Interreg North-West Europe
European Regional Development Fund
EUROPEAN UNION

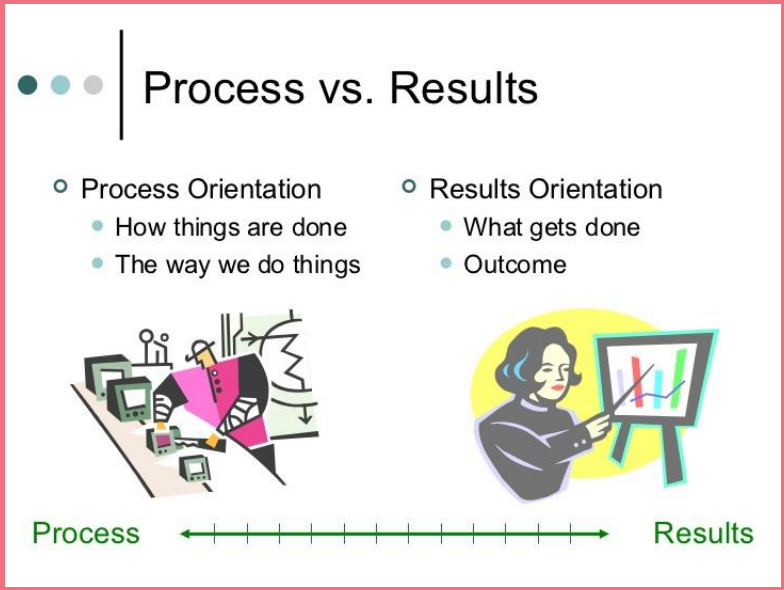
Maria Domzal
Risk management and evaluation

What to do and what not to

Result orientation

=>

risk management to improve project management practice



Why projects fail?

Risk management = compilation of:

- Risk factors
- Their assessment (consequences/severity versus likelihood)
- Relevant planning
- Implementation of the plan

... to support decision-making processes

Risk areas to flag up:

- Key thematic aspects
- Partnership
- Investments
- Financial risks

To remain open (valid) in the course of the project

1. Thematic risks

Intervention logic

- Action + investment plan, project outputs and result
- Output delivery
- Involvement of the project target group

2. Partnership

- Co-operation dynamics
- Partner underperformance
- Private partners

Co-operation dynamics

Regulatory requirements - joint:

- Development
- Implementation
- Staffing
- Financing

... eligibility in practice

Partner underperformance

- Input varies - area: Deliverables, investments or outputs?
- Impact on the result?
- All partners aware of the implications of their underperformance?
- Full partner transparency required

Private partners

- Expectation of a revenue? TEC deduction
- IPR issues = ready to share project outputs & results with public at large? – Partnership Agreement
- State Aid activities taking place but not declared
- Programme pays retrospectively

Private sector involvement to be monitored
if new companies joining in

3. Investments

Detailed planning key

- Preparation (feasibility study, permits, RoI)
- Implementation (realistic delivery schedule, delays)
- Follow-up - publicity requirements met?
- Modifications – ownership, relocation, change in investment nature

4. Financial risks

- Slow spending pace – costs claimed aligned with reported developments
- Slow FLC approbation – required to claim expenditure
- Delays in FLC claim processing (centralised system) – submit claims asap!
- Partner's insolvency – transparency and record keeping necessary

Risk log – to be submitted with 1st progress report

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

<u>DON'T: provide only low probability/impact risks</u>

Why important?
Project = process

- Address the intervention logic links - interdependencies
- Focus on the failure factors/bottlenecks – troubleshoot your project pro-actively

How to?

- Clear visual workplan helps – milestones and targets are a starting point
- Check timeliness of delivery (investments and outputs)
- The effectiveness of mitigation measures important
- Ensure all partners know their precise role
- Be pro-active in solution finding

Your obligations:

- Submit the risk management log with progress report 1
- NWE template provided (or use equivalent)

Recommendations:

- Update it on a regular basis – we will not check it
- Use it as a management tool

Q&A

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Feel free to ask!