# Tool 9: Risk analysis

**Table 1: Example of market related risks and mitigation measures to be considered[[1]](#footnote-1)**

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| Market-related risks | Mitigation measures to be considered |
| The target population accesses poor quality items, which undermines their life and/or livelihood | Establish expected quality standards in contracts and control mechanisms/penalties  Vouchers programmes addressed to traders that ensure providing he required quality.  Monitor the quality of products |
| The response creates or exacerbates damaging market behaviours (e.g. lack of competitiveness) | Engage market actors that have less market power  Set agreements to reduce market behaviour / practices  Monitor market behaviours and take actions |
| The response creates unacceptable risks for the target and non-target population (e.g. security, robbery) | Alternative and more secure transfer mechanisms (electronic transfers, banks, security companies.)  Adopt preventative measure to reduce people exposure to risks  Collaborate with local authorities /use vouchers |
| The response undermines target and non-target population access to life and livelihood needs (e.g. inflation) | Combine in-kind and cash-based transfers  Price monitoring and contingency planning (adjust transfers value, shift modality)  Set agreements with traders on prices |
| Seasonal rainfall affects the transportation networks resulting in shortages periodic price rises | Improve road infrastructures in favorable seasons (cash for work schemes, advocacy to government and transportation businesses)  Encourage traders to pre-position stocks of items that tend to be in highest demand |

**Table 2: Identification of risks and categorisation of their likelihood and impact**

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| **Risk** | **Location of risk: (SPECIFY)** | **Likelihood (probability)** | **Impact (consequences)** | **Mitigation actions** |
| Examples: Market place, supplier market, specific type of trader, target population, supply system, market environment, market infrastructure etc.. | *V unlikely, unlikely, moderately likely, likely, very likely* | *Negligible, minor, moderate, severe, critical* |
| *Example: Seasonal rainfall results in supply chain delays* | *Transportation network* | *V likely* | *Minor – as core goods are not perishable* | *Not needed – but could encourage traders and wholesalers to increase stocks before rains* |
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1. Adapted from Red Cross and Red Crescent Societies (2014a) [↑](#footnote-ref-1)