

**WORLD BANK'S
NATIONAL RISK ASSESSMENT
TOOL AND TECHNICAL ASSISTANCE PACKAGE**

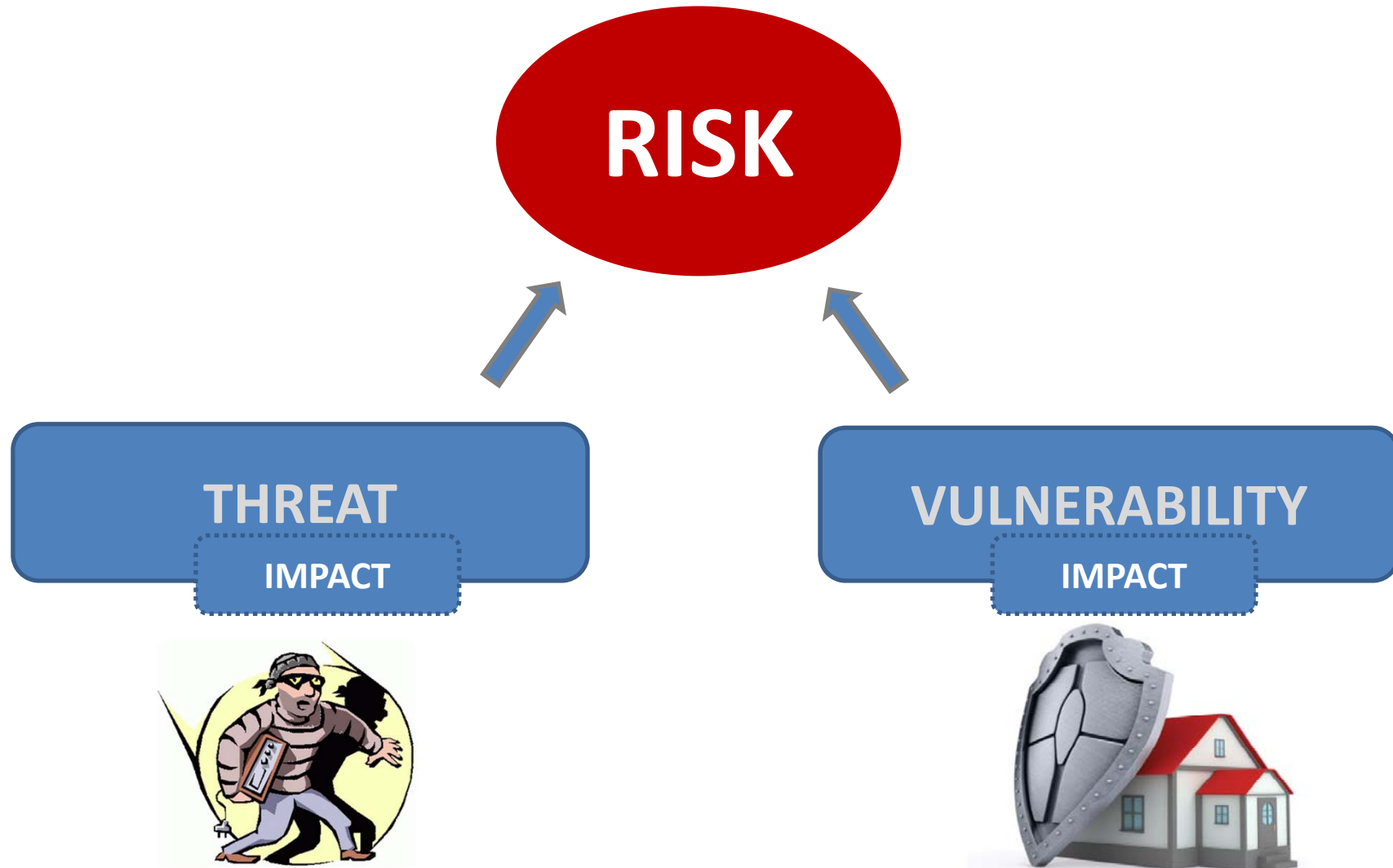
LESSONS LEARNED

NRA TOOL: Background

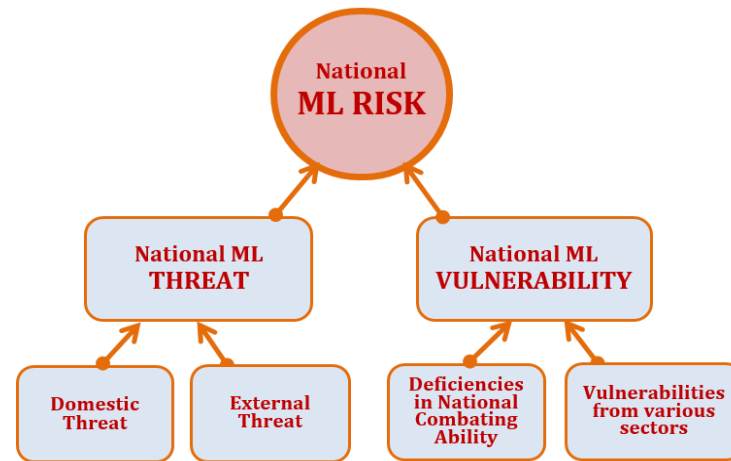
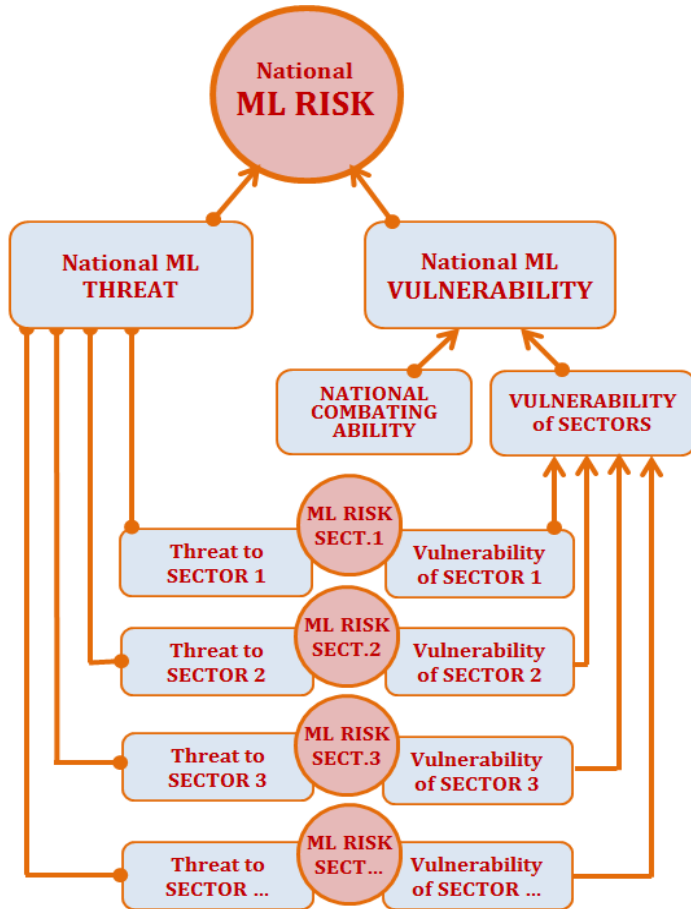
- Tool building efforts started in 2007, much earlier than the risk based approach became mandatory in 2012.
- A core group of 5 experts worked on Tool building, but the tool incorporated the inputs and contribution from around 20 experts in FMI team.
- The tool design started on the basis of Bayesian Network. Same logic later simulated in the excel environment to make it more transparent and user friendly.
- The evolution of the tool continued in parallel with the applications. The tool incorporated the experience and feedback from 20 countries.
- It is not only a Tool but also TA package that includes a standardized process, which aims capacity building and includes training, guidance, review and feedback.
- So far, using the WB tool and TA, **21** finalized their NRA, **19** is ongoing, **32** in-pipe or contact, 18 informal enquiries.
- Interest from developed countries as well as a wide number of countries from LAC, Africa, SA, EA.

Risk: A function of Threat and Vulnerability

(The tool is based on this definition)



NRA Tool Structure



(Simpler version as an alternative)

Lessons Learned:

- Requires time and resources (Developing the tool took us more than 5 years).
- Clearly define the objective: The tool will help for assessing the risks – then what?
- Clearly define the basic concepts: Risk, threat, vulnerability, impact, probability etc.
- Avoiding from too complex modeling, to make it more transparent for the users.
- Making the policy recommendations, action plan building an integral part.
- Piloting, gathering experiences and updating is important.
- Input from a wide range of experts from various disciplines in model building.
