Principles for Systemic Risk Assessment and Response

2024

Introduction

"An inukshuk is a stone landmark … created by Indigenous communities to guide their people through desolate landscapes … [and] used for navigation and guidance. Principles are inukshuks composed of words."

— Michael Quinn Patton

Principles are fundamental guides that help shape decision-making and facilitate collaboration among diverse individuals and entities. They act as a focal point around which stakeholders can converge and find synergies and common ground, while also providing a vision toward which action can be taken and progress can be built, step-by-step. In doing so, principles are a catalyst for action, a guide for decision-making, and a goal to achieve.

Principles have long been used as tools to bring coalitions of people together. For example, within the world of international diplomacy we can look to the Rio Declaration on Environment and Development or the Universal Declaration of Human Rights to understand how principles — such as harmony with nature and respect for human rights — form the very cornerstone of the UN's ambitions and operations. These principles not only guide UN member states in crafting policies and interventions but also serve as a common language through which diverse nations can engage and cooperate. Principles resonate across sectors, featuring in governance frameworks for businesses, academia, philanthropy, civil society, and religious institutions alike.

Principles take on increasing importance in today's turbulent times, when systemic risks — from emerging technology, geopolitical conflict, and the erosion of democracy to hunger, pandemics, biodiversity loss, ecological degradation, climate change, inequity, and more — are multiplying and intensifying. These risks threaten to cascade into other systems and trigger further disruption and irreversible harm. When faced with such complexity and uncertainty, where the path forward isn't clear, principles can inform and guide strategic choices, providing a framework to facilitate dialogue on options, trade-offs, and choices.

The **Accelerator for Systemic Risk Assessment (ASRA)** was set up to mobilize a diverse global network of risk professionals and thought-leaders to radically rethink risk as a way to address current and future crises. Many governments, organizations, and communities around the world have become increasingly aware of the need for a better and more systemic and systematic approach to risk analysis and decision-making — and yet the mainstream tools, methods, and even mindsets that leaders and decision-makers rely on to assess and respond to risks are insufficient to effectively grapple with the complex and dynamic reality of a world in polycrisis.

ASRA has co-developed a set of **Principles for Systemic Risk Assessment and Response** with diverse experts in the field of systemic risk to redefine our understanding of risk, accelerate awareness of the risks we face, and guide transformative action needed to protect Earth's ecological systems and humanity from the threats of escalating systemic risks.

These Principles direct ASRA's efforts — acting as both the destination and the compass — as we focus on accelerating systemic risk assessment as an urgent, practical, and ethical pathway to deliver better-informed decisions and effective response to threats and dangers faced across the globe. Together, the Principles are a diagnostic tool that can be used to identify where a current practice, approach, or regime related to systemic risk falls short and, crucially, how it should be improved.

Some individual principles may not be unique to ASRA, but their totality and how they are organized within the Principles are notably different: one overarching principle is followed by ten operating principles that function as an integrated set, not a menu. The operating principles flow from and support the overarching "big picture" principle and provide more specific guidance on implementation. The Principles are not hierarchical but, instead, are interdependent and interrelated; they inherently initiate dialogue and provide guidance in the context of complexity.

ASRA urges uptake of these Principles by all actors engaged where decisions about the future of human and non-human life on Earth are occurring, using them in their decision-making processes, helping to challenge their thinking, and guiding their aspirations — all in the name of the transformation this world needs.

The Principles

Overarching Principle

Mainstream Systemic Risk Assessment and Response Principle

Build, nurture, enhance, and embed the capacity both to understand, apply, and use systemic risk assessment and to design, communicate, and support the implementation of transformative responses that are adapted to diverse cultural, political, societal, ecological, and economic contexts wherever engagement with and decisions about the future of human and non-human life on Earth are occurring.

10 Operating Principles

1 Universal Responsibility Principle

Design and conduct systemic risk assessment and response as a means to realize our universal responsibility and accountability both to each other and to natural systems and species, for current and future generations.

2 Non-human Sanctity and Interdependence Principle

Recognize the sanctity, inherent value, and agency of non-human life, and the interdependence and interconnectedness of human and natural systems and species, and make this recognition central to systemic risk assessment and response.

