SECTION 7 – ANALYZE NATIONAL RISKS AT COUNTRY LEVEL

I. INSTRUCTIONS

The National Risk Analysis Tables must be completed for all five sectors of the responding country before work in this section can begin. These tables are prepared in *Section 3, Establish National Contingency Strategies for Sector*. There must be one National Risk Analysis Table for each sector – Customs, Energy, Finance, Telecommunications and Transportation.

The simplest means of preparing the worksheet in this section is to have the completed National Risk Analysis Tables for each sector in softcopy (electronic) form. This section may be initially processed by anyone with basic word processing skills, but should then be completed by sector specialists.

The National Risk Analysis Tables for each sector will be combined into a single National Risk Analysis Table for the responding country. Next, the individual risks will be grouped by the Related Sector. All risks related to the Customs sector will be grouped together, all risks related to the Energy sector will be grouped together, and so on for each Related Sector. The risks in each Related Sector will then be examined for commonality. For example, if several risks related to Telecommunications deal with potential disruptions of telephone service, they would be grouped together.

Work on *Section 8, Re-evaluate National Contingency Strategies,* can begin upon completion of this section.

Additional references for this section that can be used to complete your worksheet include:

- Step-by-Step Examples throughout this section
- Definitions of Terms in this section

Each sample document lists only a few risks for the sake of simplicity. The samples are only intended to help illustrate the process. They are not complete examples of actual National Risk Analysis Tables.

IMPORTANT: LOOK AT THE EXAMPLES AS YOU GO.

1 Obtain Copies of the National Risk Analysis Tables

Obtain a copy of the National Risk Analysis Tables for each of the five sectors. These tables were produced in *Section 3, Establish National Contingency Strategies for Sector*. Ideally, these copies should be obtained in electronic form so they can be easily manipulated.

EXAMPLE: This example starts with the National Risk Analysis Tables for the Finance, Telecommunications and Transportation sectors of Country X. Note that only three of the five tables are shown in this example for the sake of simplicity.

Template 5 – National Risk Analysis Table

Responding Country: X
Sector: Finance

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure		Priority	Contingency Strategy
Finance	Disruption of Electric Power	HI	Energy	LO	Dept. of Energy	2	Use excess capacity of remaining operational plants
Finance	Loss of EFT Network	HI	Telecom	LO	PTT	2	Provide network redundancy

Template 5 – National Risk Analysis Table

Responding Country: X
Sector: Telecommunications

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure		Priority	Contingency Strategy
Telecomm	Failure of two or more primary network switches	HI	Telecomm	LO	PTT	2	Encourage use of multi-path networks
Telecomm	Loss of one major electric generating	HI	Energy	MED	Dept. of Energy	1	Rely upon alternate

Template 5 – National Risk Analysis Table

Responding Country: X
Sector: Transportation

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure		Priority	Contingency Strategy
Transport	Gasoline supply for public transit reduced by 50% for up to 2 months	MED	Energy	MED	Office of Strategic Reserves	2	Increase oil reserves by 1.5 million gallons
Transport	Loss of electric power to national electric rail system	MED	Energy	MED	Dept. of Energy	2	Use backup generation capacity

❷ Combine National Risk Analysis Tables

Combine the contents of the National Risk Analysis Tables for the five sectors into a single National Risk Analysis Table representing all source sectors. If the original tables are in softcopy (electronic) form, their contents could be "cut and pasted" into a new table.

EXAMPLE: A new National Risk Analysis Table for 'All Sectors' has been created from the contents of the original tables – two entries from the Finance sector table, two entries from the Telecommunications sector table, and two entries from the Transportation sector table.