- Modeling should be flexible enough capture the conditions of various countries.
- Model properties can be protected, but limited country intervention should be possible.

Lessons Learned (Continued):

Some critical decisions to make at the beginning of the way:

- **External assessment vs. self-assessment.**

WB's NRA Tool is a self-assessment tool. Advantages of self-assessment: 1) Capacity building effect, 2) ownership effect, 3) reduced cost, 4) better insider views/knowledge. Possible drawback of self-assessment: Defensiveness. Bias.

- **Developing a TA package vs. a tool.**

WB's NRA Tool comes as a TA package. The bank does not share the tool, without TA engagement. TA process supports the capacity building, helps for time management and discipline.

- **Based on qualitative vs. quantitative information.**

In WB's NRA Tool, the assessment is based on "informed expert judgment" rather than an automatic calculation or regression etc.. Qualitative and quantitative information and data is being collected to support this expert judgment.

Lessons Learned:

- Be ready for lack of data/statistics.
- Avoid building a tool that heavily relies on statistics.
- Do not underestimate the importance of judgment and qualitative information.
- Provide guidance for information and data gathering (surveys, interviews, open sources etc.)
- Involve the stakeholders (incl. private sector, NGOs etc.) in the assessment.
- Emphasize ownership. bring the senior officials on board as much as possible.
- Avoid from cross country comparison (especially in self-assessment).
- Ensure a relax and open discussion environment for the assessors, stakeholders.
- Clearly define the audience and develop a dissemination strategy .

Our important reminder to the countries during the NRA projects!



- Assessing risks is the journey
- Mitigation is the destination

Avoid being distracted with details of a tool and never miss the big picture.