ENCORE

Entrepreneurship Knowledge Centers to Foster Innovative Entrepreneurship Practices in Education and Research

WP6 – Quality & Ethics Control
Contingency Plan

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1. INTRODUCTION

The Contingency Plan defines and documents the Risk Management Process for the ENCORE project. It describes how risks will be identified and assessed, what tools and techniques can be used, what are the evaluation scales and tolerances, the relevant roles and responsibilities, how often risks need to be revisited, etc. The Contingency Plan also defines the risk monitoring and escalation process as well as the structure of the *Risk Log* which is used to document and communicate the risks and their response actions. In addition, the plan includes alternative measures to avoid delay in the ENCORE project.
In order to identify potential risks that may occur during the implementation of the ENCORE project, a plan revision will be done on a regular basis to mitigate potential risks. This plays a significant role in project continuity, risk management and disaster recovery. Under the ENCORE project while it is the overall responsibility of RTC, as the work package leader for work package # 6: Quality and Ethics control, develop this document, all the project partners also have the joint responsibility for the execution of the same.

The purpose of this document is:

- To outline the risk approach and process to be used for the ENCORE project;
- To identify the roles and responsibilities related to risk management;
- To specify the methodology, standards, tools and techniques used to support risk management.
- To develop the contingency plan for the ENCORE project.

2. RISK MANAGEMENT OBJECTIVES

Risk management brings visibility to risks and accountability as to how they are handled, and ensures that project risks are proactively dealt with and regularly monitored and controlled.
The main aim will be to provide a sound assessment, to anticipate challenges in a systematic way and to minimize the potentially negative overall impact. The identification and assessment of new risks is a joint responsibility of all project partners. In particular, WP leader together with the quality and ethics board may think of preventive actions (avoiding that the risk occurs) and corrective actions (decreasing the severity and impact), specifying also the resources that would be needed.

The specific objectives of project risk management are to:

- **Identify** and **assess** potential risks for project implementation.
- **Define** all the potential risks with the support of all project partners.
- **Provide** alternative measures to avoid delay.
- **Identify** the alternatives scenarios "**Plan Bs**"/ contingency plan
- **Communicate and discuss** potential risks and alternative scenarios with project consortium
- **Revise contingency plan on a regular basis to mitigate potential risks**

ENCORE's Risk Management Philosophy

The ENCORE Project Management Team (PTM) and all the Work Package Leading Teams (WPLT) are committed to strive for attainment of the objectives of the project. In order to enhance the likelihood of achieving its objectives, a Contingency Plan is developed. The

project will weigh risk factors associated with all its activities through clear establishment of project objectives; formulation of risk management objectives; identification of key stakeholders in managing risk and proper adoption of risk management processes. The PMT and WPLT commits to highest degree of professionalism for setting a proper tone for managing risk adequately and realising the objectives of the project.

3. RISK MANAGEMENT PROCESS DESCRIPTION

The project risk management process defines the activities to identify, assess, prioritise, manage and control risks that may affect the execution of the ENCORE project and the achievement of its objectives. This process is divided into four steps:

Step 1: Risk Identification

The purpose of this step is to facilitate the identification and documentation of risks that can impact the project objectives. Various techniques will be used for risk identification which typically focus on past trends or future exposure, on a bottom-up or a top-down analysis. The techniques that will be used for risk identification are documented in section 4. TOOLS & TECHNIQUES.

Risks are continuously identified throughout the project lifecycle; while the initial project risks are mentioned in the logical framework matrix of the project document, which is thereafter frequently updated by the partners. The same process will be followed both for the creation of the *Risk Log* as well as for the inclusion of new risks identified later in the project.

The *Risk Log* contains the risks identifier, risk name and short description, the risk category and owner, as well as strategies, actions and timing which will facilitate the monitor and control aspects of the project.

Step 2: Risk Assessment

The purpose of this step is to assess the likelihood and impact of the identified risks in terms of their influence to the project objectives. This assessment is necessary before any risk response planning can be done.

Risks are assessed based on their likelihood of occurrence and the impact in project objectives. The product of their likelihood and impact defines the Risk Level, which is then used as a reference for their prioritisation and development of alternatives scenarios "**Plan Bs**"/ contingency plan.

