

The logo for SGS, consisting of the letters 'SGS' in a bold, sans-serif font, with a vertical line to the right and a horizontal line below.A large, stylized green wind turbine graphic that serves as a background for the title. The blades are long and pointed, and the central hub is a solid green circle.

# windEXT

## **Risk monitoring and control in EU projects**

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## Particularities of the European projects



- Multiplicity of stakeholders: European Commission, partners, etc..

- "Main "client": European Commission (although there are also others)

- :Distributed project: organisations, objectives, cultures, countries, etc..

- Fixed" budget which entails the need for a detailed justification of this budget.

- Highly competitive calls.

- Over-emphasis on early planning (generic and rushed in many cases).

- Shared responsibility, but prominent role of the coordinator.

- Multiplicity of "external" rules (restrictive contract), but no internal rules.

- Reporting and operation scheme causes possible temporary malfunctions, especially in reviews.

- Little room for exploratory or high-risk R&D..



# European Project Management



In any project an essential part of project management consists of:

1. Identifying the stakeholders involved in a project.
2. Knowing their needs and expectations.
3. Relate these to the characteristics, variables and factors of the project in question.
4. Solve the trade-offs that exist at any given time in an optimal way so that the project is planned, developed and completed successfully.

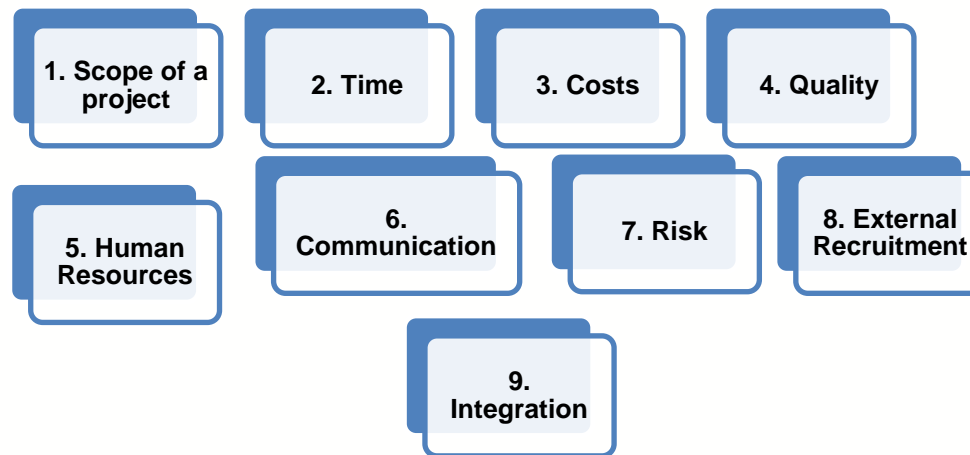


Every project is divided into different phases, which allow control over the evolution of the project or enable its management. Each phase is defined in terms of expected results ("**outputs**" or "**deliverables**"), related to milestones ("**milestones**"), the achievement of which is a requirement or feeds subsequent phases.

# Management areas



In European projects, the different management processes can be classified according to 9 management areas, each of which has its own specific **risks**.



# Management areas



## 1. PROJECT SCOPE:

It is defined during the proposal phase, modulated during negotiation, fixed in the contract and may be modified depending on the technology assessment, other R&D results, etc.

### Risks:

- Over-ambition as a competitive formula, especially when quantifiable targets are encouraged.
- Risk of artificial adaptation to the European Commission's priorities, even if only partially.
- Difficulty in identifying the "real need" of the client.
- Limits to changes in scope (restrictive contract), generally only acceptable to the extent that it is extended.
- Reductions are possible because of a "red flag" by the Commission in a review.
- There is little incentive to induce changes in scope.
- There is also a large multiplicity of stakeholders, many of them not "visible".



