident or underspending announced early with an action plan strengthens credibility; the same facts discovered in a final report destroy it.

- **Before**: know the donor's priorities (country strategies, guidance notes), take part in consultations and coordination meetings, share your analyses.
- **During**: reports on time, well-prepared field visits, proactive communication of changes, compliance with visibility rules.
- **After**: a quality final report, sharing of evaluations and lessons, including failures.

**Advocacy with donors** is also part of the relationship: flagging unmet needs, rules that hinder action (for example verification requirements incompatible with data protection), or the need for more flexible funding. It is done with data and, where possible, collectively through NGO forums.

## Private funds, cost of fundraising and ethics

Private funds are valuable because they are often **unrestricted**. Their economics follow the **donor lifetime value**: a regular donor recruited for USD 150 who gives USD 20 a month for an average of 4 years brings in about USD 960, a return of more than 6 to 1 on the acquisition investment. The key indicators are the **cost of fundraising per dollar raised**, the donor **retention rate** and the **return on investment** by channel.

Partnerships with companies require **due diligence**: excluded sectors (arms, tobacco, companies involved in human rights violations in the area of operation), no conflict of interest, respect for independence and for the image of the people assisted. Companies can bring more than money: logistics skills, telecommunications, payment technologies.

The **ethics of communication** is a major reputational issue: informed consent for every image, no images that undermine dignity, protection of children and survivors, and rejection of "poverty porn". The principles of the Code of Conduct for the Red Cross and Red Crescent Movement and NGOs (1994) call for presenting the people assisted as dignified human beings, not as objects of pity.

## Exercise: pipeline and concept note

**Part 1.** Your NGO must cover a budget of USD 2.4 M next year. Funding secured: 1.1 M. Pipeline: European donor USD 900,000 at 30%; country pooled fund 400,000 at 55%; UN agency 350,000 at 70%; foundation 120,000 at 50%; expected private donations 150,000 at 90%. Calculate the weighted value of the pipeline, the probable total and the gap. What do you decide?

**Part 2.** Write a two-page concept note for the country pooled fund: problem, proposed response, quantified results, indicative budget, added value, main risks.

**Answer key, part 1.** Weighted values: 270,000 + 220,000 + 245,000 + 60,000 + 135,000 = USD 930,000. Probable total: 1,100,000 + 930,000 = USD 2,030,000, a gap of USD 370,000. Decisions: identify additional opportunities (at least USD 700,000 to 800,000 of new opportunities at medium probability), prepare a fallback budget at USD 2.0 M with the activities to cut first, and take on no new fixed costs before confirmation.

## Key takeaways

- Diversify: no donor above about 35 to 40%, a share of unrestricted and multi-year funds.
- Pipeline: weighted value = amount × probability; compare it with the funding need.
- A proposal answers the scoring grid, provides evidence and stays consistent across narrative, logframe and budget.
- No surprises for the donor: announce problems early with an action plan.
- Private funds: lifetime value, retention, cost per dollar raised; dignified communication with informed consent.

## Quiz

1. Pipeline: USD 600,000 at 20%, 250,000 at 60%, 100,000 at 90%. Weighted value:
   A. USD 950,000
   B. USD 360,000
   C. USD 120,000
   D. USD 420,000

2. In your proposal, the narrative announces 12,000 beneficiaries, the logframe 10,500 and the budget calculates kits for 11,000 households. What is the main risk?
   A. None, evaluators understand
   B. Losing points for inconsistency and credibility, or even administrative non-compliance
   C. An immediate audit
   D. A visibility refusal

3. A regular donor costs USD 120 to recruit, gives USD 15 a month and stays on average 3 years. Their return on the acquisition investment is about:
   A. 1.5 to 1
   B. 3.75 to 1
   C. 4.5 to 1
   D. 9 to 1

4. Which funding is in principle directly accessible to national NGOs and aligned with the country's humanitarian response plan?
   A. The CERF
   B. Country-based pooled funds (CBPF) managed by OCHA
   C. World Bank loans to states
   D. Defence budgets

5. A security incident will delay a project by two months. The best time to inform the donor is:
   A. In the final report
   B. In the next interim report, in four months
   C. Quickly, with an analysis of the impact and a proposed adjustment
   D. Only if they ask

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

# Week 8 : Humanitarian supply chain: strategic procurement, stock and total cost

**Objectives**

- Steer the supply chain as a strategic issue: lead times, costs, quality, risks and environmental impact.
- Design a procurement strategy (Kraljic matrix, framework agreements, prepositioning) and apply donor thresholds and procedures.
- Size stock and transport with simple calculations (safety stock, reorder point, total cost of ownership, Incoterms).

## Why the supply chain is a leadership issue

It is commonly estimated that logistics and procurement account for a major share of humanitarian spending, often cited at around 60 to 80% (van Wassenhove, 2006). A 5% gain on that spending is often worth more than all efforts to cut headquarters costs. The supply chain also determines the **speed** of the response, the **quality** of the aid and a large part of the **fraud risks**.

The central tension is **speed versus cost**: emergency air freight often costs 5 to 10 times more than sea freight, but delivers in days instead of weeks. Leaders must set the rules of the game in advance: which categories are prepositioned, when air freight is justified, which lead times are acceptable for each type of intervention.

Key indicators to track at country level: **processing time** of purchase requests (from request to delivery), **on-time in-full delivery rate**, **share of purchases under framework agreements**, **stock turnover and expiry**, **logistics cost per tonne delivered** and the **compliance rate** of procurement files at audit.