Depending on the stakeholders' risk appetite, evaluation scales and tolerances will be defined based on which the most appropriate risk response strategies are chosen.

Step 3: Development of alternatives scenarios "Plan Bs"/ contingency plan.

The purpose of this step is to select the best risk response strategy and identify and plan the actions to control the risks.

The selection of the **alternatives scenarios "Plan Bs"/ contingency plan** will be based on the results of the risk assessment (risk level), the type of risk, on the effects on the overall project objectives (e.g. schedule and costs), as well as on the cost of the strategy and its benefits (cost/benefit analysis). The strategy (or strategies) selected for each risk

are documented in the *Risk Log*. There are four strategies to be considered as risk responses: <u>Avoid</u>, <u>Transfer,</u> <u>Reduce</u>, or <u>Accept</u> a risk. For the risks that can be transferred, reduced or accepted, contingency plans are defined to help control their impact in case they occur.

After the strategy for each risk has been selected, specific actions to implement the strategy will be defined, described, scheduled and assigned, while a Risk Owner assumes the responsibility for its implementation.

Actions will detail concrete activities, milestones and deliverables and will be documented in the *Risk Log*. Moreover, they will clearly identify the target resolution date, as well as the estimation of resources involved and dependencies. These actions (at least the most effort/cost consuming ones) will be incorporated into the *Project Work Plan*, to have a consolidated view of all project related activities.

Step 4: Risk Control

The purpose of this step is to monitor and control the implementation of the risk response activities while continuously monitoring the project environment for new risks or changes (e.g. probability and/or impact) in the risks already identified.

The Quality and Ethics board meetings are used to revise the status of risks and related actions, and to identify new risks that can impact project milestones, deliverables or objectives. The review of the *Risk Log* also appears in the agenda of the Quality and Ethics board meetings. Risks will be revised at regular predetermined intervals, but also after the occurrence of any event that might have a significant impact on the project environment and hence the project risks. The updating of the *Risk Log* can include adding new risks or actions, updating the status of response activities, changing risk levels based on mitigation actions, changing the assignment of actions, etc.