Template 5 – National Risk Analysis Table

Responding Country: X
Sector: All Sectors

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure		Priority	Contingency Strategy
Finance	Disruption of Electric Power	HI	Energy	LO	Dept. of Energy	2	Use excess capacity of remaining operational plants
Finance	Loss of EFT Network	HI	Telecom	LO	PTT	2	Provide network redundancy
Telecomm	Failure of two or more primary network switches	HI	Telecomm	LO	PTT	2	Encourage use of multi-path networks
Telecomm	Loss of one major electric generating source	HI	Energy	MED	Dept. of Energy	1	Rely upon alternate sources
Transport	Gasoline supply for public transit reduced by 50% for up to 2 months	MED	Energy	MED	Office of Strategic Reserves	2	Increase oil reserves by 1.5 million gallons
Transport	Loss of electric power to national electric rail system	MED	Energy	MED	Dept. of Energy	2	Use backup generation capacity

❸ Group Risks by Related Sectors

Group the combined National Risk Analysis Table entries that have the same Related Sector value together. If the original tables are in softcopy (electronic) form, this can easily be done by sorting the entries by the Related Sector column of the document.

EXAMPLE: All of the entries that have a Related Sector of "Energy" are now grouped together. All of the entries that have a Related Sector of "Telecomm" are now grouped together.

The references ①, ②, and ③ will be addressed in the next step.

Template 5 – National Risk Analysis Table

Responding Country: X
Sector: All Sectors

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

	Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure		Priority	Contingency Strategy
①	Finance	Disruption of Electric Power	HI	Energy	LO	Dept. of Energy	2	Use excess capacity of remaining operational plants
	Transport	Gasoline supply for public transit reduced by 50% for up to 2 months	MED	Energy	MED	Office of Strategic Reserves	2	Increase oil reserves by 1.5 million gallons
②	Transport	Loss of electric power to national electric rail system	MED	Energy	MED	Dept. of Energy	2	Use backup generation capacity
③	Telecomm	Loss of one major electric generating source	HI	Energy	MED	Dept. of Energy	1	Rely upon alternate sources
	Finance	Loss of EFT Network	HI	Telecom	LO	PTT	2	Provide network redundancy
	Telecomm	Failure of two or more primary network switches	HI	Telecomm	LO	PTT	2	Encourage use of multi-path networks

Table entries have been grouped together by Related Sector.

❹ Group Common Risks within each Related Sector

Analyze the value contained in the Risks Identified column of all entries that have the same Related Sector value. Some of the Risks Identified values may be referring to the same risk except that the words are not exactly the same. These are common risks, i.e. two or more source sectors are affected by the same risk. Group the entries containing common risks together. Do this analysis for each of the five Related Sector values.

EXAMPLE: Look at the example in Step 3 of the prior page. Observe the entries referenced ①, ②, and ③. Look at the values in the Risks Identified column for these entries. Although the words used to describe the Risks Identified are not identical, they all seem to be referring to a risk caused by the loss of electric power. These entries are now grouped together.

Template 5 – National Risk Analysis Table

Responding Country:
Sector: All Sectors

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

	Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure		Priority	Contingency Strategy
①	Finance	Disruption of Electric Power	HI	Energy	LO	Dept. of Energy	2	Use excess capacity of remaining operational plants
②	Transport	Loss of electric power to national electric rail system	MED	Energy	MED	Dept. of Energy	2	Use backup generation capacity
③	Telecomm	Loss of one major electric generating source	HI	Energy	MED	Dept. of Energy	1	Rely upon alternate sources
	Transport	Gasoline supply for public transit reduced by 50% for up to 2 months	MED	Energy	MED	Office of Strategic Reserves	2	Increase oil reserves by 1.5 million gallons
	Finance	Loss of EFT Network	HI	Telecom	LO	PTT	2	Provide network redundancy
	Telecomm	Failure of two or more primary network switches	HI	Telecomm	LO	PTT	2	Encourage use of multi-path networks

Table entries for common risks within a Related Sector have been grouped together.

II. DEFINITIONS

No New Terms in this Section

SECTION 8 – RE-EVALUATE NATIONAL CONTINGENCY STRATEGIES

I. INSTRUCTIONS

A combined National Risk Analysis Table must be created for the responding country before work in this section can begin. This table is prepared in *Section 7, Analyze National Risks at Country Level*. There should be only one combined National Risk Analysis Table for the country.

Completion of this section will require input and support from the appropriate sector specialists of the responding country as well as decisions by key policy-makers of the responding country.

