



SCENARIO PLANNING FOR CANADA'S COVID-19 RESPONSE FROM THE INTERNATIONAL DEVELOPMENT AND HUMANITARIAN SECTOR

RESPONDING TO COVID-19 SERIES, BRIEFING NOTE 3

Introduction

While the challenges related to the COVID-19 pandemic continue to unfold, CCIC remains committed to helping Canada's international development and humanitarian sector, and the Canadian government, to respond. Canadian civil society organizations are [managing risks](#) arising from the pandemic, and have identified [emerging sustainable development concerns](#) and what is needed to address them on a medium to longer-term basis.

As organizations consider how they will support recovering better around the world, they are also looking at how to plan operations in a time of great uncertainty. This briefing note, the third in a series developed by CCIC, provides an overview of scenario planning. Scenario planning is both an analytical approach and a method, and it can help organizations plan in situations in which many possible futures can unfold. It helps organizations set expectations regarding how they will act depending on possible outcomes arising from factors outside their control. This briefing note does not intend to be a comprehensive "how to" guide regarding scenario planning, but rather introduces the concept and provides an overview of useful resources to assist CCIC members and Canada's international development and humanitarian sector to navigate the crisis.

Scenario Planning

What is it?

Scenario planning is an analytical approach and method that allows for flexibility when there is a considerable level of uncertainty in the present and with respect to the future. This process, which is also known as scenario analysis, or scenario thinking, helps organizations examine different possible outcomes and plan accordingly. While providing equipment to anticipate future developments, this useful instrument allows organizations to analyze possible impacts and proactively prepare beforehand.

First developed for military strategy purposes, scenario planning has since the 1950s been adapted to a broader array of organizations – from commercial businesses to academic institutions – to forecast possible developments and therefore guide strategy. Although scenario planning is most commonly associated with the corporate world and the business sector, other decision-making contexts, such as policy, human resources, financial and strategic planning, can benefit from such approach and its methodological steps.

[Three fundamental principles](#) guide scenario planning:

- 1) **The long-view** - COVID-19 pandemic unfolds, civil society organizations will have to look beyond the most immediate challenges they face to start considering the issues they will have to address in the future;
- 2) **Outside-in thinking** - consideration for external change (such as the pandemic and its impacts) and incorporating them into the work of the organization; and
- 3) **Multiple perspectives** - integration of dissonant voices in the process to see a bigger picture.

In this process, it is essential to recognize that external factors – sometimes referred to as STEEP (social, technical, economic, environmental, and political factors) – are always present and organizations will always face the challenges presented by them.

Why is it important now?

The impacts created by the COVID-19 pandemic continue to be felt in all levels of the Canadian society and abroad. The work developed in different levels – government, civil society and communities – to mitigate immediate risks might gain in efficiency if it is accompanied by a structured planning that takes different prospects into consideration. At the present moment, a lot is at stake for civil society organizations. For example, dealing with potential declines/decreases in revenue as a result of the crisis has implications for staffing, programming and capacity to meet beneficiaries' needs, among other kinds of impacts. Some organizations have planned scenarios ranging from 15 to 50% decreases in revenue owing to losses from private funding, fundraising events and individual donations. The length and scale of the crisis itself will have significant impacts on programs over the short to longer term, also requiring flexible strategies and planning. The full impacts in partner countries, especially those in the South are still not known. It is hard to predict what the consequences are going to be in social and economic terms given a continuous lockdown, making the importance of scenario development critical to take into account [local to global implications of the crisis](#). Impacts of the crisis in Canada and in partner countries will undoubtedly affect all aspects of scenario planning for Canada's international development and humanitarian sector.

It is essential that organizations develop realistic and informed plans. In this context, the analysis of future possibilities – scenarios – allows for better preparedness, so that organizations can afterwards move from scenarios to strategy.

Elements for successful scenario planning

There is not a single route to scenario planning, as relevant considerations, timeframes and expected outcomes may vary according to the organizations' priorities and capacity. However, the following elements are key for a strongly designed scenario plan.