Risks and related actions will be escalated to other Governance Bodies, when appropriate. The Quality & Ethics Board (QEB) & Project Management Board (PMB) will validate the identified risks and actions, and plan corrective actions.
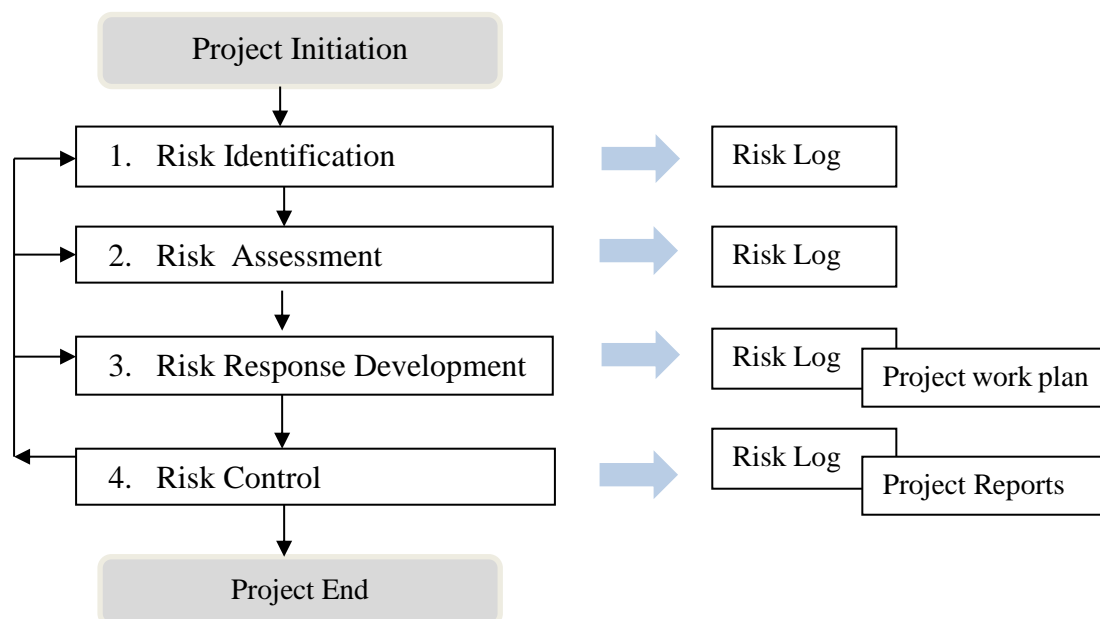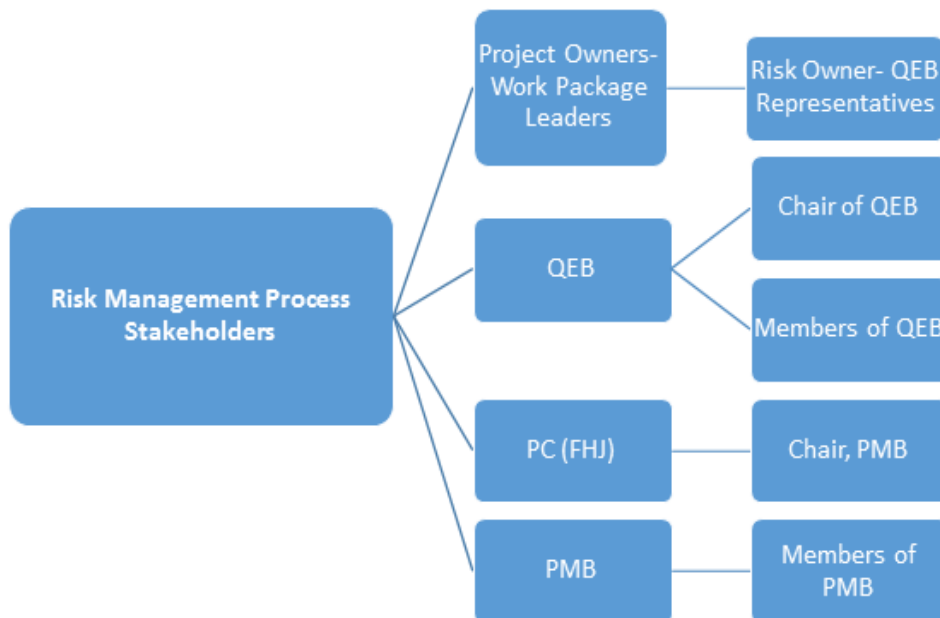
3.1.1. Risk Management: Stakeholders, Roles and Responsibilities

The planning of risk management activities is performed by the Risk Owner (RO) and documented in the Risk Log. New risks and related actions, as well as changes to identified risks and actions are approved by the Project Owner (PO). The Risk Owner will report periodically the status of the risk and any response activities to the Quality and Ethics board.

The chair of Quality and Ethics board in turn will report to the Project Coordinator on the status of major risk log related issues. The Project Coordinator (PC) will report to the Project Management Board (PMB) the status of the major risks and to other project stakeholders (as per the project's communications plan). If any of the identified risks occur, then the Project Coordinator (PC) will ensure the implementation of the contingency plans and communicate the issue to the Project Management Board (PMB).

3.1.2. Risk Management: Stakeholders

3.1.3. Risk Management: Roles and Responsibilities

RASCI Responsibility Matrix** is used in this ENCORE project to assign and display responsibilities of relevant Risk Management Stakeholders (listed below in the diagram).

The following RASCI table defines the responsibilities of those involved in risk management:

RAM (RASCI)	**PMB**	**QEB**	**PC**	**PO**	**RO**	**PCT**
Risk Management plan	I	C/S	**I**	**A**	**R**	I
Manage Risks	I/C	C/S	**I**	**A**	**R**	C

RASCI acronym listed above denotes:

- **R** - **Responsible** - Who needs to make sure that the project reaches completion?
- **A** - **Accountable** - Who has ultimate control over the project and its resources?
- **S** - **Support** - Who will provide help to the responsible members?
- **C** - **Consulted** - Who will give advice to the responsible members?
- **I** - **Informed** - Who needs to be kept in the loop at every stage?

** Risk Management plan mentioned above describes how risks will be identified and assessed, what tools and techniques can be used, what are the evaluation scales and tolerances, how often risks need to be revisited, etc.