First, the contingency strategies for the common risks identified in Section 7 are reviewed for potential synergies and conflicts. Adjustments are made to the contingency strategies as appropriate. All contingency strategies in the combined National Risk Analysis Table are then reviewed relative to total time to prepare, total resource requirements, and anticipated coordination effort. Although the individual contingency strategies may appear to be achievable from an individual perspective, they may not be achievable when considered from an overall perspective. Contingency strategies are changed as appropriate in light of this analysis.

Additional references for this section that can be used to complete your worksheet include:

- Step-by-Step Examples throughout this section
- Definitions of Terms in this section

IMPORTANT: LOOK AT THE EXAMPLE AS YOU GO.

❶ **Review Contingency Strategies of Common Risks**

Common risks were identified in *Section 7, Analyze National Risks at Country Level*. To identify potential conflicts, consider the following questions relative to the contingency strategies of each set of common risks:

1. Can adequate preparations for the contingency strategies be completed in time?
2. Are there a sufficient number of required resources available to prepare for the contingency strategies?
3. Will there be a sufficient number of required resources available to execute the contingency strategies if necessary?
4. Does the indicated Action Office have the necessary influence, capacity and skills needed to lead and/or execute a coordinated effort to prepare the contingency strategies?
5. Are there a sufficient number of appropriately skilled human resources available to coordinate the preparation of the contingency strategies?
6. If the contingency strategies require legislative action, such as approval of emergency funding, can this action be completed in time for the legislation to have the desired effect?

To identify potential synergies, consider the following questions relative to the contingency strategies of each set of common risks:

1. Could the contingency strategies be coordinated so as to eliminate redundant efforts, save time and/or reduce costs? For example, have a single Action Office produce a public awareness campaign rather than have several Action Offices each producing their own version.
2. Could the needs of the contingency strategies be met with a single, national strategy? For example, build a national oil reserve rather than have each sector build oil reserves to meet their own specific needs.
3. Could scarce resources required by individual contingency strategies be utilized in a coordinated manner to the mutual benefit of all affected sectors? For example, prioritizing the electrical needs of all sectors so available capacity could be allocated to meet the most critical needs first.
4. Could a single legislative action be crafted to address the needs of several contingency strategies? For example, create a single, comprehensive funding request for the creation of national emergency response teams in each sector rather than separate requests for each sector.

EXAMPLE: Consider the contingency strategy for the common risk shown in EXAMPLE – NATIONAL RISK ANALYSIS TABLE*. Each Source Sector assumed that the excess electric capacity of the generating plants not affected by Y2K will be sufficient to meet its needs. However, when the total electric requirements of all affected Source Sectors are considered, there may not be sufficient capacity remaining to meet the needs of all sectors.*

❷ **Adjust Contingency Strategies of Common Risks**

If the contingency strategies for a set of common risks are in conflict, they must be reevaluated and changed. Actions to consider include:

- Reduce the scope of the contingency strategies
- Reallocate national government resources
- Encourage the reallocation of private sector resources
- Curtail contingency planning activities for low priority risks

When synergies are identified, the contingency strategies must also be changed as appropriate.

EXAMPLE: Considering the needs of all affected sectors, a plan is devised to allocate electrical capacity to each sector based upon risk priority. For instance, the plan might first allocate available power to the Electronic Funds Transfer network, the emergency telephone system, and major airports.

❸ **Review Overall Contingency Strategy Requirements**

The various contingency strategies identified in the National Risk Analysis Table must now be evaluated from an overall perspective. Consider the following questions:

1. Can adequate preparations for all of the contingency strategies be completed in time?
2. Are there a sufficient number of required resources available to prepare for all of the contingency strategies?
3. Will there be a sufficient number of required resources available to execute the contingency strategies if necessary?
4. Will each indicated Action Office have the necessary influence, capacity and skills needed to lead and/or execute a coordinated effort to prepare all of the contingency strategies to which it has been assigned?
5. Are there a sufficient number of appropriately skilled human resources available to coordinate the preparation of all of the contingency strategies?
6. If the contingency strategies require legislative action, can the national legislature complete all of these actions in sufficient time to achieve the desired effect?