# Management areas



## 2. TIME:

- Generic definition (generally up to "task" level) during the preparation of the proposal.
- Difficulty of multiannual estimation encourages abstraction.
- Constraints arising from hasty generic planning pose a major risk.
- Limits imposed by European Commission's expectations according to instrument.
- Time is often unilaterally defined by the coordinator and/or writer of the proposal.
- The timetable cannot be prepared until the contract is signed. Allows some room for manoeuvre, but the completion date is only marginally modifiable.



# Management areas



## 3. COST:

- Resource availability and capacity is only known at partner level.
- Budget allocation between partners is a sensitive issue, difficult to change as there are strict cost categories.
- Resource management is the responsibility of each partner.
- Contract funding is fixed and deviations must be borne by the partners; possible corrections to the baselines, but the estimate at the end is only marginally correctable.
- Need for cost justification according to strict parameters, which can create difficulties.



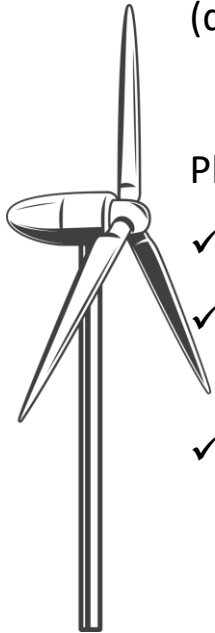
# Management areas



## 4. QUALITY:

The quality management possible in a distributed environment is limited.

There is the problem of the non-existence and/or variety of quality policies in each organisation; the difficulty of coordination; and the fact that the perception of the benefit of quality in a distributed environment is limited; Quality is mostly applied to products (deliverables), rarely to processes.



### Phases:

- ✓ Quality planning: identification of relevant quality standards and how to meet them.
- ✓ Quality control: monitoring of specific results by checking compliance with established quality standards.
- ✓ Quality assurance: systematic activity of confirming compliance with established quality standards.



## Management areas



### 5. HUMAN RESOURCES:

Partners' internal hierarchies and management lines are often unknown and their variations unpredictable.

- The allocation and contracting of resources is left to each partner.
- The assignment of roles and responsibilities (MRA - Matrix Responsibility Assignment) is done at an early stage, only at the organisational level.
- There will need to be job descriptions, personnel management, training, etc.
- The development of the project team is usually limited to the usual representatives; in this respect it is important to bear in mind that variations in these can undermine the efforts made.



## Management areas



### 6. COMMUNICATION:

Area of critical importance in a distributed implementation environment involving different types of organisation, idiosyncrasies, cultures, languages, etc.



- It exists at various levels: European Commission / coordinator / partners / groups of partners for specific tasks
- There is a multiplicity of stakeholders.
- There are specific reporting requirements for the European Commission.
- Geographical distance limits communication possibilities.
- At project level, the responsibility for closure generally lies with the coordinator. The connection with other activities of the organisation is usually at partner level, although there may be joint exploitation agreements at the end of the project.

## Management areas



### 7. RISK:

Can be developed as an explicit activity.

The implementation of certain mitigation or contingency plans can be problematic if they are not incorporated into the contract. The estimation of probability and/or impact of some risks is very complex. No provision for budgetary reserves is envisaged.



#### Phases:

- a. Risk identification and assessment: identification and assessment of risks and opportunities, as well as procedures to address them. (e.g. Contingency plans).
- b. Risk change control: triggering, identifying, analysing and managing changes in risks and opportunities;

## Risk analysis of a project



## Project Risk analysis

Identification of potential risks and obstacles for the development of the project and for the future exploitation of the results.

It is carried out in two phases:

### **The qualitative phase** (2 main areas:)

- Technical issues: feasibility of the project tasks and, risks related to timing, appropriateness and feasibility of the results, etc.
- Partnership-related risks: Intellectual property rights, lack of ownership, conflict resolution, etc.

Risks are ranked according to their probability (from 1 to 5) and their impact (from 1 to 5). The product of these figures will represent the risk value (from 1 to 25) to classify the risks as: remote, low, medium and high.



