Prevention or cure? - Project changes and crisis prevention

Project maintenance and repair: from selection to monitoring

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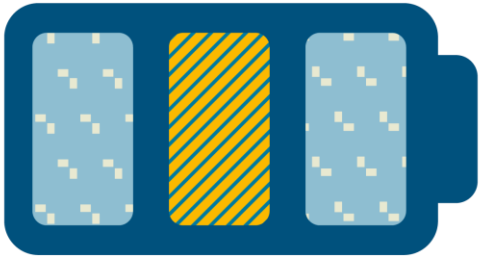
When?

Before the project start

... or after



Prevention, monitoring, repair

Decisive for the quality of the approach and to some extent for the implementation

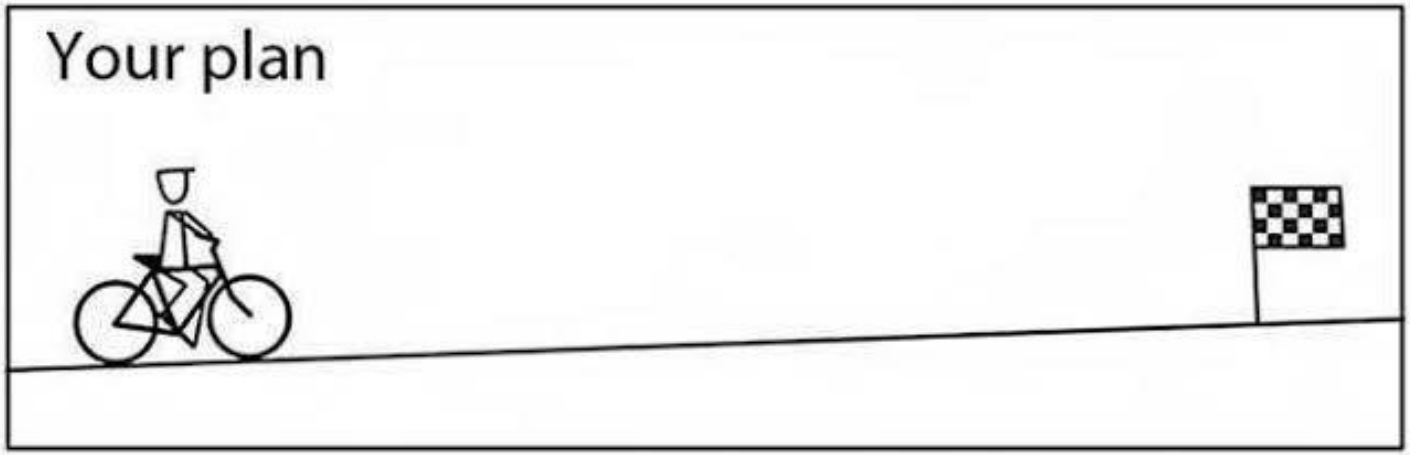
Decisive for change & crisis management at later stages – annexes; budget indicative, flexibility rules etc.

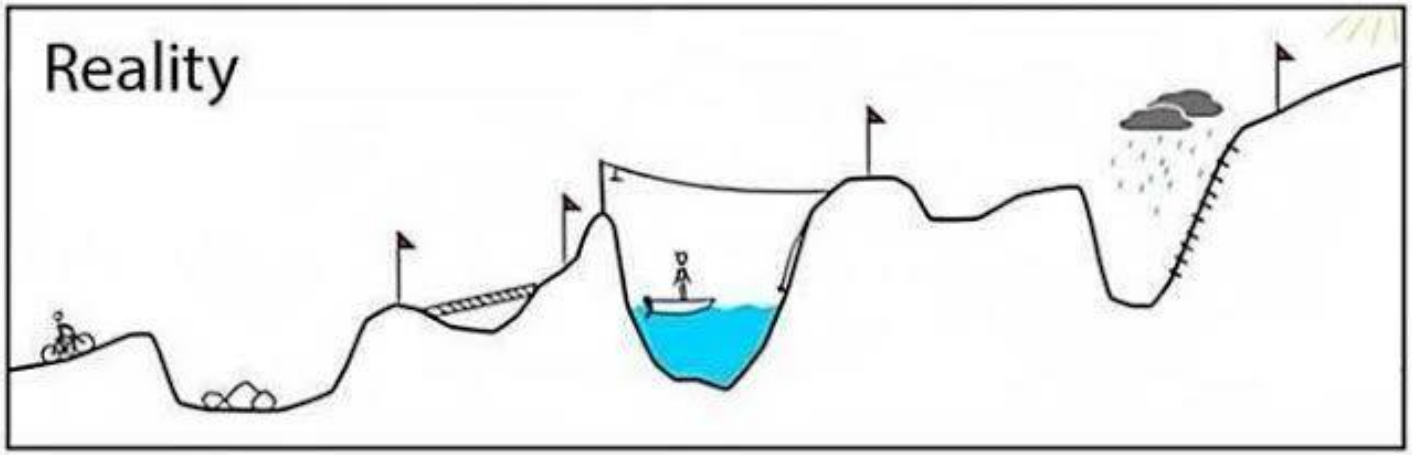
Decisive to detect signs of crisis at an early stage, approach to these steps largely determines the work load of JS/MA