❹ **Adjust Contingency Strategies**

In light of the analysis performed in step 3, change the entries in the National Risk Analysis Table to reflect any change in thinking. Actions to consider include:

- Curtail contingency planning activities for low priority risks
- Encourage the commercial sector to refocus efforts on contingency planning rather than remediation
- Establish/increase national reserves of critical resources, e.g. oil
- Provide additional funding at the national level to assist the commercial sector with Y2K remediation and contingency planning, e.g. provide Y2K loans to small businesses
- Reallocate government resources at the national level from remedial efforts to contingency plan preparation
- Establish regulatory requirements for contingency planning
- Establish national response teams
- Conduct public awareness campaigns to set appropriate expectations
- Encourage public preparation
- Establish plans for temporarily reduced services

II. DEFINITIONS

Required Resources – Any resource that is necessary to the successful execution of a strategy. Examples include appropriately skilled personnel (e.g. computer programmers), adequate industrial capacity (e.g. electrical generating capacity), and specialized equipment (e.g. data communications networking equipment).

III. EXAMPLE – NATIONAL RISK ANALYSIS TABLE

The example below provides an illustration of a combined National Risk Analysis Table. The sample document lists only a few risks for the sake of simplicity. It is not a complete example of an actual combined National Risk Analysis Table.

Template 5 – National Risk Analysis Table

Responding Country:
Sector: All Sectors

National Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Related Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
Finance	Disruption of Electric Power	HI	Energy	LO	Dept. of Energy	2	Use excess capacity of remaining operational plants
Transport	Loss of electric power to national electric rail system	MED	Energy	MED	Dept. of Energy	2	Use backup generation capacity
Telecomm	Loss of one major electric generating source	HI	Energy	MED	Dept. of Energy	1	Rely upon alternate sources
Transport	Gasoline supply for public transit reduced by 50% for up to 2 months	MED	Energy	MED	Office of Strategic Reserves	2	Increase oil reserves by 1.5 million gallons
Finance	Loss of EFT Network	HI	Telecom	LO	PTT	2	Provide network redundancy
Telecomm	Failure of two or more primary network switches	HI	Telecomm	LO	PTT	2	Encourage use of multi-path networks

The highlighted entries represent a common risk.

SECTION 9 – ANALYZE ECONOMIC PARTNER RISKS AT COUNTRY LEVEL

I. INSTRUCTIONS

The Economic Partner Risk Analysis Tables must be completed for all major Economic Partners of each sector of the responding country before work in this section can begin. These tables are prepared in *Section 6, Establish Economic Partner Contingency Strategies for Sector*. There must be an Economic Partner Risk Analysis Table for each major economic partner of each sector. These sector-specific economic partners are listed in the List of Economic Partners generated before the risk assessment process was begun. *(See end of Introduction section for list)*

The simplest means of preparing the worksheet in this section is to have the completed Economic Partner Risk Analysis Tables for each sector in softcopy (electronic) form. This section may be initially processed by anyone with basic word processing skills, but should then be completed by international sector specialists.

The Economic Partner Risk Analysis Tables for each sector will be combined into a single Economic Partner Risk Analysis Table for the responding country. Next, the individual risks will be grouped by the Economic Partner Sector. All risks related to the Economic Partner's Customs sector will be grouped together, all risks related to the Economic Partner's Energy sector will be grouped together, and so on for each Economic Partner Sector. The risks in each Economic Partner Sector group will then be examined for commonality. For example, if several risks related to Telecommunications deal with potential disruptions of telephone service in various economic partners, they would be grouped together.

Work on *Section 10, Re-evaluate Economic Partner Contingency Strategies,* can begin upon completion of this section.

Additional references for this section that can be used to complete your worksheet include:

- Step-by-Step Examples throughout this section
- Definitions of Terms in this section

Each sample document lists only a few risks for the sake of simplicity. The samples are only intended to help illustrate the process. They are not complete examples of actual Economic Partner Risk Analysis Tables.

IMPORTANT: LOOK AT THE EXAMPLES AS YOU GO.