# Project Risk analysis



## Quantitative Phase,

Mainly related to the non-fulfilment of the planned budget due to the lack of involvement of the partners or to the inadequacy of the initially planned tasks. The combination of both risks could affect the initially approved budget following the following matrix, a situation that must be avoided in the first place because of the implications on the expected income of the partners but also to avoid possible conflicts between them:



Final report score (out of 100%)	Reduction
at least 40% and below 50%.	<b>25 %</b>
at least 30% and below 40%	<b>35 %</b>
at least 20% and below 30% and below 30%.	<b>55%</b>
below 20% and below	<b>75 %</b>

## Project Risk analysis

The aim of corrective actions is to:

- Reduce the likelihood of the event occurring.
- Mitigate its effects should it occur.



In order to carry out the identification of the risks of the WINDEXT project, a **Matrix Risk Assessment (MRA)** was developed.

The MRA has been reviewed and updated during each transnational meeting and whenever a critical event occurs, with input from all partners.

The MRA includes corrective measures for the identified risk according to the value of the risk.

# Risk Matrix to classify potential risks and establish contingency measures



Matrix Risk Assessment								
<b>Probability</b>	Near Certainty (>90% approx.)	5						
	Highly likely (50%-70% approx.)	4						
	Likely (30%-50% approx.)	3						
	Low likelihood (10%-30% approx.)	2						
	Not likely (<10% approx.)	1						
<b>Risk Level</b>				1	2	3	4	5
				Minimum	Minor	Moderate	Significant	Severe
Remote			<b>Impact</b>					
Low								
Medium								
High								



# Risk Matrix developed for the WINDEXT project



WP	Risk	Probab	Impact	Risk Level	Action to prevent/manage risk
WP1 Management	Lack of communication	1	4	L	<ul style="list-style-type: none"> <li>• Monthly virtual meetings.</li> <li>• Full access to all the project documents on the Project Managing Platform (Google Drive).</li> <li>• Promoting the active involvement of all the partners.</li> <li>• Establish a clear communication protocol including 24/48 hour responses and automatic replies in case of prolonged absence.</li> </ul>
WP1 Management	Failure to get all partners sharing the same objectives	2	4	M	<ul style="list-style-type: none"> <li>• Complex project, often meetings have helped to understand the goal and work scope</li> <li>• Active involvement of all the partners.</li> <li>• Fluent communication.</li> <li>• Sound project management methodology.</li> </ul>
WP1 Management	Failure to meet the project schedule	2	4	M	<ul style="list-style-type: none"> <li>• Establish a clear, feasible and shared project calendar and effective control tools.</li> <li>• Remind and check deadlines in advance with enough time to react.</li> <li>• Monthly review of the project Calendar and set new deadlines if necessary</li> </ul>
WP1 Management	Partial grant loss	2	5	M	<ul style="list-style-type: none"> <li>• Control expenditure from the very beginning.</li> <li>• Periodical control of the administrative and financial documents.</li> <li>• Foresee budget changes in advance and guarantee fulfilment of project goals</li> </ul>
WP1 Management	Partner withdrawal	1	4	L	<ul style="list-style-type: none"> <li>• Foresee in advance a possible substitute.</li> <li>• Foresee in advance a possible redistribution of tasks among the other partners.</li> </ul>

# Risk Matrix developed for the WINDEXT project



WP	Risk	Prob	Impact	Risk Level	Action to prevent/manage risk
WP2 Structure Training Course	Lack of involvement of experts and stakeholders	2	2	L	<ul style="list-style-type: none"> <li>Accurate design of the instruments to be used to gather information about the market situation, trends and situation of the ISPs in the countries, new business opportunities, ...).</li> <li>Define the instrument(s) to share the outcome of the project.</li> <li>Develop appropriate contact with experts and stakeholders.</li> </ul>
WP2 Structure Training Course	Lack of interest of the direct beneficiaries	2	2	L	<ul style="list-style-type: none"> <li>Careful selection of the beneficiaries.</li> <li>Foster an active involvement throughout the project.</li> </ul>
WP2 Structure Training Course	Limited effectiveness and relevance of the Training Modules	1	3	L	<ul style="list-style-type: none"> <li>Active involvement of the Direct Beneficiaries in the design phase.</li> <li>Highlight practical aspects of the training material.</li> <li>Define plainly the theoretical aspects of the training material.</li> </ul>
WP3 Module A: Digitalization	Lack of uniformity amongst the digitalization contents and procedures	2	1	R	<ul style="list-style-type: none"> <li>Selection the appropriate hardware and software tools</li> <li>Define appropriate templates from the very beginning.</li> <li>Foster fluent communication among partners.</li> </ul>
WP3 Module A: Digitalization	Failure to achieve a joint digital platform	3	5	H	<ul style="list-style-type: none"> <li>Explore different possible platforms.</li> <li>Select the correct platform for an extensive use</li> <li>Establish limitations.</li> <li>Fluent communication among partners</li> <li>Develop sufficient maintenance procedures.</li> </ul>