## Procurement strategy: Kraljic and framework agreements

The **Kraljic matrix** (1983) classifies purchasing categories by their **financial impact** and their **supply risk**:

| Quadrant | Humanitarian examples | Strategy |
|---|---|---|
| Non-critical (low impact, low risk) | Office supplies, small equipment | Simplify: catalogues, purchasing cards, bundling |
| Leverage (high impact, low risk) | Tarpaulins, hygiene kits, fuel in well-served areas | Competitive tendering, multi-year framework agreements, joint inter-agency procurement |
| Bottleneck (low impact, high risk) | Spare parts for specific vehicles, rare medicines | Secure supply: safety stock, alternative suppliers, standardisation |
| Strategic (high impact, high risk) | Therapeutic food, essential medicines, transport in conflict areas | Lasting partnerships, prepositioning, continuity plans |

**Framework agreements** are the most powerful tool for reconciling speed and compliance: competition takes place once, in advance, and orders are then placed within a few days during the crisis. Donor procedures (for example the rules applicable to the European Commission's humanitarian partners, or the thresholds set by each organisation) provide **thresholds** above which the procedure becomes heavier: direct purchase, consultation of several suppliers, local open tender, then international tender. They also provide **emergency procedures** (justified direct negotiation), which must be documented with a waiver note.

> For the manager: every waiver from the normal procedure must be justified in writing, approved at the right level and filed. A real but undocumented emergency becomes, at audit, an ineligible cost.

## Stock management: formulas and decisions

Three calculations cover most stock decisions:

- **Safety stock** (simple approach): average daily consumption × lead-time margin, or more precisely z × standard deviation of demand during the replenishment lead time.
- **Reorder point** = average daily consumption × replenishment lead time + safety stock.
- **Economic order quantity** (Wilson formula): EOQ = √(2 × D × S / H), where D is annual demand, S the fixed cost of an order and H the annual cost of storing one unit.

**Example.** A nutrition programme consumes 40 cartons of therapeutic food per day. The replenishment lead time is 60 days; a safety stock of 20 days of consumption is chosen. Reorder point = 40 × 60 + 40 × 20 = 2,400 + 800 = 3,200 cartons: as soon as stock reaches 3,200 cartons, an order must be placed. If the lead time rises to 90 days because of a port disruption, the reorder point rises to 40 × 90 + 800 = 4,400 cartons.

The **FEFO** rule (first expired, first out) is a must for medicines and food. Physical inventories must be at least quarterly, and unannounced for sensitive stock, with reconciliation against stock cards and the system.

## Transport, Incoterms and total cost of ownership

The **total cost of ownership** (TCO) adds to the purchase price all costs up to use: transport, insurance, duties and taxes (often waived for registered NGOs, but with administrative delays), storage, losses, maintenance and disposal. A cheaper international supplier can cost more than a local supplier once all costs and lead times are counted; conversely, a local product of insufficient quality is costly in losses and reputational damage.

The International Chamber of Commerce's **Incoterms 2020** define how costs and risks are shared between seller and buyer. The most used: **EXW** (the buyer takes charge of everything from the factory), **FCA** (the seller hands the goods, cleared for export, to the carrier named by the buyer), **CIF** (the seller pays freight and insurance to the port of destination, but risk passes to the buyer at loading), **DAP** (delivered at the agreed place, not cleared for import), **DDP** (delivered cleared, duties paid). Choosing the wrong Incoterm can leave the NGO carrying a risk it thought had been transferred.

**TCO example.** 10,000 tarpaulins: international offer at USD 9.50 per unit FCA, plus USD 2.80 freight and insurance, USD 1.20 clearance and inland transport, lead time 10 weeks; regional offer at USD 12.60 delivered DAP warehouse, lead time 3 weeks. International TCO: USD 13.50; regional: USD 12.60 plus about USD 0.40 clearance = USD 13.00. The regional offer is cheaper and faster, provided that quality meets the specifications (inspection and samples).

## Risks, localisation and sustainability of the supply chain

Mapping **supply chain risks** covers: dependence on a single supplier or corridor, price and exchange-rate volatility, road insecurity, import restrictions, seasonal access and fraud. The responses: several qualified suppliers, alternative corridors, regional prepositioning, indexation clauses, insurance, and coordination through the **Logistics Cluster** (information sharing on access, common transport and storage services).

**Cash transfers** shift part of the supply chain to local markets: the decision is made with a market analysis (traders' capacity to absorb demand, integration, prices) and continuous price monitoring. They do not remove risks: they shift them to payment providers and data protection.

**Environmental sustainability** is becoming a donor requirement: the Climate and Environment Charter for Humanitarian Organizations (2021) commits signatories to reducing their emissions, particularly from transport and procurement. Levers: prefer quality local or regional purchases, reduce air freight through prepositioning, reduce packaging, manage waste and plastics, and choose more durable products.

## Exercise: safety stock, reorder point and supplier choice

**Part 1.** A base distributes an average of 250 hygiene kits per week. The main supplier delivers in 6 weeks. Demand varies, and you want to cover 3 extra weeks of consumption. Calculate the safety stock and the reorder point in kits. What happens if a cholera outbreak doubles consumption for 2 months?

**Part 2.** Annual demand of 12,000 kits, fixed cost of an order (procedure, transport, receipt) of USD 400, storage cost of USD 2.40 per kit per year. Calculate the economic order quantity. Why not apply it as is in a conflict area?

**Answer key.** Part 1: safety stock = 250 × 3 = 750 kits; reorder point = 250 × 6 + 750 = 2,250 kits. If consumption doubles to 500 kits per week, the reorder point becomes 500 × 6 + 750 = 3,750; an emergency order must be triggered, and a framework agreement or an inter-agency stock loan through the cluster activated. Part 2: EOQ = √(2 × 12,000 × 400 / 2.40) = √4,000,000 = 2,000 kits per order. In a conflict area, access can be cut: higher stock and prepositioning are preferred, because the cost of a stock-out far exceeds the cost of storage.

## Key takeaways

- The supply chain is a strategic lever: speed, cost, quality, fraud risk.
- Kraljic: non-critical, leverage, bottleneck, strategic; framework agreements reconcile speed and compliance.
- Reorder point = consumption × lead time + safety stock; EOQ = √(2DS/H).
- Compare offers on total cost of ownership and check the Incoterm: who pays and who carries the risk, and when.
- Every emergency waiver is justified in writing and filed; otherwise the cost becomes ineligible.