❶ Obtain Copies of the Economic Partner Risk Analysis Tables

Obtain the Economic Partner Risk Analysis Tables for each of the five sectors for all their Economic Partners. These tables were produced in *Section 6, Establish Economic Partner Contingency Strategies for Sector*. Ideally, these copies should be obtained in electronic form so they can be easily manipulated.

EXAMPLE: This example starts with the Economic Partner Risk Analysis Tables created by responding Country X for Country Y Finance, Country Y Energy and Country Z Energy. Note that only a minimal subset of the tables possible from the List of Economic Partners is shown in this example for the sake of simplicity.

Responding Country: X
Economic Partner: Y

International Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
Finance	EFT system malfunction in Country Y Central Bank	HI	"Y"	Finance	LO	Country "X" Treasury Dept.	2	Fly couriers w. int'l money orders to Country Y
Finance	EFT system malfunction due to Country Y data line failures	HI	"Y"	Telecom-munications	MED	Country "X" PTT	1	Fly couriers w. int'l money orders to Country Y

Country X Finance and Energy sectors depend On Country Y

Responding Country: X
Economic Partner: Y

International Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
Energy	Disruption of oil supply	HI	"Y"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Z
Energy	Nuclear power from Y cut of due to EFT payment not recognized by Y Central	HI	"Y"	Finance	LO	Country "X" Dept. of Energy	2	Fly couriers w. int'l money orders to Country Y

Responding Country: X
Economic Partner: Z

International Risk Analysis – Summary List of Risks Identified from Inventory and Checklist

Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
Energy	Z windpower machines fail due to faulty controllers	LO	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Orgs using Z windpower use X excess oil-generated energy
Energy	Disruption of oil supply	HI	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Y

Country X Energy sector has Dependencies in both Country Y and Country Z

❷ Combine Economic Partner Risk Analysis Tables

Combine the contents of the Economic Partner Risk Analysis Tables for all major Economic Partners for the five sectors into a single Economic Partner Risk Analysis Table representing all source sectors. If the original tables are in softcopy (electronic) form, their contents could be "cut and pasted" into a new table.

EXAMPLE: A new Economic Partner Risk Analysis Table for 'All Economic Partner Sectors' has been created from the contents of the original tables in Section ❶

Responding Country: X
Economic Partners: All

Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
Finance	EFT system malfunction in Country Y Central Bank	HI	"Y"	Finance	LO	Country "X" Treasury Dept.	2	Fly couriers w. int'l money orders to Country Y
Finance	EFT system malfunction due to Country Y data line failures	HI	"Y"	Telecom-munications	MED	Country "X" PTT	1	Fly couriers w. int'l money orders to Country Y
Energy	Slowdown of oil supply	HI	"Y"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Z
Energy	Nuclear power from Y cut off due to EFT payment not recognized by Y Central Bank system	HI	"Y"	Finance	LO	Country "X" Dept. of Energy	2	Fly couriers w. int'l money orders to Country Y
Energy	Country Z windpower machines fail due to faulty controllers	LO	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Orgs using Z windpower use X excess oil-generated energy
Energy	Disruption of oil supply	HI	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Y

❸ Group Risks by Related Sectors

Group the combined Economic Partner Risk Analysis Table entries that have the same Economic Partner Sector value together. If the original tables are in softcopy (electronic) form, this can easily be done by sorting the entries by the Economic Partner Sector column of the document.

EXAMPLE: All of the entries that have an Economic Partner Sector of "Energy" are now grouped together. All of the entries that have a Economic Partner Sector of "Finance" are now grouped together.

The references ① and ② will be addressed in the next step.

Responding Country: X -
Economic Partner: All

	Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
① →	Energy	Slowdown of oil supply	HI	"Y"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Z
	Energy	Country Z windpower machines fail due to faulty controllers	LO	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Orgs using Z windpower use X excess oil-generated energy
② →	Energy	Disruption of oil supply	HI	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Y
	Finance	EFT system malfunction in Country Y Central Bank	HI	"Y"	Finance	LO	Country "X" Treasury Dept.	2	Fly couriers w. int'l money orders to Country Y
	Energy	Nuclear power from Y cut off due to EFT payment not recognized by Y Central Bank system	HI	"Y"	Finance	LO	Country "X" Dept. of Energy	2	Fly couriers w. int'l money orders to Country Y
	Finance	EFT system malfunction due to Country Y data line failures	HI	"Y"	Telecom-municati ons	MED	Country "X" PTT	1	Fly couriers w. int'l money orders to Country Y

Table entries have been grouped together by Economic Partner Sector.

