

Workshop for approved projects

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Investing in Opportunities

Maria Domzal
Risk management and evaluation

What to do and what not to



Timeline

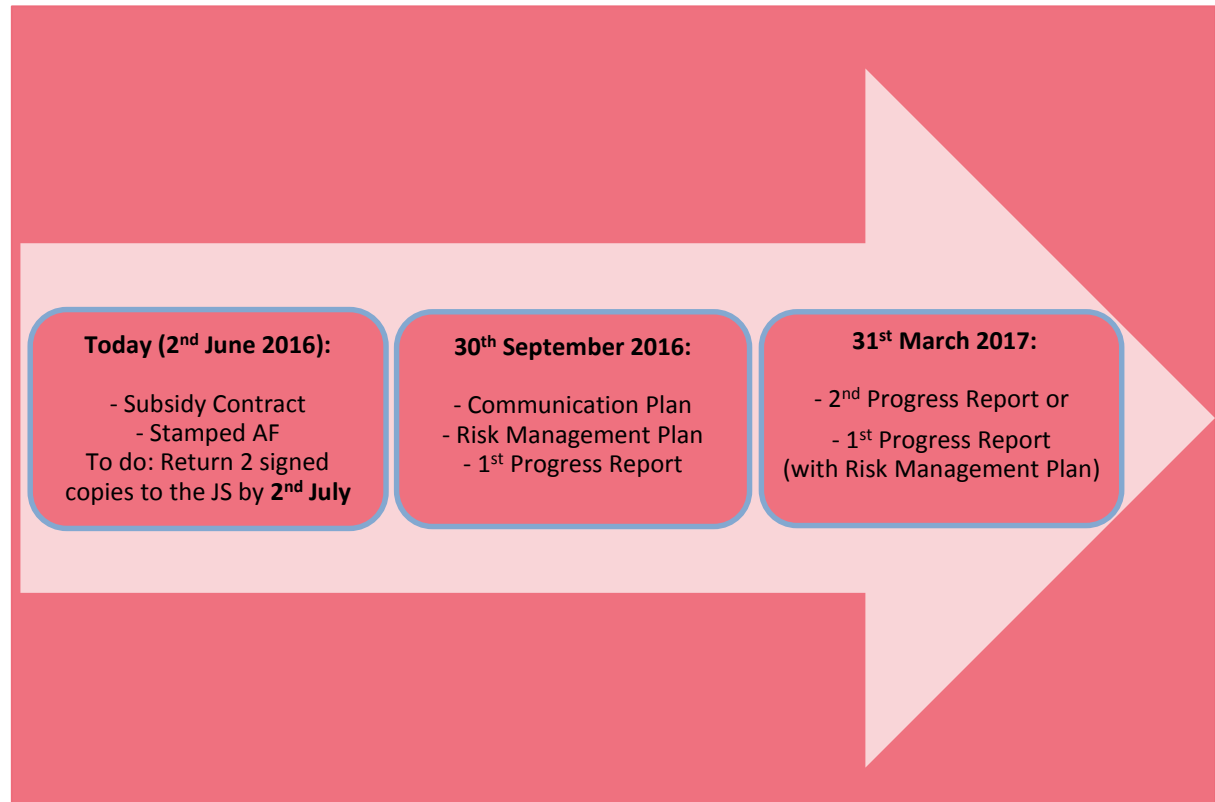
4 main risk areas

- Key thematic
- Partnership
- Investments
- Financial



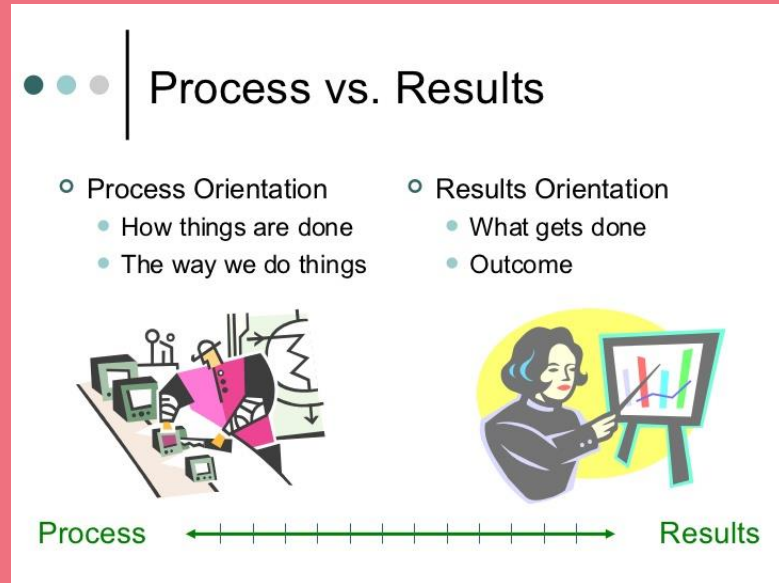
Timeline

- Subsidy Contract
- Partnership Agreement
- Communication plan
- Risk management plan
- Reporting deadlines