** Managing Risk is a set of actions taken by people responsible for the tasks to reduce and avoid the risks. It is the implementation of the contingency plan during the project life cycle, it ensures each Project Owner is actually Managing Risks.

Details of Roles & Responsibilities for each stakeholder:

Project Owner (PO):

- The work package leader from each HEI will serve as the Project Owner for the purpose of contingency plan.
- The PO is **accountable** for the overall Contingency plan and Managing Risks throughout the project life cycle.
- The PO is required to provide necessary guidance & leadership to the RO in the execution of the risk management process throughout the project life cycle.
- The PO is also accountable for assigning resources to the risk management process.

Risk Owner (RO):

- The representative members from each of the 6 HEIs (participating in this project) to the Quality & Ethics Board (QEB) will serve as the RO.
- The RO is responsible for identifying, assessing, managing and monitoring the risks of the project, consulting the project team and other stakeholders, when appropriate (e.g. Quality & Ethics Board (QEB), Project Coordinator (PC) and Project Management Board (PMB)).
- The RO will be responsible for creation and maintenance of the Risk Log.

Quality & Ethics Board (QEB):

- The QEB will support the Work Package Leader/ RO in the process of developing Contingency plan and Managing Risks. The support is in terms of identification of potential risks and design alternatives scenarios "Plan Bs"/ contingency plan.
- The Chair of QEB (External Evaluator) is responsible for raising issues related to the Risk Management Process as one of the main agenda during the regular QEB meeting.
- Items of major risks which have impact on overall project execution needs to be escalated to the PMB through the PC.

Partner Number	Partner Name	Name	Contact Details (Mail)
P1	FH JOANNEUM	Clarissa Maierhofer	clarissa.maierhofer@fh-joanneum.at
P2	University of Alicante	Noelia Lopez del Castillo	Noelia.lopez@ua.es
P3	Haaga-Helia Ammattikorkeakoulu Oy	Jarmo Ritilahti	Jarmo.Ritalahti@haaga-helia.fi
P4	Royal University of Bhutan	Tenzin Rabgay	tenzinrabgay.gcbs@rub.edu.bt
P5	Royal Thimphu College	Madhav Verma	mverma@rtc.bt
P6	Tribhuvan University	Ram Thapaliya	ramthapaliya@tuicms.edu.np
P7	Global College International	Rajendra Ojha	rajendraojha@gci.edu.np
P8	Souphanouvong University	Champa Latnasouvannaphon	champa_sulaos@yahoo.com
P9	National University of Laos	Chintana Khouangvichit	chintnak@gmail.com

Project Coordinator (PC):

- The PC mentioned here is referred to the ENCORE Project Coordinator from FH JOANNEUM GESELLSCHAFT MBH (FHJ).
- The PC is responsible to coordinate with the QEB Chair to ensure all the major issues associated with the implementation of Risk Management Process at each individual HEIs is raised and reported to the PMB.
- The PC will ensure the decisions made by the PMB are executed by each HEIs and necessary fund reallocation is executed as per the required process in place.

Project Management Board (PMB):

- PMB here is referred to the ENCORE Project Management Board.
- The board is responsible to look into all the major issues related to Risk Management Process.
- The Board members need to ensure full support and cooperation is rendered, in order to get to the right decision and support, as an alternate contingency plan for all the major potential risks raised.

Partner Number	Partner Name	Name	Contact Details (Mail)
P1	FH JOANNEUM	Birgit Burböck	birgit.burböck@fh-joanneum.at
P2	University of Alicante	Christina Beans	c.beans@ua.es
P3	Haaga-Helia Ammattikorkeakoulu Oy	Eva Holmberg	Eva.Holmberg@haaga-helia.fi
P4	Royal University of Bhutan	Tshering Lhamo	tsheringlhamo.gcbs@rub.edu.bt
P5	Royal Thimphu College	Nawang Yangden	nawangy@rtc.bt; erasmus@rtc.bt
P6	Tribhuvan University	Ram Thapaliya	ramthapaliya@tuicms.edu.np
P7	Global College International	Subash Shreshta	subash@gci.edu.np
P8	Souphanouvong University	Vangchue VASOLEE	Vangchue_lee@hotmail.com; vangchue@hotmail.com
P9	National University of Laos	Amkheng Phenlasy	Amkheng@nuol.edu.la

Project Core Team (PCT):

- This represents the core team members from each HEI of the ENCORE Project.
- The members are responsible for providing necessary consultation during the risk management process and also will be informed on every development associated with the contingency plan.

