**Social Development Consulting UK and Terre des hommes Foundation, Lausanne**

**AGENCY. ‘Action for Gender Equality, Non-Discrimination, Civil Society Strengthening and Youth Empowerment’**

**Probability / Risk Impact Grids**

**December 6 to 8, 2022, Gaza**

**Geoff Cordell**

**Introduction**

Very few development agencies use or are even aware of the meaning of ‘**Impact Grids’**. There are two quite different understandings of what this term might mean.

**First**, an Impact Grid could refer to the Logical Framework, a 16-box matrix designed to provide a one-page logical synthesis of a project. Its main features are a vertical and horizontal logic and a direct relationship between activities, outcomes and the project goal, and indicators of the success in reaching the outcomes. The logical framework is normally, but not always, the basis upon which Monitoring, and Evaluation tools are developed.

**Second**, an Impact Grid can refer to a probability / risk index, **a tool to measure the risk** to any project. This is what we feature in this short paper.

**Notes of caution**

This tool invites imprecision. Ascribing values to risk and probability is problematic. There is little to suggest that this is a more accurate or more telling tool than a simple Risk Assessment tool that is standard in project management.

**Introducing the Probability Risk Impact Grid**

The Probability Risk Impact Grid below (Grid 1) gives a value range of 1 to 10 for both Risk and Probability. The risk ‘factor’ is the result of a multiplication of your estimation of the risk to your project completing successfully by your estimation of the probability of this happening. The lowest score would therefore be 1 and the highest 100. One can immediately that **the usefulness of this tool is subject to the accuracy of these ‘estimations**’.

**Please** note: one would not posit as a risk something that was under one’s control. For example, ‘the project will not have sufficient funds’ is not a risk, since it is fully funded. This tool should be used for risks that you are not fully in control of (will lobbying work, will the government introduce legislation, etc).

**Exercise:**

We will examine the risks to the project, and their probability of happening, in a short group session. This will serve two purposes:

1. To review the ambition / intent of the project and assess the risks to its fulfilment, and
2. To examine the usefulness of the tool.

**Geoff Cordell**

Social Development Consulting UK Ltd

Geoffreycordell@hotmail.com

[www.sdcuk.com](http://www.sdcuk.com)

SKYPE: geoffreycordellnewdelhi

UK Mobile: 07722755661

**Grid 1**

**Probably Risk Impact Grid**

|  |  |  |  |
| --- | --- | --- | --- |
| **Probability Assessment** |  | **Medium Probability / Risk Impact** | **High Probability / Risk Impact**  |
| 10 | 10 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 100 |
| 9 | 9 | 18 | 27 | 36 | 45 | 54 | 63 | 72 | 81 | 90 |
| 8 | 8 | 16 | 24 | 32 | 40 | 48 | 56 | 64 | 72 | 80 |
| 7 | 7 | 14 | 21 | 28 | 35 | 42 | 49 | 56 | 63 | 70 |
| 6 | 6 | 12 | 18 | 24 | 30 | 36 | 42 | 48 | 54 | 60 |
| 5 | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 |
| 4 | 4 | 5 | 12 | 16 | 20 | 24 | 28 | 32 | 37 | 40 |
| 3 | 3 | 4 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 |
| 2 | 2 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 |
| 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|  | **Low Probability / Risk Impact**  | **Medium Probability / Risk Impact**  |
|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|  | **Risk Assessment** |

**Example project: An urban planning project in Nairobi, Kenya**

**Risks to the project (on a scale of 1 to 10)**

**PR1**: The government resists lobbying and advocacy, proves impervious to change, and does not introduce legislation for stop evictions of slum dwellers.

Risk 9

Probability 7

Probability Risk Impact 63

**PR2:** The City Council does not introduce change in urban planning during the life of the project.

Risk 8

Probability 8

**Probability Risk Impact 64**

**PR3**: Increased mobilization and activism of the community, lobbying and advocacy, does not lead to policy change of the part of local and national government.

Risk 8

Probability 7

**Probability Risk Impact 56**

**PR4:** The government and local authorities do not provide funds for slum upgrading, nor do they prosecute perpetrators of forced evictions, or provide communities with compensation.

Risk 10

Probability 8

**Probability Risk Impact 80**

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October 2022