

## PSF'S RISK MANAGEMENT GUIDANCE TO IMPLEMENTING PARTNERS (INTERNATIONAL)

### Risk Management Planning

The PSF has a strong commitment to identifying and managing risks to our projects. In dynamic operating environments such as Myanmar risk identification and the measure by which to bring risk to an acceptable residual level is a paramount part of our programming. It is also a stage in our proposal review process and is considered a factor for the award of implementing agreements.

$$\text{Risk} = \text{Likelihood} \times \text{Consequence}$$

To that end, all proposals submitted to the PSF are required to have a project risk assessment, which follows ISO31000 logic, in which implementing partners are required to:

1. **Identify** the risks to the project
2. **Rate** the likelihood of the risk occurring (even if it is outside of your control)
3. **Rate** the consequence of the risk occurring
4. **Rate** the overall risk without mitigating measures
5. Then, **outline** the mitigating measures that you will use to reduce the risk; and
6. Finally, **re-rate** the overall risks once mitigating measures are in place.

**Only residual risks with a rating of MEDIUM, HIGH or EXTREME are to be shown.**

A suggested format in excel is as follows:

RISK	RISK ANALYSIS (UNTREATED RISK)			MITIGATING MEASURES	RESIDUAL RISK RATING (After Mitigating Measures)
	LIKELIHOOD (= Threat/ Hazard + Vulnerability/ Exposure)	CONSEQUENCE	OVERALL RISK RATING (Untreated Risk)		

The rating criteria for each category is as follows:

		Consequence Criteria					
		1 – Insignificant	2 – Minor	3 – Moderate	4 – Major	5 – Catastrophic	
Likelihood	Almost Certain	The consequence is almost certain to occur in most circumstances	Medium (M)	High (H)	High (H)	Extreme (E)	Extreme (E)
	Likely	The consequence is likely to occur frequently	Medium (M)	Medium (M)	High (H)	High (H)	Extreme (E)
	Possible	Possible and likely for the consequence to occur at some time	Low (L)	Medium (M)	High (H)	High (H)	High (H)
	Unlikely	The consequence is unlikely to occur but could happen	Low (L)	Low (L)	Medium (M)	Medium (M)	High (H)
	Rare	The consequence may occur but only in exceptional circumstances	Low (L)	Low (L)	Medium (M)	Medium (M)	High (H)

Should you be successful in receiving PSF funding, this Risk Assessment will form the basis of an agreed Risk Management Plan, which PSF will jointly review with Implementing Partners.

## PSF'S RISK MANAGEMENT GUIDANCE TO IMPLEMENTING PARTNERS (LOCAL)

### Risk Management Planning

The PSF has a strong commitment to identifying and managing risks to our people and projects. The method by which we achieve this is via a Risk Management Plan. Risk Management Plan identify the major risks to the project- including to people, the environment, property and assets, liability, business continuity and image and reputation.

Your risk management plan is an important stage in our proposal review process and may be considered a factor for the award of implementing agreements. The PSF requires that you submit in your proposal the identification of major risks to project implementation. We require you to:

1. **Identify** the risks to the project; and
2. **Rate** the likelihood of the risk occurring (even if it is outside of your control).

A suggested format in excel is as follows:

RISK	RISK ANALYSIS (UNTREATED RISK)
	LIKELIHOOD

The rating criteria for each risk is as follows:

Likelihood	Almost Certain	The consequence is almost certain to occur in most circumstances
	Likely	The consequence is likely to occur frequently
	Possible	Possible and likely for the consequence to occur at some time
	Unlikely	The consequence is unlikely to occur but could happen
	Rare	The consequence may occur but only in exceptional circumstances

**Only residual risks with a rating of LIKELY needs to be shown.**

Should you be successful with an award this Risk Assessment will form the basis of an agreed Risk Management Plan, which the PSF will jointly review with implementing partners.

Should you have any enquiries on the risk management requirements please contact one of the PSF Programme Officers for assistance.