

Annex 3 RPC RISK MANAGEMENT PLAN

This annex provides a summary of the RECOUP Risk Management Plan (see Annex 3 to the Annual Report 2005-6) which highlights our strategies towards mitigating and reducing the risks and introduces the revised assessment and analysis of the risks in terms of their severity and impact conducted as part of the annual 2006/7 review exercise by RECOUP partners.

1. Overall Strategy

The RECOUP Risk management plan is developed in collaboration with all RPC partners and stakeholders. The risk management strategy implies continuous and collective monitoring of project risks, and the design and implementation of activities to ensure that identified risks do not prevent the RPC from reaching its objectives and generating key outputs. RPC risk management is an integral part of overall project management. The risk management activities outlined in this Risk Management Plan will be accomplished collectively through risk identification, risk analysis/evaluation, prioritization, response and review.

2. Project Risks

The partners have identified a full range of potential risks and uncertainties which are likely to impact the achievement of RECOUP goals and objectives. (See para 2.1.1 in Annex 3 of Annual Report 2005/6 for a full list of risks and their descriptions).

As part of the annual review RECOUP partners have carried out re-assessment of each risk based on their experiences in the first activity year 2005-6, evaluations of current and future trends in socio-economic and political environments, and evaluation of their own institutional capacities in terms of mitigating the risks and their adverse impacts. The causes of each risk have been isolated, the probability of risk occurrence has been established, and the nature and impact of possible effects have been determined.

3. RECOUP Risk Matrix

The list of risks has been prioritized according to probability and impact (see para 2.2.2 Annex 3 in RECOUP Annual Report 2005/6) and then plotted to a risk matrix which assigns risk ratings based on probability and impact scoring. The risk assessment below is based on the following rating scheme:

High risk: Two or more risks fall into the darkest squares

Medium risk: One or no risks fall into the darkest squares but one or more fall into the light grey squares

Low risk: All the risks are concentrated in the white squares

		Probability		
		Low	Medium	High
Impact	High	Change in country socio-economic and political contexts; change in financial, policy and institutional contexts; RPC partner withdraws;	insufficient impact on policy and practice	
	Medium	Lack of political will and engagement at the top; low engagement and participation at local levels; budget overruns and ensuing costs; skill gaps, incompatibility and inconsistency of activity plans		
	Low	project schedule risks		

The results of the risk analysis and plotting the risks on the risk matrix above (only one risk falls into the darkest squares and the rest fall into the light grey squares) show that the project is rated as **medium** risk according to the classification and assessment of risks provided in the Department for International Development (DFID) annual reporting guidance (although the probability of risks is minimally low).

4. Risk Response Actions

The risk management plan incorporates response strategies and actions that the RPC will take to avoid, remedy or mitigate the identified risks. Only those risks which are likely to have high/medium impacts are described and selected for response action (this does not imply that these actions are highly probable).

Some of the risks, such as changes in socio-economic and political contexts and changes in financial policy and institutional contexts in partner countries, are external and are beyond our control. To minimize/mitigate the adverse effect of these external risks upon project outcomes and maximize the project impact on policy and practice (in the event of their occurrence) the RECOUP partners (i.e risk managers) will continue to carry out systematic review and assessment of socio-economic and political environments in our partner countries. This will enable the partners to respond promptly and adequately to changing needs and contexts.

The lack of political will and engagement at the top of the political spectrum and the lack of support and enthusiasm at micro levels (communities) have been identified as low probability external risks. High quality and effective engagement and research communication strategy has been developed (see Annex 4) and implemented to maximize the impact of the project on policy, practice and attitudes toward and perception of pro-poor and inclusive education policies. An assessment of policy and communication environments has been carried out in Pakistan and Ghana and partner capacities to engage with policy makers and local communities are being developed as part of the overall RECOUP communication strategy. Partners continue to expand their networks and keep the stakeholders informed and involved in RECOUP research and other activities through established mechanisms, and most importantly, through the Consortium Advisory Group and National Advisory/Reference Groups.