Result orientation = risk management

- Intervention logic
- Obligatory elements + outcome



Risk areas to flag up:

Material for risk matrix – open risk areas

- Key thematic aspects
- Partnership
- Investments
- Financial risks



1. Key thematic risks

Intervention logic

- Delivery of the action and investment plan monitored via the **prism of the final outcome**
- Any changes to the project viewed of the **impact on the project outputs and result**
- Involvement of the main **SO target group** key!

Risk management plan:

- To address the objective-action plan **link**
- To remain **open** in the course of the project

1. Key thematic risks

Business justification

- Is the project still a viable business case?
- Is the project approach working ?
- Is applicable to the target group?
- Territorial challenge still valid in NWE?

1. Key thematic risks

Value for Money

- Clarity of the project objective
- Expected result understood by all involved and achievable
- Delivery of the project outputs

2. Partnership

- Dynamics
- Changes
- Partner underperformance
- Private partners



2. Partnership

Co-operation dynamics

Regulatory requirements (eligibility criteria)
- joint:

- Development
- Implementation
- Staffing
- Financing



2. Partnership

Co-operation dynamics



Programme requirements = joint:

- Delivery of project outputs and results
- Evaluation
- Dissemination
- Roll-out the project results

To be monitored on a regular basis

2. Partnership

Cooperation dynamics

- Project elements **interdependent**
- Outcome = **collective responsibility**
- All partners need to know their precise role
- Need to be involved and responsible

... to be monitored regularly...

2. Partnership changes

What to do

- ✓ The partners made **aware** of their responsibilities (individually and collectively)
- ✓ LP to be pro-active in solution finding



2. Partner underperformance

- Deliverables, investments or outputs?
- All partners aware of the consequences?
Transparency
- Detailed work plan necessary with timing
(including investment implementation
and impact) – visualise it



2. Partner underperformance

What to do:

- ✓ Set milestones, individually and collectively, to ensure steady progress
- ✓ Check timeliness of delivery (investments and outputs!) – results still achievable?



2. Private partners

- Expectation of a revenue?
- IPR issues = failure to share project outputs with public at large
- Pressure to deliver quick gains
- State Aid activities taking place but not declared



2. Private partners

What to do



- Any revenue generation to be reported + evidence kept
- Partnership Agreement to make provisions for questions on ownership and IPR
- Programme pays retrospectively

Monitor the involvement of private sector in case of new companies joining in

3. Investments

Detailed planning key

- Preparation
- Implementation
- Follow-up




3. Investments

Preparation

- Feasibility study successful?
- Planning/construction permits required?
- Return on Investment (RoI) not too long?

POSSIBLE
IMPOSSIBLE



3. Investments

Implementation

- Delivery schedule realistic?
- Any delays?
- Any changes – foreseen or not?



3. Investment implementation

What to do:

- Check start and end dates
- Any chain reaction? (outputs or results)
- Any changes?
- Any chain reaction for the changes?
- Publicity requirements met?

...monitor closely ...





3. Investment follow-up

- Ownership changes
- Relocation
- Change that affects the nature of the works or the purpose of the investment
 - Durability issues
 - Project objective affected

... monitor closely...

4. Financial risks



- Slow FLC approbation
- Delays in FLC claim processing (centralised system)
- Partners become insolvent
- Milestones not met – project underspends
- FLC spot-check recommendations – implemented?

4. Financial risks

What to do

- **Costs** to be claimed **in line with** the reported developments
- **FLC approbation** to be done early, so that all partner costs can be claimed
- Centralised system – partners to submit their claims as soon as possible
- **Insolvency = transparency + files** (LP: Keep the files of the insolvent partners)

Risk matrix

All the risks you can think of

- Start with the 3 risks from the AF
- Probability v. magnitude of consequences
- Ways to **mitigate** them to be included

DON'T: provide only low probability/impact risks

Q & A

Feel free to ask!