## Quiz

1. Consumption of 30 units per day, replenishment lead time of 45 days, safety stock of 15 days. The reorder point is:

   A. 1,350 units

   B. 1,800 units

   C. 450 units

   D. 2,250 units

2. D = 8,000 units per year, S = USD 250 per order, H = USD 4 per unit per year. The economic order quantity is:
   A. 500
   B. 1,000
   C. 2,000
   D. 4,000

3. Under the CIF Incoterm, the risk of loss at sea is borne by:
   A. The seller up to the port of destination
   B. The buyer, from loading on board at the port of shipment, even though the seller pays freight and insurance
   C. The insurer only
   D. The freight forwarder

4. According to Kraljic, ready-to-use therapeutic food in a nutrition crisis is rather:
   A. Non-critical
   B. Leverage
   C. Bottleneck
   D. Strategic

5. Offer A: USD 20 FCA + USD 6 freight and insurance + USD 2 clearance, lead time 12 weeks. Offer B: USD 27 DDP, lead time 2 weeks, equivalent quality. What do you conclude?
   A. A is USD 7 cheaper
   B. B costs USD 1 less in total cost and delivers 10 weeks earlier
   C. Both cost exactly the same
   D. Different Incoterms cannot be compared

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

# Week 9 : Strategic human resources, duty of care and safeguarding

**Objectives**

- Align people management with strategy: workforce planning, pay, development and succession, especially for national staff.
- Understand the employer's duty of care and its legal and practical consequences.
- Set up a robust safeguarding and PSEA system: prevention, safer recruitment, reporting, investigation and support.

## HR as a strategic lever

Salaries often account for the largest share of an NGO's costs, and the quality of aid depends above all on people. An HR strategy answers four questions: **which skills will we need** in three years? **Where will we find them** (recruit, train, partner)? **How will we keep them** (pay, conditions, meaning, development)? **How will we prepare succession** for key posts?

**Workforce planning** starts from the funding scenarios. For each scenario, you calculate the staff needed, the gaps and the transition costs (recruitment, end-of-contract payments under local labour law). Contracts must be aligned with the length of funding while respecting the law: successive fixed-term contracts are regulated in many countries, and end-of-contract payments must be provisioned.

**Pay** rests on a salary scale based on job classification, a local market salary survey (often carried out jointly by NGOs), and a clear policy for adjusting to inflation. An opaque or inconsistent scale is one of the leading causes of labour disputes and departures.

> HR indicators for leadership: turnover rate by category, average time to recruit key posts, share of leadership posts held by national staff, vacancy rate, absenteeism, and well-being survey results.

## Developing people and preparing succession

The **70-20-10** model reminds us that about 70% of learning comes from experience (assignments, projects with responsibility), 20% from relationships (mentoring, coaching, peers) and 10% from formal training. An effective development plan therefore combines demanding assignments, support and targeted training.

**Performance management** sets clear objectives, regular check-ins and an annual appraisal based on results and expected behaviours (a competency framework, for example the CHS Alliance core humanitarian competency framework). Performance problems are dealt with early, with a written improvement plan, support and deadlines, before any disciplinary procedure.

The **succession plan** identifies for each key post (country director, finance manager, security manager) at least one potential successor and their preparation plan. It is also a concrete lever for localisation: moving a leadership post from international to national staff requires two to three years of deliberate preparation, not a simple decision to replace.

## The employer's duty of care

The **duty of care** is the employer's obligation to take all reasonable measures to protect staff against foreseeable risks, including on assignment. It covers security, physical and mental health, working and living conditions, insurance, evacuation and support after an incident. It applies to national staff as well as international staff, even if risks and means may differ.

The case of **Dennis v Norwegian Refugee Council** (Oslo District Court, 2015) was a landmark for the sector: an employee kidnapped during an attack at the Dadaab camp (Kenya) in 2012 obtained compensation, the court having found that the organisation had been grossly negligent in failing to act on known risks. The lessons: a known risk must be **analysed**, measures must be **actually applied**, and decisions must be **documented**.

In practice, the duty of care requires: up-to-date risk assessments shared with staff, a security briefing before any assignment, **clear information and informed consent** about the risks, suitable insurance (including for national staff), access to care and psychological support, rest periods, and incident management that takes care of the people affected.

> A frequent and dangerous inequality: evacuation, insurance or psychological support measures reserved for international staff. The organisation must be able to explain and defend every difference in treatment in light of the real risks.

## Safeguarding and PSEA: the responsibility of leaders

**Safeguarding** means all the measures taken so that neither staff, nor programmes, nor partners cause harm to people, in particular sexual exploitation, abuse and harassment. The Inter-Agency Standing Committee (IASC) has set **six core principles** on protection from sexual exploitation and abuse (PSEA), including: sexual exploitation and abuse constitute gross misconduct and are grounds for termination; sexual activity with children under 18 is prohibited regardless of the local age of consent; exchanging money, employment, goods or services for sex is prohibited, including assistance that is due; sexual relationships with beneficiaries are strongly discouraged because they are based on unequal power dynamics; any concern must be reported; managers must create and maintain an environment that prevents such abuse.

The system includes: a policy signed by all staff and partners, **safer recruitment** (reference checks with explicit questions about misconduct, participation in the **Misconduct Disclosure Scheme**, which allows member organisations to share information on proven misconduct), training, reporting mechanisms accessible to communities, and specialised investigation capacity.

The **survivor-centred approach** guides every response: safety, confidentiality, respect for the person's choices, non-discrimination, and referral to services (health, psychosocial support, legal aid) even if the person does not want an investigation.

## Organisational culture, well-being and diversity

Culture shows in what leaders **tolerate**. A director who protects a high-performing but abusive staff member destroys years of policies with a single decision. Sector inquiries (for example the report of the independent commission set up by Oxfam on sexual misconduct, accountability and culture change, published in 2019) showed that abuse thrives where hierarchy is strong, speaking up is hard and reporting mechanisms are unreliable.

**Well-being** is managed with structural measures rather than slogans: realistic workload, sufficient staffing, leave actually taken, confidential psychosocial support, peer support, and training managers to spot signs of burnout (the Maslach model describes three dimensions: emotional exhaustion, depersonalisation or cynicism, and a sense of inefficacy).

