EU Project management

Risk management



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Educational Material Identity

EU Project management - Risk management

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Explanation of buttons and icons

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Structure

Main Goal
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Main Goal

The main goal of this training course is to provide further specific knowledge to learners about EU project management. It will support project managers, grant advisors or project coordinators to understand the role of the project manager in relation with risk management issues in EU funded projects.

Expected Learning Outcomes 1/3

Knowledge level

Learners will be able to understand:

- The different types of project risks that may affect European projects

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Expected Learning Outcomes 2/3

Skills level

Learners will be able to :

- Recognise the key risk factors for European projects
- Design appropriate risk mitigation measures

Expected Learning Outcomes 3/3

Attitudes level

Learners will be able to :

- Improve their attitude towards risk management since project preparation phase.

Keywords

- Risk management
- Mitigation measure

Introduction

The role of a project manager

"The project manager is the person assigned by the performing organization to lead the team that is responsible for achieving the project objectives." (*PMBOK Guide 6th Ed.*). The project manager coordinates and enables all partners to perform their job at best and succeed in achieving expected objectives.



In this context, a project manager is also (sometimes, mainly) **a fixer for issues, problems and risks.**

many times project managers may feel overwhelmed and powerless because the problems look beyond their control and possibility of fixing.
In reality, the project manager has **a great power to prevent, monitor and manage project risks,**

Introduction

A project manager **holds the knowledge of** :

- Project contracts (Grant Agreement, Consortium/Partnership Agreement etc.)
- The internal support network (at their organization: grant office, legal office, finance department etc.)
- The consortium decision-making rules



All these factors are key to effectively **design risk management strategies** from proposal preparation to project implementation and closure.

Definition - Project risk

A critical risk is a **plausible event or issue t**hat could have a **high adverse impact o**n the ability of the project to **achieve** its objectives. They are uncertain and out of project teams' control.

The risk is defined by **its likelihood of occurrence** per its impact on the project.

Risk = Likelihood × Impact

Risks with low likelihood and low impact (green area) are obviously less worth of attention compared to those with high likelihood and high impact (red area).

In EU projects, the focus is on risks with medium-high likelihood and impact.

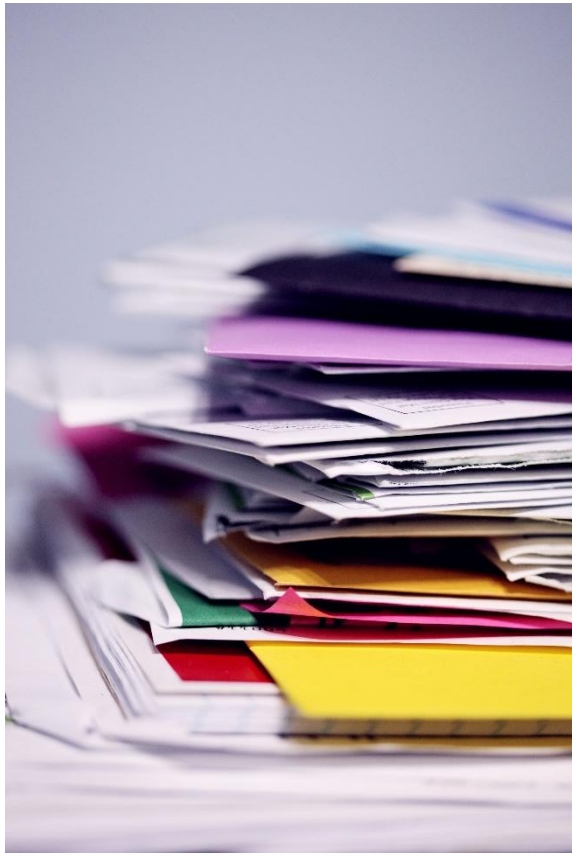


Risk management

Risk management within Erasmus+ or Horizon Europe projects is essential to ensure the quality and compliance of projects.

During the planification phase of the project (proposal development), consortia should identify potential risks and work on a **Risk Management Plan**.

It stands for a key document where possible risks are identified, assessed and managed through the elaboration of mitigation strategies (proactive and reactive).