- **Identify:** The first step of the planning process is the identification of the elements involved, beginning by the focal issue to which the analysis will respond. This means that organizations should consider key factors such as: what is the timeframe, who are the internal and external stakeholders, what are the major STEEP¹ trends, what are the most critical uncertainties the pandemic brought forth for the organization, and any other relevant factors.
- **Analyse:** Secondly, it is important to collect data and analyse it. This means that organizations should gather information about their early and present indicators, the options they have on the table and what implications those options will have for the organization and its stakeholders.
- **Develop scenarios:** The organization should then define plausible scenarios in view of its present situation and all the above mentioned elements considered. In this process, it is important that organizations take into account the probability (low, medium or high) of each scenario, and the impact (low, medium or high) they will pose. The possibility that has the highest probability and that will bring the highest impact should be addressed first.
- **Respond:** In order to respond accordingly and efficiently to each one of the scenarios, organizations should prioritize the actions they will take. This will mean making choices in the present that will solve or mitigate situations foreseen in medium and longer terms.
- **Assess:** The whole process should be accompanied by constant reflection and monitoring. This means that organizations will have to assess their actions throughout the steps, so they are able to make adjustments and improvements while the situation evolves and adapts.

Future COVID-19 Scenarios

In face of the pandemic, specialists in scenario planning have developed some possible futures. For example, experts from the German [Zukunft Institute](#) and the multinational organization [Deloitte](#) suggest that the post COVID-19 recovery period will depend on two major elements: the severity of the pandemic, that is, how fast the disease continues to spread versus how well it is contained; and the level of collaboration between countries, that is, how

¹ Social, technical, economic, environmental and political.

connected or disconnected the global and local relations become. From these factors, four key plausible scenarios emerge.

- **Scenario 1:** This is the most pessimistic scenario, in which the local and global links are practically dissolved, and relationships become guided by distrust. The pandemic outbreak continues to be severe and governments continue to adopt isolationist policies. Global coordination is insufficient and policy response is weak.
- **Scenario 2:** In this scenario, local and national interests are put above global cooperation. Although countries continue to be somewhat connected, the relationships based on solidarity are deeply affected. In addition, although governments provide effective health system and policy responses to contain the spread of the virus, the most vulnerable communities and countries are affected in a disproportioned way.
- **Scenario 3:** This scenario has an optimistic view of relationships. On one hand global communities step up to help with local containment across the world. On the other hand, the disease continues to ravage countries and it is insufficiently contained as restriction measures are loosened too soon and health systems become overloaded.
- **Scenario 4:** The virus is managed in an effective way by a collaborative response at the global level. From adaptation and resilience, societies around the world are able to use the collective experience of COVID-19 to act on the world stage in solidarity and greater connectedness.

Recommendations to Global Affairs Canada

Global Affairs Canada can continue to play a supportive role as international development and humanitarian organizations work through scenarios for their response to the COVID-19 pandemic. In particular, Global Affairs Canada can:

- Ensure ongoing transparency through up-to-date public communications on programmatic priorities and plans related to short, medium and long-term response.
- Continue to prioritize collaboration and communication with civil society partners, including through Town Halls and other virtual meetings with senior officials in the department, as well as with staff responsible for more technical aspects regarding partnerships.
- Double down on the commitment to flexibility and predictability with civil society partners, including through directives to project officers, swift follow-up on information requests and opportunities for ongoing dialogue regarding emerging programming needs.
- Champion global collaboration and solidarity. We are all rooting for a global scenario in which the virus is managed effectively by multilateral efforts that strengthen relationships and we work together to leave no one behind.

Resources

- Inside Higher Ed's [Scenario Planning for Coronavirus](#) is a simple template for scenario planning by colleges and universities that can easily be adapted for humanitarian and international development organizations.
- The International Civil Society Centre has compiled a whole [series of COVID-19 resource pages](#) that contain resources and articles developed by experts.
- Global Business Network (GBN) has developed a book on [Scenario Planning for Non-profits](#), which brings theoretical explanations, case studies and resources.
- The Overseas Development Institute's (ODI) article on [Strategy Development: Scenario Testing and Visioning](#) contains examples related to the development sector and a list of toolkits and resources.
- For a more complex set of detailed scenarios, this resource on [Post COVID-19 Reorganization Scenarios](#) was developed by Canadian experts.

Note to CCIC Members

CCIC is committed to providing an open channel for communication on the topic of the COVID-19 response. If your organization would like to share concerns or resources, please reach out to covid19@ccic.ca

This briefing note was prepared by Ana de Oliveira, Researcher at CCIC, April 2020.