**Diversity, equity and inclusion** concern gender, nationality, disability, age and background. Useful indicators: breakdown by gender and status at the different levels of responsibility, pay gaps for equal posts, accessibility of workplaces, and inclusion survey results. Women remain under-represented in country leadership posts in many organisations: concrete measures (mentoring, working conditions compatible with family life, transparent selection criteria) have more effect than statements.

## Exercise: HR plan in a downturn scenario and a safeguarding alert

**Part 1.** Your mission has 140 employees. The most likely funding scenario implies a 25% cut in the payroll in six months. Local law requires severance of one month's salary per year of service for economic redundancies and one month's notice. Describe your approach in six steps, from analysis to communication, and say which selection criteria are objective, lawful and non-discriminatory.

**Part 2.** A member of a distribution committee tells you that a supervisor is allegedly asking women for "favours" in exchange for putting them on the lists. This supervisor is one of the best performers in the team. Describe your actions within 48 hours.

**Answer key.** Part 1: analyse the scenarios and the posts, consult staff representatives as required by law, explore alternatives (natural end of contracts, recruitment freeze, voluntary reduction of working time), apply objective and published criteria (skills required by the posts kept, documented results, then length of service as required by law), provision the severance payments, support the people affected. Part 2: do not investigate yourself or confront the supervisor; pass the information immediately and confidentially to the PSEA focal point or the investigation unit; protective measures (remove the supervisor from any contact with the lists and the beneficiaries during the investigation, without prejudging); guarantee access to services for the people affected; notify the donor according to the contract clauses. The supervisor's performance is irrelevant.

## Key takeaways

- HR strategy: future skills, sources, retention, succession; a transparent, market-based salary scale.
- 70-20-10: experience and support develop people more than training alone.
- Duty of care: risks analysed, measures applied, decisions documented (Dennis v NRC, 2015).
- The IASC's six principles on PSEA; safer recruitment and the Misconduct Disclosure Scheme; survivor-centred approach.
- Culture is measured by what leaders tolerate.

## Quiz

1. Under the IASC principles, a sexual relationship between a staff member and a 17-year-old, in a country where the age of consent is 16, is:
   A. Allowed by local law
   B. Prohibited: any sexual activity with a person under 18 is prohibited, whatever the local legal age
   C. Tolerated if consensual
   D. A private matter

2. The main lesson of Dennis v NRC (2015) for humanitarian employers is:
   A. Dangerous areas must be avoided
   B. A known risk must be analysed, measures actually applied and decisions documented, otherwise the organisation can be held liable
   C. Only international staff are protected
   D. Insurance is enough

3. When checking references for a post in contact with beneficiaries, it is essential to:
   A. Rely only on the references provided by the candidate
   B. Ask explicitly about misconduct and ongoing investigations, and use information-sharing schemes such as the Misconduct Disclosure Scheme
   C. Check only diplomas
   D. Avoid questions about conduct to respect privacy

4. A survivor of abuse does not want an investigation to be opened. In a survivor-centred approach, the organisation:
   A. Opens a public investigation anyway
   B. Closes the file without doing anything
   C. Respects her choice as far as possible, guarantees her access to services, and meets its internal reporting obligations while protecting her identity
   D. Asks the alleged perpetrator's manager to settle the matter

5. In the 70-20-10 model, mentoring a future country director falls mainly under:
   A. 70%: experience
   B. 20%: relationships and support
   C. 10%: formal training
   D. None of these categories

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

# Week 10 : Organisational risk and security management

**Objectives**

- Set up organisation-wide risk management: register, risk appetite, residual risks, risk sharing with donors and partners.
- Lead security risk management: context analysis, threats, vulnerabilities, acceptance, protection and deterrence strategies.
- Prepare and lead critical incident management: crisis cell, communication, business continuity.

## Organisational risk management

The **ISO 31000** standard defines risk as the effect of uncertainty on objectives. A humanitarian organisation faces risks of several kinds: **security**, **fiduciary** (fraud, corruption, diversion), **legal and compliance** (sanctions, labour law, data protection), **operational** (access, supply disruption), **reputational**, **ethical** (abuse, breach of principles) and **financial** (exchange rates, cash flow, donor dependence).

The **risk register** describes each risk (cause, event, consequence), its likelihood and impact (often on a scale of 1 to 5), the existing measures, the **residual risk**, the owner and the review date. The risk level is often calculated as likelihood × impact: a risk with likelihood 4 and impact 5 scores 20 out of 25, above an escalation threshold set, for example, at 15.

**Risk appetite**, approved by the board, states which risks the organisation accepts in order to fulfil its mission. A medical NGO may accept a high security risk to provide care in a conflict zone, but accept no risk at all of tolerating sexual exploitation. Without a formal risk appetite, every decision depends on the personality of the director in post.

> **Risk transfer** to local partners is a drift denounced by many studies: the international NGO stays sheltered while its partner carries the danger without means. **Risk sharing** means funding partners' security, sharing information and deciding together what is acceptable.

## Security risk analysis

Security risk management follows a cycle: **context analysis** (actors, conflict dynamics, crime, perception of the organisation), **threat identification** (kidnapping, armed attack, road robbery, explosive devices, sexual violence, arbitrary detention, civil unrest, natural disasters, disease), **analysis of vulnerabilities** and capacities, then risk assessment and choice of measures.

A teaching formula sums up the logic: **risk = threat × vulnerability / capacities**. You almost never control the threat; you act on vulnerability (exposure, profile, predictable routines) and

on capacities (training, communications, procedures, network).

The **acceptable risk threshold** is decided by weighing residual risk against **programme criticality**: the more an activity saves lives, the higher the risk that can be accepted, with reinforced measures. The UN system's Programme Criticality framework and the approach of the Global Interagency Security Forum (GISF) formalise this reasoning.

Information sources must be cross-checked: network of local contacts, NGO security forums and security advisory organisations, UN agencies, local media, public conflict data (for example the Uppsala Conflict Data Program, UCDP). Sensitive information received from partners or third parties is not passed on without their consent.