Front of pipe

End of pipe

Repair at this stage is costly in terms of work for JS/MA and for the programme (unexpected de-commitment)


Your plan


Reality

General principle for risk approach

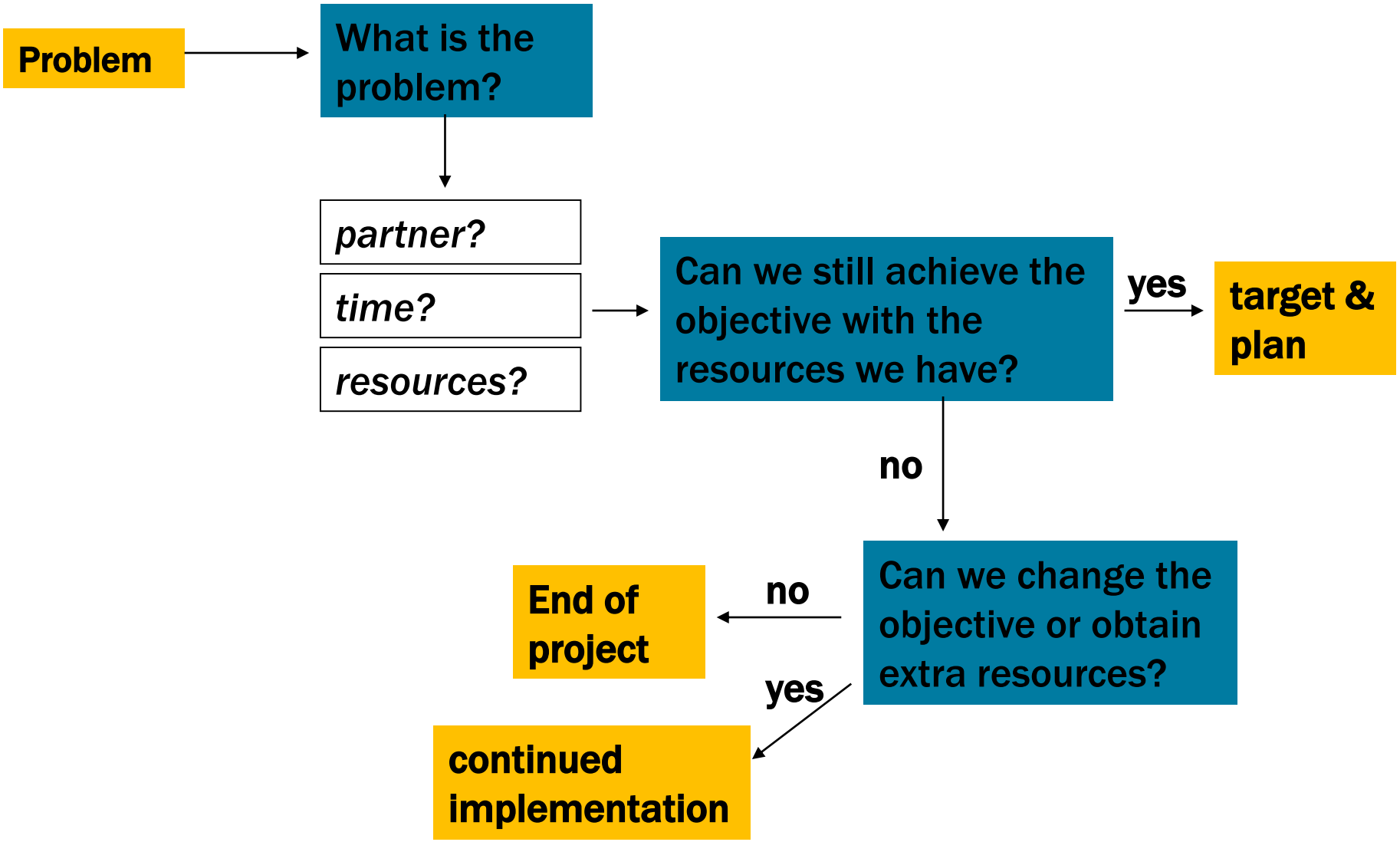
- Project level risks?
- Programme level risks?