Reports from the field show that our researchers have been successful in building rapport with local communities and gaining their support in research, especially in Ghana and Pakistan (where household surveys have been completed). Every round of field work is preceded by carefully planned and executed rapport building activities, including formal and informal meetings and contacts with local community leaders and households to sensitise them to the aims and objectives of the research and gain their support. Brochures and other publicity materials are distributed. There are reports that local community leaders are keen to contribute to sampling of households.

Partners are also developing and maintaining close and effective working relationships with local government agencies, think tanks, NGO groups and activists to engage them in project activities. This will ensure sustained participation, interest in and ownership of the research issues at local levels.

Budget overruns, schedule risks and implementation of plans have been identified by partners as potential risks but they have been downgraded in terms of their probability to occur. The decision is based on several assumptions:

RECOUP relies on the management structure which mixes real devolved authority with accountability mechanisms for the use of project resources, and for triggering their implementation. The sub-contracting mechanism ensures that all partners have clear responsibility for producing outputs with given resources and in a timely fashion. Quarterly review of progress and disbursement of funds ensures that the plans agreed are kept to or, if not, that warning signals allow corrective action to be taken. RECOUP has introduced a comprehensive project scheduling system that allows planning, coordination, implementation and monitoring of multiple tasks and activities by multiple parties and ensures overall comparability, compatibility, integrity and consistency of project plans and activities for all project partners. The RECOUP 5-year plan and annual activity plans are in place and are closely monitored. They clearly indicate key activities and outputs under each theme, time frame allocated for the delivery of the results and allocation of tasks and responsibilities to individuals and teams. RECOUP overall plans are reviewed and agreed with all partners during annual planning and research workshops and RECOUP Steering Committee meetings, and each partner generates and fine tunes their own 5-year and annual plans consistent with the overall plans.

RECOUP has developed and implemented an effective financial management system to avoid the risks associated with project overruns and the ensuing costs. RECOUP has enforced financial discipline both at the overall RPC level and the level of partner institutions. The system incorporates prudent monitoring of allocation of funds to each partner and monitoring of expenditures across the partnership. This is achieved by allocation of resources in advance on a quarterly basis with simultaneous monitoring of expenditures for the previous quarter. Quarterly expenditure reports are closely tied to quarterly progress reports.

Insufficient impact on policies, practices and attitudes has been identified by partners as a medium probability risk. In this regard, we have been implementing a high quality and effective research communication strategy to maximize the impact of the project on policy, practice and attitudes toward and perception of pro-poor and inclusive education policies. Impact monitoring for our communication strategy based on both demand and supply side indicators is the key to achieving RECOUP objectives.

In addition, quality control is crucial to assuring that the outputs from the RPC will be able to influence policy and practice. The RPC will ensure that research results are excellent from technical and methodological points of view (including the production of TORs, methodology papers and field guides to establish methodological consensus among partners and setting standards and rigour of analysis). Our training workshops and other capacity building efforts also constitute an important part of this work.

Our partners report that helping to set policy agendas, by using the RPC links and contacts with agencies to influence opinion about priorities, and by ensuring feedback from research to the policy debate to sustain interest in and ownership of the research issues, is perhaps the most plausible way to achieve this. They also report that the capacity to deliver on this does exist.

5. Revision History

Version	Date	Name	Description
No.1	28.10.06	Christopher Colclough	The risk management plan has been reviewed in terms of its feasibility and progress and agreed by RECOUP partners. No changes have been introduced.
No. 2	10.10.07	Christopher Colclough	The RECOUP Risk management plan has been reviewed by all partners and the risk matrix has been amended to reflect changes in the way the risks are prioritized and assessed in terms of their probability and impact. Measures to mitigate and reduce the risks have also been reviewed in terms of their effectiveness.