❹ Group Common Risks within each Related Sector

Analyze the value contained in the Risks Identified column for all entries that have the same Economic Partner Sector value. Some of the Risks Identified values may be referring to the same risk except that the words are not exactly the same. These are common risks, i.e. two or more source sectors are affected by the same risk. Group the entries containing common risks together. Do this analysis for each of the five Economic Partner Sector values.

EXAMPLE: Look at the example in Step 3 of the prior page. Observe the entries referenced ①and ②. Look at the values in the Risks Identified column for these entries. They all refer to a risk caused by the disruption of oil supply. These entries are now grouped together. (Note that the words used to describe the Risks Identified are not always identical, so this process involves judgment whether the risks are Common Risks.)

Responding Country: X
Economic Partner : All

	Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
①	Energy	Slowdown of oil supply	HI	"Y"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Z
②	Energy	Disruption of oil supply	HI	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Y
	Energy	Country Z windpower machines fail due to faulty controllers	LO	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Orgs using Z windpower use X excess oil-generated energy
	Finance	EFT system malfunction in Country Y Central Bank	HI	"Y"	Finance	LO	Country "X" Treasury Dept.	2	Fly couriers w. int'l money orders to Country Y
	Energy	Nuclear power from Y cut off due to EFT payment not recognized by Y Central Bank system	HI	"Y"	Finance	LO	Country "X" Dept. of Energy	2	Fly couriers w. int'l money orders to Country Y
	Finance	EFT system malfunction due to Country Y data line failures	HI	"Y"	Telecom-municatio ns	MED	Country "X" PTT	1	Fly couriers w. int'l money orders to Country Y

Table entries for common risks within an Economic Partner Sector have been grouped together

Note the faulty assumption. It is assumed that only one economic partner could fail but not both. This will be discussed further in Section 10.

II. DEFINITIONS

No New Terms in this Section

SECTION 10 – RE-EVALUATE ECONOMIC PARTNER CONTINGENCY STRATEGIES

I. INSTRUCTIONS

A combined Economic Partner Risk Analysis Table must be created for the responding country before work in this section can begin. This table is prepared in *Section 9, Analyze Economic Partner Risks at Country Level*. There should be only one combined Economic Partner Risk Analysis Table for the country.

Completion of this section will require input and support from the appropriate sector specialists of the responding country as well as decisions by key policy-makers of the responding country.

First, the contingency strategies for the common risks identified in Section 9 are reviewed for potential synergies and conflicts. Adjustments are made to the contingency strategies as appropriate. All contingency strategies in the combined Economic Partner Risk Analysis Table are then reviewed relative to total time to prepare, total resource requirements, and anticipated coordination effort. Although the individual contingency strategies may appear to be achievable from an individual perspective, they may not be achievable when considered from an overall perspective. Contingency strategies are changed as appropriate in light of this analysis.

Additional references for this section that can be used to complete your worksheet include:

- Step-by-Step Examples throughout this section
- Definitions of Terms in this section

IMPORTANT: LOOK AT THE EXAMPLE AS YOU GO.

❶ **Review Contingency Strategies of Common Risks**

Common risks were identified in *Section 9, Analyze Economic Partner Risks at Country Level*. To identify potential conflicts, consider the following questions relative to the contingency strategies of each set of common risks:

1. Can adequate preparations for the contingency strategies be completed in time?
2. Are there a sufficient number of required resources available to prepare for the contingency strategies?
3. Will there be a sufficient number of required resources available to execute the contingency strategies if necessary?
4. Does the indicated Action Office have the necessary influence, capacity and skills needed to lead and/or execute a coordinated effort to prepare the contingency strategies?
5. Are there a sufficient number of appropriately skilled human resources available to coordinate the preparation of the contingency strategies?
6. If the contingency strategies require legislative action, such as approval of emergency funding, can this action be completed in time for the legislation to have the desired effect?

