



**FWC BENEFICIARIES 2009 - LOT 7**  
**Support to potential beneficiaries of the**  
**Open Call for Proposals (NP 2012) in**  
**Iceland**

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# Reasons for Risk Management

- Normal part of project management – systematic structured approach
- Better management information and forward visibility of programme
- Basis for proactive project/programme management
- Threat of De-commitment (now and future)
- Long-term capacity building

# Some key principles

- Simple as possible: meaningful management info
- Co – owned approach
  - quarterly reports cycle
- Importance of doing it well: consistently and comprehensively

# The concept of risk (1)

- Risk is... any potential threat or occurrence which may prevent objectives being achieved in terms of:
  - Timescale
  - Cost
  - Quality/benefits

# The concept of risk (2)

- **IMPACT**
  - Risk's effect on cost/time/quality
  - An impact is an effect on Kronur or days
  - Expressed as a range of likely costs
- **LIKELIHOOD**
  - Probability of the risk occurring
  - Expressed as 1-5 rating, based on chance of delay or project cancellation

# Tasks for each project

- Risk register
  - Helps projects identify and resolve early problems (risks) that could have delayed progress & claims

# Risk Register (1) - Combined impact

- A simple sum of the time, cost & quality effects

[illegible]

# Risk Register (2) - Impact & likelihood combined are used to rank risk

<b><i>Impact of Risk</i></b>	High	Medium	High	High
	Medium	Low	Medium	High
	Low	Low	Low	Medium
		Low	Medium	High
<b><i>Likelihood of risk occurring</i></b>				



# Project Risk Management Process

