Project risk management

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Purpose of the project risk management

"Risk is uncertain event or condition that, if occurs has a positive or negative effect on at least one the project objectives " (PMI, 2008)

- Risk management approach in the SETOF Project focuses on risk identification, risk analysis and evaluation, planning of risk response (through actions that will enchance opportunities and eliminate or minimize threats to the project) and risk monitoring and controling over the life of a Project.

The important documents for risk management are:

Risk Management Plan –document that describe how to deal with specific risk and what management actions can be taken to protect project from threats

Risk Register- document that contain results of qualitative risk analysis and risk response planning

Identfied Assumtions & Risks

For specific project objectives Assumptions & Risks are:

1. political and economical stability in WB countries;

2. duration of the acreditation process;

3. personal interest and motivation of univeristies staff to develop and implement new curricula as a tool in solving soil erosion and torrent control on a regional level;

Identfied assumtions and risk

4. defense from torrential floods is not a priority of the state;

5. Increased student interest in soil erosion and torrent control

6. Improve cooperation between universities at regional level for torrential flood protection.

Identfied Assumtions & Risks

For project outcomes and outputs:

1. Motivation of participants (university staff, enterprises, local communities) to participate in the project activities

2. Increase of student's interest for enrollment master programme

3. Delay in the delevery of the equipment

4. High level of quality in monitoring and improving teaching process

5. Motivation of engineers and local communities for trainings

Identfied Assumtions & Risks

For project outcomes and outputs:

5. Univeristy managers and administrators are reluctant to participate in the Capacity building program

6. Untimely submmision of reports

7. Effective consortium management

8. Establishment of cooperation between universities is the basis for long -term joint work.

Risk management procedure

1. Risk identification
2. Risk analysis and evaluation
3. Risk response planning
4. Risk monitoring, Controlling and Reporting

Risk management procedure

1. Risk identification

- involves determining risks or threats that may affect the the project using brainstorming, questionnaries, Delphi technique, Checklist Analysis etc.

-use the Risk Register (Appendix I) to document the results of the identifying project risk.

Risk management procedure

2. Risk analysis and evaluation

using **probability and impact matrix** (Qualitative Risk Analysis) that involves rating risks as low, moderate and high.

Impact		Probability		
		Low	Moderate	High
		1	2	3
Low	1	1	2	3
Moderate	2	2	4	6
High	3	3	6	9

Risk value=Probability x Impact

Risk probability is possibility that risk will occurs

Probability	Details
Low (score 1)	The event never happened in this type of the project
Moderate (score 2)	The event seldom occurs in this type of the project
High (score 3)	The event very common happened in this type of the project

Risk impact is the extent to which risk event might affect the project

Impact	Details
Low (score 1)	The event may cause minor changes to the project
Moderate (score 2)	The event will cause some changes in the project work plan and budget
High (score 3)	The event will cause serious damage to the project, even the termination of the project

Risk management procedure

3. Risk response planning

- For each risk, one of the following approaches will be selected to address it:

- **Avoid** - eliminate the threat by eliminating the cause

- **Mitigate** - identify ways to reduce the probability or the impact of the risk

- **Accept** -nothing will be done

- **Transfer**-make another party responsible for the risk

Risk management procedure

4. Risk monitoring, Controlling and Reporting

- The level of risk on the Project will be tracked, monitored and reported throughout the Project lifecycle.

- Risk Register will be used to document risk by the project team and identified risk will be reported as a component of the project status reporting process for this project.

Appendix (I) SETOF Risk Register

ID	Description of the risk	Impact on the project (consequences)	Probability	Impact	Risk rating	Date of review	Action(s)	Responsability	Cost	Timeline for action(s)
1										
2										
3										
4										
...										

1. **Description of the risk** - identifying any triggers

2. **Impact on the project** – identify consequences

3. **Probability** – assessment of the high, medium and low probability of the risk

4. **Impact** - assessment of the extent (high, medium, low) to which risk event might affect the project

5. **Risk rating**– risk obtained after assessed probability and impact

6. **Date of review** – some risks require weekly or monthly monitoring, or some have to be revised following the proposed date

7. **Actions –** specified planned mitigation actions
8. **Responsability** – specify how is responsible for undertaking each mitigation action
9. **Cost-** costs of the undertaken measures
10. **Timeline** – specify time frame for mitigation action(s) to be completed by

- Project Risk Management Plan is not planned as the project activity, but it should be included in the project work plan.

- The realization of the Project Risk Management Plan should the responsibility of the Project Management Unit (project coordinator and WPLs).