## Strategies: acceptance, protection, deterrence

The **security triangle** distinguishes three complementary strategies:

- **Acceptance**: reduce or remove the threat by obtaining the consent of actors (communities, authorities, armed groups) through quality, perceived impartiality, transparency and dialogue. It is the preferred strategy of NGOs, but it is built over time and can collapse quickly if an actor judges the organisation to be partial.
- **Protection**: reduce vulnerability through physical and procedural measures (walls, guards, suitable vehicles, movement procedures, hibernation, reduced visibility).
- **Deterrence**: pose a counter-threat (armed escorts, conditional withdrawal, political pressure). Armed escorts are in principle a last resort, governed by the IASC guidelines on the use of armed escorts, because they can compromise perceived neutrality and create new risks.

A country **security plan** includes: risk analysis, security levels and indicators for moving from one level to another, standard operating procedures (movements, communications, cash management, visitors), contingency plans (hibernation, relocation, evacuation) and a crisis organisation chart. It must be known, understood and tested through exercises, otherwise it is useless.

> Trigger indicators: decide in advance which events move you from one level to another (for example two armed incidents less than 20 km from the base in one week). Without indicators, the decision to relocate often comes too late.

## Critical incident management

A **critical incident** (kidnapping, death, serious assault, attack on an office, disappearance) exceeds normal management capacity. It is managed by a **crisis management team** at headquarters or regional level, separate from the team on the ground, with roles defined in advance: crisis lead, family liaison, communication, security, legal and insurance, human resources, psychological support.

Principles for the first hours: **secure** the people still exposed, **verify** the facts, **activate** the crisis cell, **keep a log** of all decisions and information in chronological order, **control communication** (no public statements or social media posts by staff, a single spokesperson),

**inform the family** before any other audience, and **coordinate** with the authorities and other organisations.

In the event of a kidnapping, organisations rely on specialists and on their insurance; policies vary on paying ransoms, which several states prohibit or strongly discourage and which in some cases breaches sanctions regimes. The organisation's policy must be clear before the incident, not improvised during it.

After the incident: psychological support for the people affected and the team, a no-blame lessons-learned review, an update of the risk analysis and, where necessary, a review of the presence in the area.

## Business continuity and reputation

**Business continuity** prepares the organisation to keep its essential functions running despite a disruption: loss of an office, communications or banking cut, epidemic, cyberattack, suspension of registration. The plan identifies **critical functions** (payroll, payments to beneficiaries, life-saving supplies, communication with donors), their maximum acceptable interruption time, and fallback solutions (off-site backups, alternative bank accounts, signature delegations, remote management).

**Remote management** (programmes run by national teams or partners when senior staff can no longer access the area) requires particular attention: real transfer of security resources, third-party monitoring systems, verification calls to beneficiaries, and vigilance not to transfer the risk without transferring the means.

**Reputational risk** often stems from other risks: an abuse scandal, a concealed fraud or a badly managed incident cost far more than their direct losses. The best protection is transparency: inform donors and, where appropriate, the public, factually and quickly, showing the measures taken.

**Cybersecurity** and data protection are now major risks: two-factor authentication, backups, updates, anti-phishing training, and encryption of sensitive beneficiary data.

## Exercise: risk register and relocation decision

**Part 1.** Draw up a register of five risks for your organisation (at least one security, one fiduciary, one reputational, one data protection and one financial): cause-event-consequence description, likelihood and impact out of 5, score, existing measures, residual risk, owner. Indicate which ones exceed an escalation threshold of 15.

**Part 2.** Your Morongo base is at security level 3 out of 4. In ten days: two carjackings of NGO vehicles on the main road, leaflets hostile to foreign organisations, and the announcement of a military operation within 15 days. The base runs a nutrition programme treating 600 children with severe acute malnutrition. Analyse the situation (threats, vulnerabilities, criticality) and propose a reasoned decision: stay with measures, reduce staff, remote management or relocation. Specify the indicators that would trigger the next step and how to ensure continuity of care.

**Answer key.** Criticality is very high (life-saving treatment of children), which justifies accepting a higher risk, but not exposure without measures. A sound response reduces exposure (non-essential staff relocated, limited and unpredictable movements, reduced visibility), strengthens acceptance (dialogue with leaders about the leaflets), prepositions three months of nutrition products, gradually hands continuity of care over to health facilities and community health workers, and sets clear indicators for full relocation (fighting within a given distance, a direct threat against the organisation, inability to communicate).

## Key takeaways

- Risk register: cause, event, consequence, likelihood × impact, residual risk, owner, review.
- Risk appetite approved by the board; share risks with partners, do not transfer them.
- Risk = threat × vulnerability / capacities; the acceptable threshold depends on programme criticality.
- Acceptance, protection, deterrence; armed escorts as a last resort.
- Critical incident: crisis cell, decision log, a single spokesperson, the family informed first.

## Quiz

1. A fraud risk has likelihood 3 and impact 4; a kidnapping risk has likelihood 2 and impact 5. Risks scoring 12 or more are escalated. Which ones?
   A. None
   B. Fraud only (12); kidnapping is at 10
   C. Kidnapping only
   D. Both

2. Holding regular meetings with community leaders to explain targeting criteria is part of the strategy of:
   A. Deterrence
   B. Protection
   C. Acceptance
   D. Risk transfer

3. After a kidnapping, the first people to inform, before any public statement, are:
   A. Journalists
   B. The family of the kidnapped person, by the designated member of the crisis cell
   C. Donors
   D. The organisation's social media

4. Why set indicators in advance for moving from one security level to another?
   A. To satisfy donors
   B. So that the decision to reduce or relocate does not depend on the mood of the moment and is not taken too late
   C. To avoid training staff
   D. Because the law requires it

5. An international NGO hands over the activities in an area that has become too dangerous for its own staff to a local partner, with no additional security budget. This is:
   A. Good localisation practice
   B. A risk transfer, contrary to fair risk sharing
   C. A deterrence strategy
   D. A donor obligation

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

# Week 11 : Strategic negotiation, advocacy and coordination

**Objectives**

- Prepare and conduct high-stakes negotiations (access, donors, authorities, partners) with the tools of principled negotiation and the CCHN.
- Design an evidence-based advocacy strategy: objective, targets, allies, messages, channels and risk management.
- Exert influence within the humanitarian architecture: clusters, programme cycle, NGO forums and coordination with development and peace actors.