4. TOOLS & TECHNIQUES

The following suggested techniques could be used for risk management:

- Desk reviews
- Questionnaires
- Interviews
- Brainstorming
- Risk checklists
- Assumption analysis
- Historical data

The following tools will be used for risk management:

- Risk Management Plan/Contingency Plan
- Risk Log

- Risk Likelihood/Impact matrix

4.1.1. Risk Log

The *Risk Log* for the project is using PM² *Risk Log* template. However, some changes have been done to the structure, fields or values, as following:

Risk Identification and Description	
ID	The risk identifier. Use a unique number that will be used to identify the risk in the format: Abbreviation of the institution_work package_risklog_sequence. For example RTC will use; RTC_WP6_RL_1
Category	Risk category related to the area affected by the risk (e.g output/outcome, Information technology, staffing, and organisation, budget, external conditions and legal). *The description of the risk category is given under risk identification activities.*
Description	Provide a brief description of the risk and include its causes, the kinds of problems that it could result in, its potential effects, and risk dependencies.
Status	The risk status can be any of the following: **Proposed:** this is the initial status. Use this while the risk is still being specified. **Assessing:** use this status to initiate an assessment. **Waiting for Approval:** use this to request approval. Before doing this, make sure that the assessment is complete and that the estimates are reliable. **Approved:** this status is set once the risk possibility has been accepted. **Rejected:** this status is set if the risk was rejected as not relevant. **Closed:** this status is set once the risk has been managed (e.g. mitigation actions have been implemented) and it is not a risk for the project anymore.
Identification date	The date on which the risk was identified.
Risk Assessment	
Likelihood (L)	A numerical value denoting the estimate of the probability that the risk will occur. The possible values are: **4=Very high, 3=High, 2=Medium, 1=Low**
Impact (I)	A numerical value denoting the severity of the risk's impact (should it occur). **4=Very high, 3=High, 2=Medium, 1=Low**
Risk Level (L*I)	The risk level is the product of the likelihood and impact (**RL=L*I**).
Risk owner	The person accountable for managing and monitoring the risk.
Escalation	Whether or not the risk is to be escalated to the QEB or PMB (**Yes** or **No)**.
Risk Response	
Risk response Strategy	The possible strategies to deal with the identified (negative) risks are: - **Avoid**: risk avoidance, the team should find a way to avoid those conditions or activities which exposes the project to

	the risk. This can be done by taking either a different approach or using different strategies.
	Reduce: risk mitigation or reduction should be done by implementing proactive risk reduction activities or strategies by developing contingency plans. **Transfer/Share**: transfer of risk, or sharing of risk burden should be done with other entities, e.g. through insurances, sub-contracting, partnering etc. **Accept**: acceptance of the risk (the impact/loss is accepted if the risk occurs). When accepting risks, there are two possible reactions: - Acceptance of the risk and no special action is required. However, continue to monitor the risk (passive acceptance); - Accept and develop contingency plans in case the risk occurs (active acceptance).
Action details (effort & responsible)	Description of the contingency plan(s), including its objective, scope, deliverables, and the person responsible and estimated effort needed.
Target date	The date on which the action is expected to be implemented.
Traceability/Comments	The ID(s) of the tasks (in the Project Work Plan) that implement the risk response actions, and/or the IDs of related changes, issues or decisions (log entries). Also include any additional information/comments related to the risk.

The location of this tool (Risk Log) is found in the Appendix 1.

4.1.2. Risk Likelihood/Impact Matrix

This project is using the PM[2] *Risk Likelihood/Impact Matrix*, as following:

The risk level will be calculated by the product of likelihood and impact in the following way:

		Impact			
		1=Low	**2=Medium**	**3=High**	**4=Very High**
Likelihood	**4=Very High**	4	8	12	16
	3=High	3	6	9	12
	2=Medium	2	4	6	8
	1=Low	1	2	3	4

Accept: Risk can be accepted and contingency plan may be developed
Reduce: Risks cannot be accepted, a risk response strategy should be developed (avoid, reduce, transfer/ share)
Avoid: Immediate risk reduction or avoidance response

Figure 1: Risk Likelihood/Impact matrix.