# Risk Matrix developed for the WINDEXT project



WP	Risk	Prob	Imp	Risk Level	Action to prevent/manage risk
WP4 Module B: Description of the critical components	Lack of uniformity and coherence within the teaching material (Identification of the WTG and the WF, structure...)	1	2	R	<ul style="list-style-type: none"> <li>Define the contents in a clear way.</li> <li>Define a standard approach and establish the learning outcomes and how these will be achieved.</li> </ul>
WP4 Module B: Description of the critical components	Virtual lab not sufficiently functional	2	3	L	<ul style="list-style-type: none"> <li>Selection of the platform and connection with those used by the partners.</li> <li>Define the objectives of the virtual lab.</li> <li>Explore different software packages.</li> </ul>
WP5 Module C: Maintenance	Lack of uniformity and coherence within the teaching material	1	2	R	<ul style="list-style-type: none"> <li>Define the contents in a clear way.</li> <li>Define a standard approach and establish the learning outcomes and how these will be achieved.</li> </ul>
WP5 Module C: Maintenance	Failure to develop the contents	1	4	L	<ul style="list-style-type: none"> <li>Follow the definition of the contents.</li> <li>Define information gathering.</li> <li>Fluent communication among partners.</li> <li>Support from experts.</li> </ul>
WP6 Module D: Life extension, repowering and dismantling	Lack of coherence in the identification of the main criteria to define the extension of the WF life, risk and challenges.	2	2	L	<ul style="list-style-type: none"> <li>Accurate design of the necessary instruments to gather information.</li> <li>Fluent communication among partners.</li> <li>Support from experts.</li> </ul>
WP6 Module D: Life extension, repowering and dismantling	Failure to develop the contents	1	4	L	<ul style="list-style-type: none"> <li>Follow the definition of the contents.</li> <li>Fluent communication among partners.</li> <li>Support from experts.</li> </ul>

# Risk Matrix developed for the WINDEXT project



WP7 Pilot test	Limited relevance and impact of the testing results	2	4	M	<ul style="list-style-type: none"> <li>Accurate design of the Pilot Tests.</li> <li>Insist on the optimization of the training system based on the Pilot Tests results.</li> <li>Using validated assessment tools for the evaluation of the pilot tests</li> </ul>
WP8 Project Evaluation	Lack of impact of the evaluation results	2	3	L	<ul style="list-style-type: none"> <li>Provide effective improvement measures along with the evaluation results.</li> </ul>
WP8 Project Evaluation	Critical Conflict	1	4	M	<ul style="list-style-type: none"> <li>Create a collaborative and proactive working environment.</li> <li>Establish a resolution protocol.</li> </ul>
WP9 Dissemination-Exploitation	Scarce interest of the target group and main stakeholders	2	4	L	<ul style="list-style-type: none"> <li>Dissemination of the projects results and its actual innovation</li> <li>Increase the dissemination channels and widen their scope.</li> </ul>
WP9 Dissemination-Exploitation	Lack of impact and exploitation of the results	3	5	H	<ul style="list-style-type: none"> <li>Continuous involvement of the target groups and main sector stakeholders.</li> <li>Practical focus based on real needs.</li> </ul>

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