



## HOW TO IMPLEMENT NON-FINANCIAL RISK MITIGATION STRATEGIES

Financial support is not the only way to mitigate risk, and it is not necessarily the most effective measure in every circumstance. Additionally, some funders are unable or unwilling to set aside contingency funding. In those cases, providing non-financial support could make the difference in preserving impact. This document outlines non-financial strategies that funders could consider pursuing to partner with grantees in addressing and mitigating risks.

- 1. Approve a no-cost extension.** Assess whether the grantee needs to fulfill its activities within a specific time frame in order to achieve the desired impact, or whether a longer project timeline would be acceptable. Communicate with and listen to the grantee to understand the urgency of its activities and the feasibility of extending the project period. Consider who the beneficiaries are and what is at stake for them, how the grantee's approach is tied to external factors that are time-sensitive, and how flexible the implementing staff members' time is. Be sure to communicate with your own staff members, in addition to the grantee, to agree upon a new time frame for the project.
- 2. Offer pro-bono technical assistance.** If specific technical expertise could help the grantee overcome the unexpected challenge, try to identify someone from your own organization (or externally) who could provide his/her expertise at no cost to the grantee. Communicate with the grantee to assess the needs for the project, as well as the time and level of effort required by your staff member. Communicate with your own staff members (or broader network) to identify someone with the skills and availability required to provide technical assistance. Finally, work with the grantee and your staff members to establish the parameters of this assistance.
- 3. Loan or second relevant staff members.** If the grantee experiences an unexpected change in its staff (e.g., urgent family or medical leave, a sudden staff member departure) that could compromise its project's impact, consider loaning one of your own staff members to fill the gap. Communicate with the grantee and your staff members about the timeline and any specific needs for the project, and assign a staff member who has the skills and availability to support the project.
- 4. Connect the grantee to other funders.** If over-reliance on one or a few funders is endangering a grantee's impact, help the grantee build relationships with additional funders. In doing so, you can leverage your own investment and bring on new partners to help share the responsibility of mitigating future risks. To identify the right funders, look for those who are aligned in terms of mission and strategy, as well as their risk profile.
- 5. Adjust expectations for milestones.** If roadblocks are making it challenging for your grantee to meet milestones, consider whether you should adjust your expectations. It is important to note that achieving impact and success are not necessarily the same thing. Impact may be objectively measured, but success is an inherently subjective measure that is built on an initial set of expectations. Setting realistic expectations can therefore help avoid disappointment, even if there is a loss of objective measures of impact. To this end, ask the grantee to generate an updated project plan, and review the revised milestones with your grantee and your staff members. Seek your grantee's input on opportunities for you to serve as a partner in helping to mitigate future risks and in ensuring that the project meets the revised milestones.