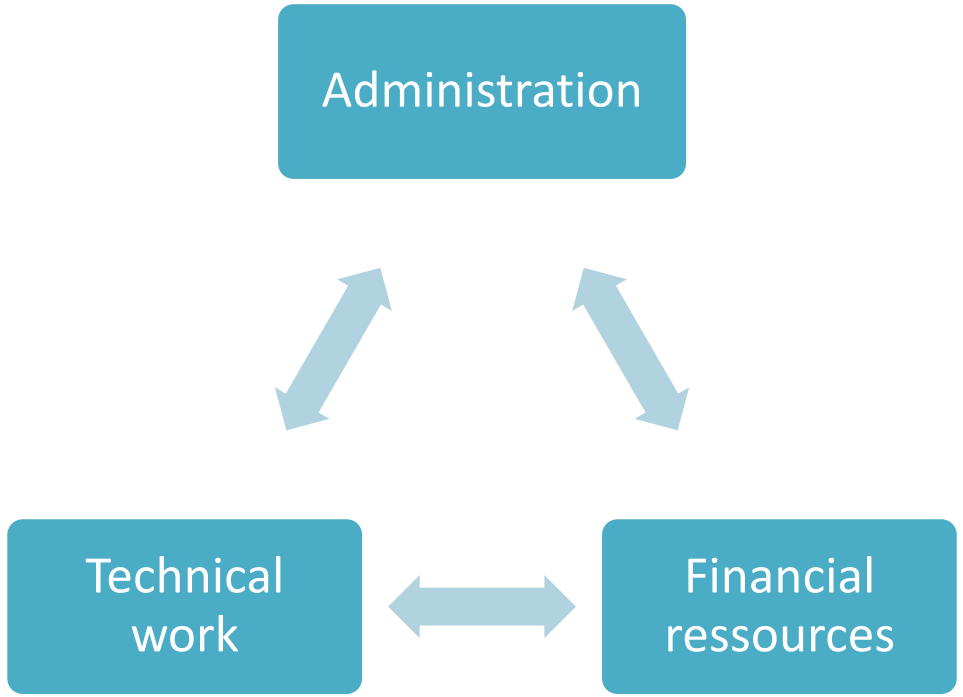
Risk management

Three steps are essential to prepare such plan :

- **Risk identification**: to identify any internal or external factors that could impact the project outcomes
- **Risk analysis**: to analyse and grade identified risks based on their impact and likelihood of occurrence
- **Risk management**: to develop mitigation strategies to reduce the impact and/or likelihood of the risk to a manageable level

Types of risks

In EU research or education projects, there are usually three major types of risks to identify and address :



Types of risks

1) Technical risks

- Technical work is not performed as planned
- Quality and/or compliance is bad
- Results are unsatisfactory (ex: no effectiveness of an intervention or educational programme)
- Delays occurred
- Ethics issues (ex: GDPR, AI Act)

2) Financial risks

- Budget for the project or one/more partner(s) is insufficient
- One or more partners do not have the financial capacity to co-finance the project as planned/due
- Unexpected costs to cover



Types of risks

3) Administrative risks

- Some teams are not committed enough in the project
- A key partner leaves the consortium
- A partner goes bankrupt or is subject to legal restrictions
- The administrative forms submitted to the funding authority are incomplete or wrong
- The supporting documents and evidence of costs are insufficient

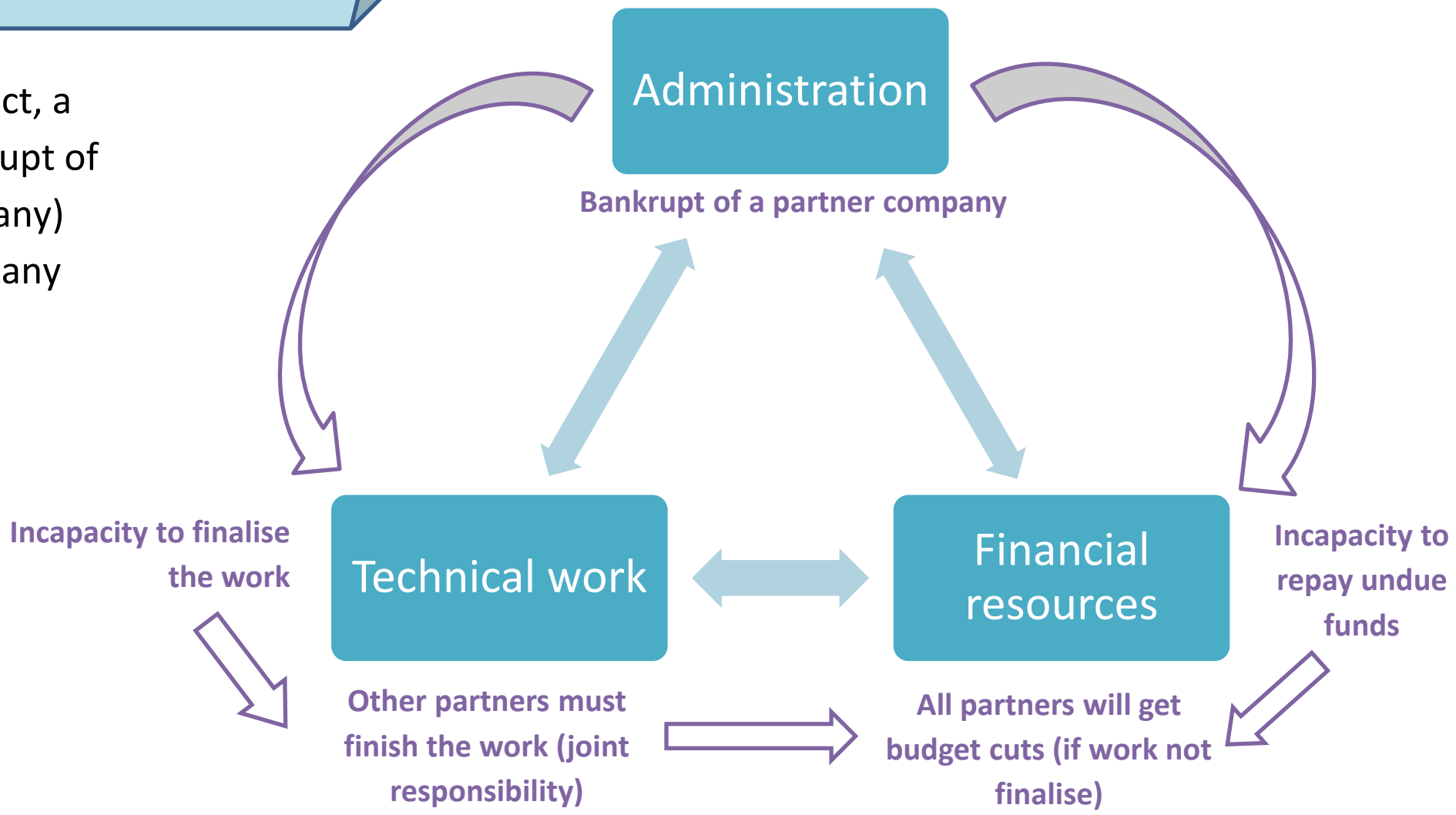
EU projects can also encounter risks related to their participants or target groups :