To identify potential synergies, consider the following questions relative to the contingency strategies of each set of common risks:

1. Could the contingency strategies be coordinated so as to eliminate redundant efforts, save time and/or reduce costs? For example, have a single Action Office produce a public awareness campaign rather than have several Action Offices each producing their own version.
2. Could the needs of the contingency strategies be met with a single, national strategy? For example, build a national oil reserve rather than have each sector build oil reserves to meet their own specific needs.
3. Could scarce resources required by individual contingency strategies be utilized in a coordinated manner to the mutual benefit of all affected sectors? For example, prioritizing the oil needs of all sectors so available capacity could be allocated to meet the most critical needs first.
4. Could a single legislative action be crafted to address the needs of several contingency strategies? For example, create a single, comprehensive funding request for the creation of national emergency response teams in each sector.

EXAMPLE: Consider the contingency strategy for the common risk shown in EXAMPLE – ECONOMIC PARTNER RISK ANALYSIS TABLE. *Each source sector assumed that the excess oil capacity of the other economic partner country (not effected by Y2K) would be sufficient to meet its needs. However, when the total oil requirements of all affected Source Sectors are considered, there may not be sufficient capacity remaining to meet the needs of all sectors.*

❷ **Adjust Contingency Strategies of Common Risks**

If the contingency strategies for a set of common risks are in conflict, they must be reevaluated and changed. Actions to consider include:

- Reduce the scope of the contingency strategies
- Reallocate national government resources
- Encourage the reallocation of private sector resources
- Curtail contingency planning activities for low priority risks

When synergies are identified, the contingency strategies must also be changed as appropriate.

EXAMPLE: Considering the needs of all affected sectors, a plan is devised to allocate oil capacity to each sector based upon risk priority.

❸ **Review Overall Contingency Strategy Requirements**

The various contingency strategies identified in the *Economic Risk Analysis Table* must now be evaluated from an overall perspective. Consider the following questions:

1. Can adequate preparations for all of the contingency strategies be completed in time?
2. Are there a sufficient number of required resources available to prepare for all of the contingency strategies?
3. Will there be a sufficient number of required resources available to execute the contingency strategies if necessary?
4. Will each indicated Action Office have the necessary influence, capacity and skills needed to lead and/or execute a coordinated effort to prepare all of the contingency strategies to which it has been assigned?
5. Are there a sufficient number of appropriately skilled human resources available to coordinate the preparation of all of the contingency strategies?
6. If the contingency strategies require legislative action, can the national legislature complete all of these actions in sufficient time to achieve the desired effect?

❹ **Adjust Contingency Strategies**

In light of the analysis performed in step 3, change the entries in the *TEMPLATE 9 – INTERNATIONAL RISK ANALYSIS TABLE* to reflect any change in thinking. Actions to consider include:

- Curtail contingency planning activities for low priority risks
- Encourage the commercial sector to refocus efforts on contingency planning rather than remediation
- Establish/increase national reserves of critical resources, e.g. oil
- Provide additional funding at the national level to assist the commercial sector with Y2K remediation and contingency planning, e.g. provide Y2K loans to small businesses
- Reallocate government resources at the national level from remedial efforts to contingency plan preparation
- Establish regulatory requirements for contingency planning
- Establish national response teams
- Conduct public awareness campaigns to set appropriate expectations
- Encourage public preparation
- Establish plans for temporarily reduced services

II. DEFINITIONS

No New Terms in this Section

III. EXAMPLE – ECONOMIC PARTNER RISK ANALYSIS TABLE

The example below provides an illustration of a combined Economic Partner Risk Analysis Table. The sample document lists only a few risks for the sake of simplicity. It is not a complete example of an actual combined Economic Partner Risk Analysis Table.

Note the faulty assumption. It is assumed that only one economic partner could fail but not both.