5. RISK IDENTIFICATION ACTIVITIES

The purpose of this section is to describe the specific risk identification activities and tools that will be used for this project.

Initial risk identification was first performed when preparing the project proposal document and major initial risks for all the 8 work packages are listed in the Logical Framework Matrix -LFM (given in the project document). So, these are the starting points of this step.

The identification of risks resulted from: desk reviews, interviews, project team brainstorming, QEB meetings, questionnaires, risk checklist analysis, historical data, and assumptions analysis.

The following risk categories have been included in the risk identification analysis, considering the type of the project:

- Outcome/Output: The risk associated with the outcome or output delivered during the project should be included. It may include risk occurred due to delay/ failure to promote/ implement/ complete intended outcome according to timetable. Or the outcome is not in consistence with the goals of the project.

- Information Technology: The risk associated with the used of information technology should be included. It may include risk occurred due to activities planned through Information and communication technology fail to reach the expected outcome.

- Staffing: The risk associated with the people involved in the project should be included. It may include risk occurred due to key project personnel leaving the project/insufficient number of people in the team/team members do not have the skills and competencies to carry out the project.

- Organization: The risk associated with organization of the project should be included. It may include risk occurred due to lack of coordination among partner as a result of delay in respond/ reciprocate/ fulfilling or to proceed/ promote the responsibilities/obligations it undertook in the context of the project. It would also include risk occurred due to disagreement between partners.

- Budget: The risk associated with budget should be included here. It may include risk that occur due to Inclusion of actions that are not eligible for financing in the context of the present project, funds under certain items, are not used and there is need for reallocation funds under certain items, are not enough and there is a loss of money because of unexpected developments (e.g. a bank's or airline's bankruptcy, bail in etc.)

- External conditions: The risk arising due to changes in the external factors that are essential to the project. This may include risk occurred due to changes in the economic/ political/social /legal environment that may impede or endanger the implementation of project activities.

- Legal: The risk that may arise due to changes in legal environment. It may include risk occurred due to some of the results/ activities involved/planned might lead to violation of laws or other values that are guiding the contact of the partners and some activities may lead to copyright claims.

The *Risk Log* is the tool used to register and update risks and related risk management actions.

6.   RISKS ASSESSMENT APPROACH

The purpose of this section is to describe the specific risk assessment activities and tools that will be used for the ENCORE project. The project will use the Risk Likelihood/Impact Matrix referred in section 4.2. The Risk Likelihood/Impact Matrix represents the different combinations of likelihood and impact of project risks on a scale from 1 to 5 and defines risk levels that suggest risk response strategies.

Risk level scale details:

Likelihood:

- **Low**: Less than 10% chance of occurrence;
- **Medium**: between 10% to 25% chance of occurrence;
- **High**: between 25% to 50% chance of occurrence;
- **Very high**: more than 50% chance of occurrence.

Impact:

- **Low**: less 2% of project budget affected, or/and low impact in other project baselines, or/and only one milestone affected, or/and projects stakeholders may be affected, or/and reputational impact in the organisation or unit or/and sufficient project competencies to resolve the issue (if risk occurs).

- **Medium**: 2% to 5% of project budget affected, or/and medium impact in other project baselines, or/and one or more milestones affected, or/and projects stakeholders will be to some extent affected, or/and project objectives may be affected, or/and reputational impact amongst technical staff in other organisations or units, or/and formal complaints, or/and limited project competencies to resolve the issue (if risk occurs).

- **High**: 5% to 10% of project budget affected, or/and high impact in other project baselines, or/and several milestones affected, or/and projects stakeholders will be affected/concerned, or/and project objectives will be affected, or/and reputational impact in several organisations or units, or/and formal and legal complaints, or/and insufficient project internal competencies to resolve the issue (if risk occurs).

- **Very high**: more than 10% of project budget affected, or/and very high impact in other project baselines, or/and several milestones affected, or/and projects stakeholders will be very affected/concerned, or/and the overall project will be affected, or/and external reputational impact, or/and significant formal and legal complaints, or/and external competencies are needed to address the issue (if risk occurs).

