



# Risk assessment key

## For the assessment of risks in projects and programmes

This guidance was developed for ADA staff and is part of the *staff handbook 'risk management in projects and programmes'*. However, applicants can use the guidance on a voluntary basis to assess risks in a proposed project (following the appropriate ADA application form).

For the purposes of risk management, ADA defines risk as the danger of an **event** occurring that has a **negative impact** on the **achievement of the goals** of the respective project/programme, or those **of the implementing organisation or ADA**. Risks are therefore classified by the likelihood of the event occurring and the potential negative impact it would cause.

### Likelihood

Assess the likelihood of occurrence along a four-tier scale (very unlikely – unlikely – likely – very likely):

Level	Description
Very unlikely (1)	<ul style="list-style-type: none"><li>— could occur in exceptional circumstances</li><li>— probability of occurrence is estimated at less than 10% or the event occurs every 10 years or less frequently</li><li>— has not yet occurred under comparable conditions (if known)</li></ul>
Unlikely (2)	<ul style="list-style-type: none"><li>— could occur under certain circumstances</li><li>— probability of occurrence estimated at 10-40% or the event occurs every 2.5 to 10 years</li><li>— has occurred under comparable conditions, at least once in the past</li></ul>
Likely (3)	<ul style="list-style-type: none"><li>— is expected to occur in most cases</li><li>— significant circumstances that would cause the risk/event to occur in the next few years have taken place or are in progress</li><li>— probability of occurrence estimated at 40-70% or the event occurs every 1.4 to 2.5 years</li><li>— has occurred under comparable conditions in recent years</li></ul>
Very likely (4)	<ul style="list-style-type: none"><li>— will in all likelihood occur under given conditions</li><li>— virtually all the circumstances that cause the risk/event to occur in the next few years have taken place or are in progress</li><li>— probability of occurrence is estimated at more than 70% or the event occurs more often than every 1.4 years</li><li>— has occurred several times in recent years</li></ul>



## Impact

Assess the possible impact (extent of damage) along a three-tier scale (insignificant – significant – major):

Level	Description and examples
Insignificant (1)	<p><b>The risks have consequences that can be overcome by routine procedures.</b></p> <ul style="list-style-type: none"><li>— minor delays in the provision of services, implementation of activities or achievement of objectives</li><li>— minor dissatisfaction of stakeholders</li><li>— no or minor impact on the organisation's reputation</li><li>— minor breaches of contractual obligations</li><li>— minimal financial disadvantage for the organisation or its implementation partners</li><li>— low impact on staff safety</li></ul>
Significant (2)	<p><b>The risks have consequences that require supplementary reviews or changes in operations in the project/organisation.</b></p> <ul style="list-style-type: none"><li>— moderate delays in the provision of essential services or the achievement of objectives</li><li>— moderate dissatisfaction of stakeholders</li><li>— moderate damage to the organisation's reputation</li><li>— moderate breaches of contractual obligations</li><li>— minor financial disadvantage for the organisation or its implementation partners</li><li>— moderate property damage</li><li>— moderate impairment of staff safety</li></ul>
Major (3)	<p><b>The risks have consequences that require crisis management at the highest level (management).</b></p> <ul style="list-style-type: none"><li>— extensive delays in provision of services or achievement of objectives, or the failure to achieve the main objectives of a project, the objectives of the work programme or the business approach</li><li>— threat of project termination</li><li>— extraordinary external audits</li><li>— major dissatisfaction of stakeholders</li><li>— extensive damage to the reputation of the organisation and its external relations</li><li>— major breach of contractual obligations or regulatory requirements</li><li>— major financial disadvantage for the organization or its implementation partners</li><li>— major damage to property</li><li>— major impairment of staff safety</li></ul>

Feedback or questions regarding this guidance is welcome and can be addressed to ADA's Executive Unit Organisational Risk and Innovation Management ([ori@ada.gv.at](mailto:ori@ada.gv.at)). For questions on the project proposal, please contact the respective Organisational Unit (as per application form).



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