3 Justice Principle

Incorporate the values of human rights, justice, and equity into systemic risk assessment and response and take into account the expertise of and particular risks experienced by vulnerable communities.

4 Individual and Collective Agency Principle

Harness the individual and collective agency of those who can produce and use systemic risk assessment and response to act on the possibility and opportunity for systems transformation, and strengthen whole-of-society participatory processes to mobilize collective action.

5 Complexity Principle

Situate systemic risk assessment and response in the complex, dynamic, interactive, and interdependent impacts of risks, including trade-offs and unintended consequences, and in the need for rapid, continuous learning and experimentation.

6 Uncertainty Principle

Integrate uncertainty, and what we don't or can't know, into our understanding of risk and generate contextually sensitive and participatory scenarios and solutions in the face of that uncertainty, imperfect knowledge, and emergent dynamics, remaining humble, reflexive, transparent, and adaptable as conditions change and new possibilities emerge.

7 Cross-Scale Principle

Examine the intersection and feedback loops of planetary, global, regional, and local risk impacts and responses, and identify critical points of intervention for action to prevent systemic risk at all scales.

8 Multiple Ways of Knowing Principle

Embrace, integrate, and make explicit a multiplicity of disciplines and worldviews, and multiple ways of perceiving, understanding, and acting on risk, and redefine and make transparent the values, assumptions, metrics, and associated planning, management, and evaluation appropriate to the nature of systemic risk.

9 Compassion Principle

Have compassion in all actions with all stakeholders and nurture leadership focused on care and an adaptive capacity to respond to risks and crises.

10 Transformation Principle

Engage consistent with the magnitude, direction, and speed of proposed transformation to address systemic risk in a contextually sensitive manner, acknowledging the historical and current context/causation such as power over and exploitation of Earth's ecological systems and each other.

How to apply the Principles to navigate systemic risk[*]

Step 1

Identify and codify primary intended uses and priority purposes of the Principles.

– Establish priority purposes/primary intended uses of application of the Principles, such as:
  • professional practice
  • systemic inquiry
  • situational analysis
  • organizational evaluation
  • funding criteria
– Codify objectives of application of the Principles and primary uses

Step 2

Identify, organize, and engage primary intended users of the Principles.

– Identify primary intended users and/or those implicated in application of the Principles
– Determine and facilitate process that users want to be a part of and will commit to
– Determine knowledge and build knowledge as needed
– Create climate of openness; build trust for honest discussions
– Involve and inform intended users throughout all steps of the process

Step 3

Build readiness for application of the Principles.

– Further assess/understand the context for the application of the Principles
– Review important documents, assess internal landscape, interview key stakeholders, etc.

– Secure and commit necessary resources
– Determine how to share understandings and findings
– Determine how to increase knowledge and skills, create confidence, and nurture sense of ownership

Step 4

Apply the Principles and generate credible findings.

– Use the Principles to design, implement, and/or evaluate intended use by answering questions about:
  • Meaningfulness of the Principles
  • Adherence to the Principles as a set, not a menu, and, if adhered to, the results of adherence
– Be explicit about assumptions brought to the understanding and application of the Principles
– Understand and, if necessary, negotiate tensions/trade-offs between the Principles
– Render judgements about learnings and conclusions of applying the Principles and help intended users understand implications

Step 5

Determine implications for ongoing attention to the Principles.

– Make strategic choices about where to focus follow-up efforts
– Plan and budget for follow-up
– Identify champions for the findings
– Enhance capacities in understanding, determining, and acting on implications of the Principles
– Report out to others; make results transparent; be accountable

* Adapted from *Principles-Focused Evaluation: The Guide* by Michael Quinn Patton (Guilford Press, 2018).

The **Accelerator for Systemic Risk Assessment** (ASRA) mobilizes a diverse global network of risk professionals and thought-leaders, including the next generation, to advance the field of systemic risk and improve decision-making about current and future challenges. An independent, not-for-profit initiative hosted by the United Nations Foundation, ASRA is on a mission to accelerate transformative action that protects people and nature from the threats of escalating systemic risks. Learn more at: **www.asranetwork.org**.