Risk levels thresholds:
- **Green**: risk level <=3;
- **Yellow**: risk level >=3 and <=9;
- **Red**: risk level >=16.

The Project Management Board approved/ stated that the project risk appetite is limited to risk level <=3, likelihood <10% and potential losses < 2% of the total ENCORE budget allocated for each HEIs.

6.1.1. Escalation

The risk escalation:

- All new risks, proposed risk response strategies and proposed actions are approved by the Project Owner, if the risk level is **< =3**;
- If the risk level is>= **3** and **<=9**, new risks, proposed risk response strategies and proposed actions are approved by the QEB;
- If the risk level is>= **16**, new risks, proposed risk response strategies and proposed actions are approved by the PMB who will inform the project officer;

7.   RISK RESPONSE STRATEGIES

The purpose of this section is to define the available risk response strategies to be used for this project.

The risk response actions are documented and updated in the *Risk Log* throughout the project lifecycle (and then incorporated in the *Project Work Plan*) and revisited in the regular QEB meetings.

The possible risk response strategies are:

- **Avoid**: risk avoidance, the team should find a way to avoid those conditions or activities which exposes the project to the risk. This can be done by taking either a different approach or using different strategies.
- **Reduce**: risk mitigation or reduction should be done by implementing proactive risk reduction activities or strategies by developing contingency plans.
- **Transfer/Share**: transfer of risk, or sharing of risk burden should be done with other entities, e.g. through insurances, sub-contracting, partnering etc.

- **Accept**: acceptance of the risk (the impact/loss is accepted if the risk occurs). When accepting risks, there are two possible reactions:
    o Acceptance of the risk and no special action is required. However, continue to monitor the risk (passive acceptance);
    o Accept and develop contingency plans in case the risk occurs (active acceptance).

The following table describes the risk response approach for this project:

Scenario	Risk Response Strategy
If the risk level score is more than or equal to 12 and is less than or equal to 16	Avoid **or** implement an immediate reduction
If the risk level score is more than or equal to 4 and is less than or equal to 9	Reduce /Transfer/Share.
If the risk level score is more than or equal to 1 and is less than or equal to 3	Accept (monitor and plan contingency if deemed necessary)

8. RISK CONTROL ACTIVITIES

The purpose of this section is to define the activities performed for monitoring and controlling risks, as well as their frequency.

The RO monitors and controls risks based on Project Follow-up Meetings or on information received from other project stakeholders, in result of:

- Identification of new risks by the Project Core Team (PCT) or by other project stakeholders, in consequence of changes in the project environment;
- New proposed ways to deal with a risk (adding/changing actions);
- Implementation of any of the given actions or on general events or developments that will change the values for likelihood and/or impact of the identified risks;
- Other changes.

Frequency of Revisiting the Risk Log: The *Risk Log* is updated at least, after the QEB Meetings, by the RO.

Additionally, before each PMB, there is a procedure in place to collect the status of each risk and action and the comments related to the effectiveness, quantification of resources spent, difficulties, potential problems and dependencies of the actions. This information is consolidated and updated in the *Risk Log*, and presented to the QEB. The project review planned at the end of each milestone also includes a deep review of the *Risk Log*.

The Risk Communication activities are part of the project *Communications Management Plan*.

The communication items identified are:

- Collection of new risks or changes to risks/actions in the regular QEB Meeting;
- Report of risks (risk level>=**9**) and related actions status in the bi-monthly meeting of the QEB;
- Request of risk or action approval to the Project Owner (PO)(risks with a risk level >=**3**) or to the QEB (risks with a risk level >=**9**);
- Report risks list in the yearly Project Progress Report;
- Communication of the risks that have turned into issues (had occurred) in the regular QEB meetings.

Appendix 1: References and Related Documents

ID	Reference or Related Document	Source or Link/Location of the website
1	(OPM2-23.MC.Log.v3.0.1).Risk_Log.(ENCORE).(03-05-2021).(vx.1)	https://europa.eu/pm2/_en
	Contingency Plan in this document is designed using Project Management Methodology (PM²), however necessary customization has been done to suit this (ENCORE) project. *<The PM² Methodology originated from the European Commission. Open PM² provides many guidelines and templates to facilitate the management and documentation of your projects.>*	