Template 9 – Economic Partner Risk Analysis Table

Responding Country: X
Sector: All sectors

Source Sector	Risks Identified	Impact	Economic Partner	Economic Partner Sector	Probability of Sector Failure	Action Office	Priority	Contingency Strategy
Energy	Disruption of oil supply	HI	"Y"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Z
Energy	Disruption of oil supply	HI	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Increase imports from Y
Energy	Z windpower machines fail due to faulty controllers	LO	"Z"	Energy	HI	Country "X" Dept. of Energy	1	Orgs using Z windpower use X excess oil-generated energy
Finance	EFT system malfunction in Country Y Central Bank	HI	"Y"	Finance	LO	Country "X" Treasury Dept.	2	Fly couriers w. int'l money orders to Country Y
Energy	Nuclear power from Y cut of due to EFT payment not recognized by Y Central Bank system	HI	"Y"	Finance	LO	Country "X" Dept. of Energy	2	Fly couriers w. int'l money orders to Country Y
Finance	EFT system malfunction due to Country Y data line failures	HI	"Y"	Telecom-munications	MED	Country "X" PTT	1	Fly couriers w. int'l money orders to Country Y

The highlighted entries represent a common risk

GLOSSARY

Term	Definition	First Defined in Section:
Action Office	The organization within an "Economic Partner Sector: that can mitigate identified risks.	2
Common Risks	Risks that are described differently in different sectors, but actually refer to the same risk.	Intro
Contingency Strategy	List of planned actions that can mitigate the impact of identified risks if a loss or a failure should occur.	5
Cross-economy	Between the responding country and a given economic partner.	4
Cross-sector	Between a sector and any of the other sectors.	1
Economic Partner	Any country upon whom the Responding Country has an economic and/or infrastructure dependency. Any country with whom the Responding Country enters into finance and trade.	Intro
Economic Partner Risk Analysis	An analysis of risks caused by critical Economic Partner sector failures with respect to their impact & probability.	5
Economic Partner Sector	The sector in the Economic Partner country that can take the appropriate action to prevent identified risks.	5
Economic Sector	A high level, logical subset of a country's economy.	Intro
HI Probability	A reasonable likelihood of occurring, at least two orders of magnitude more likely to occur than a "LO".	2
High (Impact)	Occurrence of this risk will likely cause serious disruption to sector segments carrying out their mission.	1
Impact	The degree to which the risk of Y2K failure or disruption affects the continued operation of sector-critical functions.	1
LO Probability	Highly unlikely to occur.	2
Low (Impact)	Occurrence of this risk will not seriously disrupt the sector segments from carrying out their missions.	1

Medium (Impact)	Occurrence of this risk will disrupt the sector segments' ability to carry out their missions. However, "workarounds", such as manual processing, may be used for some period in place of automatic data sources.	1
MED Probability	Not clearly high or low.	2
Mission Critical Operations	Primary activities of an organization that are of essential importance to the accomplishment of that organization's mission. Viability of the organization will be in jeopardy. If any of these activities should fail, the potential consequences associated with failure of mission-critical operations include: - outright shutdown of the organization - excessive financial losses - potential loss of human life - severe damage to reputation - severe legal ramifications including, but not limited to, incarceration and/or large financial penalties	1
National Level	As related to a single country.	1
National Risk Analysis	An analysis of risks caused by a critical national sector failure with respect to their impact & probability.	2
Priority	Rank-order identified risks (each row of the Economic Partner Risk Analysis Table) with respect to their relative importance.	5
Probability of Sector Failure	The likelihood of a particular sector failure.	2
Related Sector	The sector that can take appropriate actions to prevent identified risks.	2
Required Resources	Any resource that is necessary to the successful execution of a strategy. Examples include: appropriately skilled personnel (e.g. computer programmer), adequate industrial capacity (e.g. electrical generating capacity), and specialized equipment (e.g. data communications networking equipment).	8
Responding Country	The country performing the self assessment.	Intro
Risks	List of potential failures that could impact the source sector.	2

Identified Sector	*see Economic Sector*	Intro
Services	Support activities that the related sector provides to the source sector.	4
Source Sector	The sector in the Responding Country for which analysis is being performed.	2
Y2K-compliant	Having completed a predefined procedure for testing normal functionality on key Y2K-related dates and documenting the test results.	1