**This tool allows partners to explore and develop a mutual understanding of risk attitude and acceptance. The tool should be used to develop an ongoing discussion for partners and should be reviewed on a regular basis.**

**Step 1: Define what likelihood and impact mean**

How severe a risk is will depend on how likely it is that the event will occur, and if it did occur, how severe the impact would be. Partners should discuss what they understand by ‘likelihood’ and ‘impact’ in practice by defining each of the impact and likelihood categories (listed below). This discussion will enable both partners to compare the risks based on a similar understanding, e.g., one partner may consider ‘unlikely’ to be once per month, whereas the other partner may define it as once per year. When defining what each category of ‘impact’ means, partners should consider personnel, equipment and the relevant programme(s).

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| --- | --- |
| **Likelihood** | **Definitions** |
| **1** | **Very Unlikely** | ***For example: more than: once per decadeless than: once per year*** |
| **2** | **Unlikely** |  |
| **3** | **Moderately Likely** |  |
| **4** | **Likely** |  |
| **5** | **Very Likely** |  |

|  |  |
| --- | --- |
| **Impact** | **Definitions** |
| **1** | **Negligible** | ***For example:*** ***Personnel: minor injuries to one staff member******Equipment: loss of non-essential equipment******Programme: temporary loss of access due to seasonal weather challenges*** |
| **2** | **Minor** |  |
| **3** | **Moderate** |  |
| **4** | **Severe** |  |
| **5** | **Critical** |  |

**Step 2: Develop a matrix to agree on acceptable levels of risk**

Partners can use a matrix, which compares the likelihood of an incident with its impact (sometimes numerically calculated as Likelihood x Impact), to identify, for each partner, where the level of acceptable risk lies within the partnership. Acceptable risk levels should be highlighted in green. The matrix below serves only as an example and each organisation/partnership will have different levels of risk acceptance and should therefore adapt the assessment of risk acceptance to meet their needs.

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| --- | --- |
|  | **Impact** |
| **Likelihood** | **Negligible = 1** | **Minor = 2** | **Moderate = 3** | **Severe = 4** | **Critical = 5** |
| Very Likely = 5 | (1x 5) = 5 | (5x2) = 10 | 15 | 20 | 25 |
| Likely = 4 | 4 | 8 | 12 | 16 | 20 |
| Moderately Likely = 3 | 3 | 6 | 9 | 12 | 15 |
| Unlikely = 2 | 2 | 4 | 6 | 8 | 10 |
| Very Unlikely = 1 | 1 | 2 | 3 | 4 | 5 |

**Beyond focusing on the resulting number, partners are encouraged to think whether the risk is low/medium/high and make an assessment on that basis.**