## Principled negotiation applied to humanitarian leaders

The method of **Fisher and Ury** (Getting to Yes, 1981) rests on four principles: separate the people from the problem, focus on **interests**, not positions, invent **options** for mutual gain, use **objective criteria**. It adds a central concept: the **BATNA** (best alternative to a negotiated agreement). You never accept an agreement worse than your BATNA, and you try to improve yours before negotiating.

The **zone of possible agreement** (ZOPA) is the space between the two parties' limits. Example: a donor offers to cover 5% indirect costs; the NGO cannot go below 9% without a deficit; the donor can in fact go up to 10% with justification. The ZOPA runs from 9 to 10%; an argument based on objective criteria (rates applied by comparable donors, audited real costs) makes it possible to reach the top of the zone.

Humanitarian leaders negotiate with very different counterparts: donors (budgets, conditions, flexibility), authorities (registration, permits, exemptions, access), armed groups (access, safety of staff and beneficiaries), partners (division of roles and costs), unions and staff. In every case, the **humanitarian principles** set red lines that negotiation cannot cross: selecting beneficiaries according to need, the organisation's control of aid, no participation in hostilities.

## Access negotiations: the CCHN method

The Centre of Competence on Humanitarian Negotiation (CCHN) offers a framework with three roles and three stages. The **roles**: the frontline negotiator, the mandator who sets the mandate and red lines, and the support team. The **stages**: analyse the environment (island of agreement, iceberg of positions, reasoning and motives, network of influence), plan (objectives, limits, scenarios), then negotiate and follow up on the agreement.

At leadership level, the challenge is **consistency**: several teams within the organisation, and several organisations, often negotiate with the same actors. Separate concessions (accepting a tax on convoys, an imposed list) weaken everyone. Hence the value of **joint operating**

**principles** and coordinated positions within the access working group or the humanitarian country team.

OCHA guidance and sector practice recommend documenting each negotiation (who, when, what, commitments), clearly distinguishing the dialogue with armed groups needed for access from any form of support, and informing donors of the organisation's policy on the matter.

> A leadership mistake: sending a negotiator alone without a clear mandate, then disowning the agreement obtained. This destroys the credibility of the negotiator and of the organisation with the counterpart for a long time.

## Designing an advocacy strategy

Advocacy aims to change **policies**, **practices** or **funding decisions** for the benefit of affected people. An advocacy strategy includes:

1. **A problem and evidence**: field data, testimonies collected with consent, legal analysis.
2. **A precise objective**: "that the Ministry of the Interior lifts the requirement for prior authorisation of every distribution trip in provinces X and Y within six months", rather than "improve humanitarian access".
3. **Targets**: decision-makers (who can change the situation) and influencers (who can convince them), identified through power analysis.
4. **Allies**: other NGOs, agencies, local organisations, women's networks, media.
5. **Messages** adapted to each target, with a clear ask.
6. **Channels and tactics**: quiet diplomacy, position papers, bilateral briefings, public statements, campaigns. You generally start with the quiet channels.
7. **A risk analysis**: safety of staff and sources, access, registration, relations with donors.
8. **Progress indicators**: changes in discourse, commitments obtained, actual implementation.

The dilemma between **public denunciation** and **operational presence** is a classic. Médecins Sans Frontières has historically claimed public witnessing; the ICRC favours confidential dialogue with the parties. Each organisation must decide according to its mandate and principles, but always by assessing the effect on affected people and on exposed staff.

## The coordination architecture and how to carry weight in it

Since the 2005 humanitarian reform, the **cluster approach** organises coordination by sector (health, nutrition, water and sanitation, protection, shelter, food security, logistics, education, camp coordination and camp management, emergency telecommunications, early recovery), under the leadership of the **humanitarian country team** chaired by the humanitarian coordinator. The **humanitarian programme cycle** (humanitarian needs overview, response plan, resource mobilisation, monitoring, evaluation) structures the year.

For an NGO leader, coordination is a **strategic investment**: it gives access to information, to priority-setting, to pooled funds (whose allocations rely on cluster analysis) and to influence.

National NGOs are still under-represented in decision-making bodies; NGO forums and the Grand Bargain encourage their participation and cluster co-leadership.

The **humanitarian-development-peace nexus**, promoted by the 2019 OECD DAC recommendation, calls for better links between emergency response, reducing long-term risks and needs, and conflict prevention, without compromising humanitarian principles. This involves other counterparts (line ministries, development banks, peace actors) and other time horizons.

## Influence, communication and organisational diplomacy

A leader's influence rests on **credibility** (reliable data, field presence, consistency), on **relationships** (a network built before you need it) and on the ability to **put forward solutions**, not just problems. The six principles of influence described by Cialdini (reciprocity, commitment and consistency, social proof, authority, liking, scarcity) help explain why some arguments land, but they must be used ethically.

An effective **position paper** fits on two pages: the problem in three sentences with a strong figure, its human consequences, the causes, and three precise recommendations addressed to named actors. A **briefing** for a diplomat or a donor takes five minutes: situation, stakes, precise ask, what you bring.

Leaders' public communication follows rules: check every figure, protect people's identities, never endanger staff who remain on site, coordinate with other organisations when the message is collective, and prepare the difficult questions (targeting, fraud, security) before any interview.

## Exercise: negotiating with a donor and an advocacy plan

**Part 1 – Negotiation.** A donor offers USD 1.5 M of funding for 12 months, with 5% indirect costs, no budget for the security of local partners and a requirement to vet beneficiaries by name against sanctions lists. Your BATNA: pooled fund financing of USD 600,000 with 7% indirect costs, high probability. Your real indirect cost rate is 11%. Prepare the negotiation: both parties' interests, likely ZOPA on indirect costs, objective criteria, creative options, red lines, and what would make you refuse.

**Part 2 – Advocacy.** The authorities of a province require prior authorisation for every distribution, with an average delay of 19 days; 31% of the quarter's distributions were delayed by more than two weeks. Build a one-page advocacy strategy following the eight elements covered this week.