- Internal risks
- External risks

- Inherent risks (typical for Interreg projects)

How do you react to identified risks matters

From problems to targets…how to **keep the project alive**



Risk has two important factors:

- **LEVEL**: it measures how a risk is likely to take place and can be expressed in LOW, MEDIUM, HIGH
- **IMPACT**: it measures the damage that it inflicts to the project and basically it can either be divided in 2 types of consequences

Basically every project has a medium level of risk, what counts is the impact

When creating risk assessment system, probably it is more feasible to think on a very practical level “how to minimise the impact” as we are not always powerful enough to tackle emerging risks

Assessment stage I

During assessment/selection process (for example):

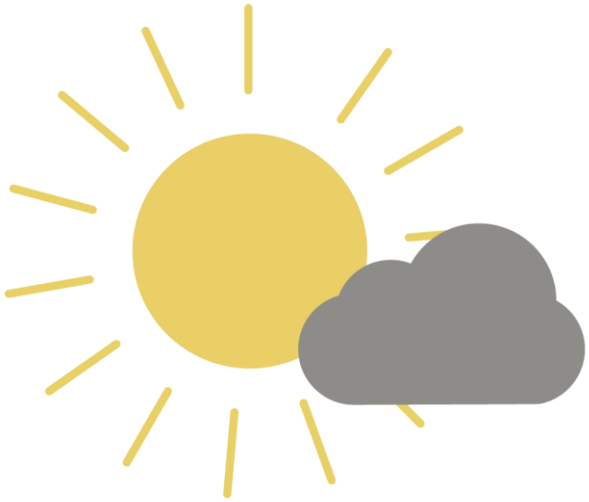
- financial risks: is there any indication that project partner may not be able to financially implement this project?
- implementation competences: can this institution implement this project, is project management completely externalised?
- policy risks: does project idea is relevant/potentially will be implemented

Assessment stage II

During assessment/selection process (for example):

- risks related to project beneficiaries: (e.g. how many projects, in overlapping areas) or (sub)contractors (potential links with beneficiary organisations, etc.), reputation risks
- Red thread questions during assessment: Is project/partner NEEDED, LOGICAL, FEASIBLE?
- …

If **project with high level of risks** are approved by the decision making body, assessment sheets **should contain identified risks**



Good application ≠ risk free project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Contracting stage I

During contracting stage (for example):

- Moment to address identified risks: The more clarified/corrected before signature of subsidy contract, the smoother the implementation
- Identified risks/weaknesses/questions noted during assessment are adressed before signature → project clarifies
  - Some programmes: fulfillment of conditions phase, healing process etc. (does not matter what it is called, just have it): explanations outside application form (standardised format), updated application form, signature only once everything is sorted

  But: mandate of MA/JS limited (the broader, the more efficient), involvment of MS in assessment/contracting phase

Contracting stage II

During contracting stage (for example):

- Budget revision (forced or recommended), before contracting saves projects/programmes later on:
  - Committed funds are closer to reality (decommitment, availability of funds)
  - Over-budgeting (creating a buffer) is avoided
  - Lack of experience, misunderstandings of programme rules can be addressed
- Activity revision (as above…):
  - More legal certainty for programme
  - Ensure project & programme on the same page → objectives can be achieved

Implementing stage I

During implementation (for example):

- Good information sources for the first warning/worrying signs (e.g. first warning/worrying signs or on capacity of project partners, financial state of play in the project, understanding of rules, etc.)
  - Responsiveness & participation at programme events of project → close monitoring
  - Timely submission of relevant documents → close monitoring
- Reading reports/emails etc. between the lines, projects don‘t like to report/address problems!

Implementing stage II

During implementation (for example):

- Regular contact (with checklist) to build personal relationship & trust
- Based on case, necessary decisions are initiated (for example, additional project visit/check/support/amendments in the programme documentation)

Implementing stage III

During implementation (for example):

- Clear communication on procedure(s) for formal changes (balance between minor & major (informal & formal) changes to ensure success, but having proportionate administrative burden)
- Structured involvement of MS (and other stakeholders) if risk of failure or when changes are dramatically relevant and interfere seriously with the objective and results of the project it is time to reflect on potential risks
- Termination of project (contain risk for programme)

Conclusion

- Identification at assessment stage & fixing at contracting stage

  → the more effort (resources) put at the application/contracting stage → the better the project implementation → project changes during implementation limited to things which could not been foreseen.

- Early reaction & clear procedures in place at implementing stage
- Good and transparent relationship with project is the key

Last words

To keep in mind:

- A good project is not the same as a good application!
- A weak application form is not indication for a risky project!
- Some of the most chaotic projects (administration) produce some of the best results & outputs!

Cooperation works

All materials will be available on:

www.interact-eu.net