**Answer key.** Part 1: vetting beneficiaries against lists is a red line (impartiality): propose instead vetting of partners and suppliers, in line with sector practice. On indirect costs, rely on the rates of comparable donors and on the audited real rate; propose that certain costs (security, field support) be recognised as shared direct costs, which can satisfy the donor's interest in showing a low indirect rate. Refuse if the agreement remains worse than the BATNA once the cost deficit is taken into account. Part 2: a quantified objective (annual authorisation per programme or a maximum delay of 72 hours), targets (governor, ministry, humanitarian coordinator), allies (NGO forum, cluster, donors), evidence (delay data and human consequences), quiet channels first.

## Key takeaways

- Interests rather than positions, options, objective criteria; never accept less than your BATNA.
- ZOPA: the space between the two parties' limits; objective criteria help reach its top.
- Access: clear roles (negotiator, mandator, support), red lines, coordinated positions between organisations.
- Advocacy: evidence, precise objective, targets, allies, messages, channels, risks, indicators.
- Coordination is a strategic investment: information, priorities, pooled funds, influence.

## Quiz

1. An NGO can accept a minimum of 8% indirect costs; the donor can go up to a maximum of 7%. What is the situation?
   A. The ZOPA runs from 7 to 8%
   B. There is no ZOPA on this criterion alone: the negotiation must be widened (shared direct costs, duration, other lines) or the BATNA used
   C. The NGO must accept 7%
   D. The donor must accept 8%

2. Which is a well-formulated advocacy objective?
   A. Improve humanitarian access
   B. Raise the authorities' awareness of the importance of aid
   C. Obtain from the governorate of province X a maximum delay of 72 hours for distribution authorisations by March
   D. Denounce administrative obstacles

3. Several NGOs separately agree to pay a "contribution" at an armed group's checkpoints. The main problem is:
   A. The cost for each NGO
   B. These separate concessions fund a party to the conflict, breach the principles and weaken the position of all organisations; a common position is needed
   C. The lack of receipts
   D. Slow convoys

4. The humanitarian programme cycle starts with:
   A. The response plan
   B. The humanitarian needs overview
   C. The final evaluation
   D. The funding appeal

5. The 2019 OECD DAC recommendation on the nexus aims to:
   A. Merge humanitarian and military budgets
   B. Better link humanitarian action, development and peace, without compromising humanitarian principles
   C. Replace humanitarian aid with loans
   D. Abolish clusters

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

# Week 12 : Change management, governance and final project

**Objectives**

- Lead a major organisational change (restructuring, localisation, digital transformation) while limiting resistance and loss of capacity.
- Understand NGO governance: role of the board, fiduciary responsibilities, accountability and leadership ethics.
- Bring the whole Mini MBA together in a complete and defensible strategic plan: the final project.

## Leading change: models and realities

The **Kotter** model (1996) describes eight steps: create a sense of urgency, build a coalition, develop a vision, communicate it, remove obstacles, generate quick wins, consolidate, anchor the change in the culture. The **ADKAR** model (Prosci) works at the level of individuals: awareness, desire, knowledge, ability, reinforcement. The **change curve** inspired by Kübler-Ross reminds us that people go through denial, resistance, exploration and then commitment, and that productivity drops temporarily.

In the humanitarian sector, the most frequent changes are imposed from outside: **funding cuts** (many organisations had to cut their staff sharply in 2025), **localisation**, **grouping of functions** in regional hubs, **digital transformation** (integrated management systems, digital payments), mergers and alliances.

Recurring causes of failure: a change announced without explaining the "why", token consultation, underestimating transition costs (severance, loss of skills, temporary drop in performance), and no support for the people who stay, often exhausted and demotivated after a restructuring ("survivor syndrome").

> A leadership rule: in a restructuring, communicate early what you know, say clearly what you do not yet know and when you will know it, and treat the people who leave with visible respect. Those who stay judge the organisation by it.

## Responsible innovation and digital transformation

Humanitarian innovation is not technology for its own sake, but the search for **better ways to meet needs**. The guide by ALNAP and the Humanitarian Innovation Fund proposes a cycle: identify a real problem, design solutions with the people concerned, test on a small scale, measure, then scale up or abandon. Most innovations fail at scale-up for lack of funding, ownership or systems.

Examples of high-impact transformations: **digital cash transfers** (speed, less cash handling, but risks for data protection and digital exclusion), **anticipatory action** based on weather

forecasts (funding triggered before the peak of the crisis), **integrated management systems** (finance, procurement, HR) that reduce errors and fraud, and **artificial intelligence tools** for data analysis and translation, with strong requirements for confidentiality and human verification.

Leadership questions before any digital project: what problem does it solve? Who benefits and who could be excluded? What data is collected, where is it stored, who has access? What is the total cost over five years (licences, maintenance, training)? What is the plan if the provider disappears?

## Governance: the role of the board

The **board** (or committee, depending on the legal form) is the guardian of the mission and of sound management. Its main responsibilities: set the mission and strategy, appoint, support, evaluate and if necessary replace the executive director, approve the budget and accounts, define risk appetite and oversee major risks, ensure legal and ethical compliance, and report to stakeholders.

Board members have **fiduciary duties**: a duty of **care** (be informed, take part, ask the difficult questions), a duty of **loyalty** (act in the organisation's interest, declare and manage conflicts of interest), a duty of **obedience** to the mission and the statutes. A board member who does not read the accounts or never questions management is failing in their duties.

Separation of roles is essential: the board **governs** (the what and the why, oversight), management **manages** (the how). A board that manages day to day weakens management; management that bypasses the board weakens accountability. Specialised committees (audit and risk, finance, safeguarding, remuneration) allow in-depth review.

Good practice: a diversity of skills (finance, law, operations, lived experience of crises), representation of the countries of operation, limited terms of office, regular evaluation of the board itself, and a direct line from the board to internal audit and the safeguarding lead.

## Leadership ethics and accountability

Humanitarian leaders take decisions in which legitimate values clash: access versus neutrality, speed versus accountability, the organisation's survival versus faithfulness to the mission. The **humanitarian principles** (humanity, impartiality, neutrality, independence) and the 1994 **Code of Conduct** provide a framework, but do not remove the dilemmas.

An ethical decision method in five questions: 1) What are the facts, and what do we not know? 2) Who will be affected, especially among the most vulnerable? 3) Which principles, legal obligations and commitments are at stake? 4) Which options, including creative ones, and what are their consequences? 5) Could the decision be explained publicly to the affected people, to staff and to donors? This last test, the **transparency** test, is often the most revealing.

**Leaders' accountability** runs through concrete mechanisms: annual objectives that include security, safeguarding and accountability to affected people; 360-degree appraisal; publication of annual reports and audited accounts; and responses to independent evaluations. **Power** within humanitarian organisations, notably between headquarters and the field, between

international and national staff, and between international NGOs and local partners, is a leadership subject in its own right.

## The final project: your strategic plan

The final project of the Mini MBA is the synthesis of the twelve weeks. You write the **three-year strategic plan** of an organisation (yours, or the fictitious organisation "Solidarité Sahel Action" described below), in 12 to 15 pages, with the following structure:

1. **Diagnosis** (week 2): PESTEL, stakeholders, SWOT and TOWS, core problem.
2. **Theory of change** and measurable strategic objectives (weeks 2 and 4).
3. **Programme portfolio**: what is strengthened, stopped, handed over; logframe of the flagship programme (week 3).
4. **MEAL and accountability system** (week 4).
5. **Financial model**: three-year budget, real indirect cost rate and coverage, reserves target, cash flow plan (week 5).
6. **Internal control and compliance**: three priorities (week 6).
7. **Resource mobilisation**: portfolio target, weighted pipeline (week 7).
8. **Supply chain**: procurement strategy and framework agreements (week 8).
9. **People**: staffing, succession, duty of care, safeguarding (week 9).
10. **Risks**: register of the ten major risks and risk appetite (week 10).
11. **Advocacy and partnerships** (week 11).
12. **Change roadmap and governance** (week 12).

**The "Solidarité Sahel Action" case.** A national NGO founded in 2009, with an annual budget of USD 6.8 M, 310 employees, 5 regions. Sectors: food security (38% of the budget), nutrition (22%), water and sanitation (17%), protection (9%), education (8%), shelter (6%). Main donor: 51% of resources, with an announced 30% cut. Real indirect costs: 12% of direct costs; average rate recovered: 6.5%. Free reserves: 0.8 months of expenditure. Two regions have become very hard to access; an audit found 4.1% ineligible costs last year, mainly for procurement procedures. National staff hold 2 of the 7 leadership posts; the organisation has no dedicated safeguarding lead.

> Quality criteria expected for the diploma: clear and justified choices (not a list of intentions), figures consistent from one section to another, risks faced squarely, and constant attention to affected people and staff. Keep this plan: it is a centrepiece of your professional portfolio.

## Exercise: the first calculations of the final project

Using the "Solidarité Sahel Action" case: 1) Estimate the annual shortfall in indirect cost coverage, assuming direct costs are USD 6.8 M / 1.12 and the rate recovered is 6.5% of direct costs. 2) Calculate the new budget if the main donor cuts by 30% and nothing else changes. 3) Propose a three-year reserves target and the annual amount of unrestricted funds needed to reach it. 4) Identify the three most urgent decisions and justify their order.

**Indicative answer key.** 1) Direct costs ≈ 6.8 / 1.12 ≈ USD 6.07 M; real indirect costs ≈ 0.73 M; recovered ≈ 6.07 × 6.5% ≈ 0.39 M; shortfall ≈ USD 0.34 M per year. 2) Main donor: 51% × 6.8 ≈ 3.47 M; 30% cut ≈ 1.04 M; new budget ≈ USD 5.76 M. 3) With monthly expenditure of about USD 0.48 M (5.76 / 12), a 3-month target represents about 1.44 M; current reserves are worth about 0.8 × 0.57 (current monthly expenditure) ≈ 0.45 M; about 0.33 M per year must therefore be generated for three years, on top of closing the coverage shortfall, which means reducing the portfolio and negotiating costs better. 4) A defensible order: secure procurement compliance (ineligible costs destroy own funds), reduce sector dispersion and adjust staffing to the new budget responsibly, then launch diversification and the negotiation of indirect costs; appoint a safeguarding lead without waiting, because it is a protection obligation and a funding condition.

## Key takeaways

- Kotter (8 steps), ADKAR (individual level); anticipate the temporary drop in performance and support those who stay.
- Innovate: start from a real problem, test small, measure, scale up or abandon.
- The board governs, management manages; fiduciary duties of care, loyalty and obedience to the mission.
- Transparency test: could the decision be explained publicly to the affected people?
- The final project links the twelve weeks in a costed, consistent and defensible strategic plan.

## Quiz

1. In the ADKAR model, a team trained on the new financial system that keeps using its old spreadsheets because nobody checks mainly lacks:
   A. Awareness
   B. Knowledge
   C. Reinforcement
   D. Initial desire

2. A board member sits on an NGO's board and runs the company that supplies most of its fuel. They must:
   A. Necessarily resign from the company
   B. Declare this conflict of interest and not take part in decisions concerning this supplier, and the board must check that purchases follow a competitive procedure
   C. Do nothing, if prices are low
   D. Take the purchasing decision themselves to guarantee quality

3. Which responsibility belongs to the board and not to management?
   A. Choosing kit suppliers
   B. Recruiting drivers
   C. Defining the organisation's risk appetite and evaluating the executive director
   D. Planning distributions

4. An NGO has monthly expenditure of USD 400,000 and USD 600,000 of free reserves. It aims for 3 months of reserves in 3 years, with constant expenditure. How much must it set aside on average per year?
   A. USD 200,000
   B. USD 400,000
   C. USD 600,000
   D. USD 1,200,000

5. After a restructuring that succeeded on paper, the productivity of those who stay drops and several managers leave. The most likely cause is:
   A. Pay that is too high
   B. Survivor syndrome: loss of trust, overload and lack of support after the departures
   C. Too much communication
   D. The quality of the new organisation chart

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