- Sociocultural or intercultural differences
- Exclusion (some target groups may not be able to participate to some actions)



Example

Within a project, a risk (ex: bankrupt of partner company) may lead to many other risks :



Checklist of risk factors

EU project teams will most likely encounter risks if :

- The project has a large transnational and multi-sectorial consortium
- The consortium includes private organisations – especially small- and medium-sized companies (SMEs)
- There is a lack of previous collaborations among partners (teams do not know each other)
- The workplan is too ambitious (in terms of planned objectives and workload)
- The grant is high (big budget distributed among the consortium)
- The project duration is too limited (ex: 2 years)

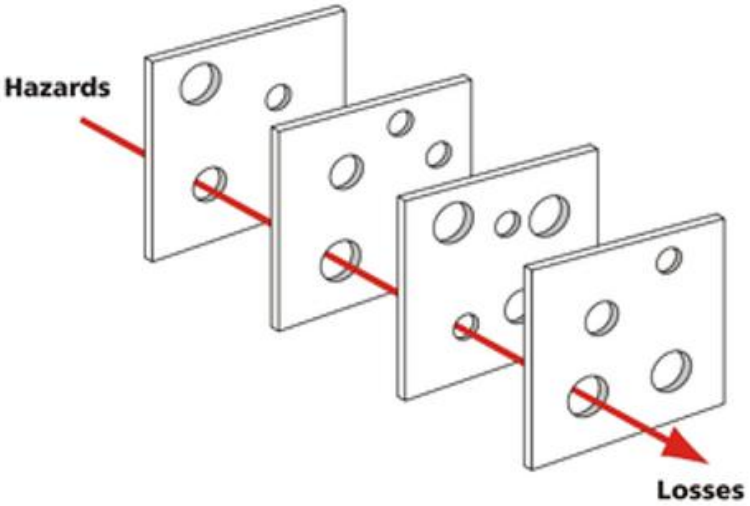


Dealing with risks

Project team must do their best to **prevent** risks…
…but they have also to **accept the inevitability of risks**.

Risk management should be **proactive** and a **continuous** activity – teams must be always prepared for the worst-case scenario.

Due diligence verification of the consortium should be conducted, ***before*** and ***during*** the project.



TIPS!

Good practice #1

In your Risk Management Plan, map the project risks according to the probability of occurrence and harm potential (use the matrix tool).

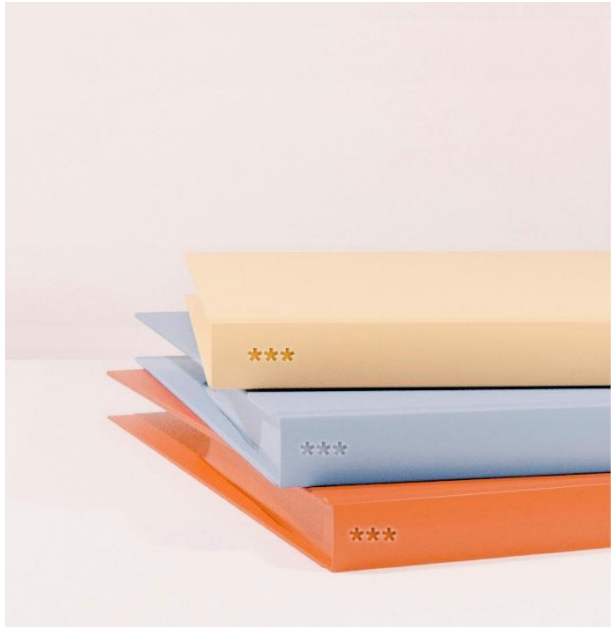
Dealing with risks

TIPS!

Good practice #2

Monitor risks throughout the project lifetime :

- Identify potential actions and attitudes to avoid or reduce risks in the red squares (cf. matrix)
- Agree on responses for identified risks (what to do when these risks become a reality ?) and assign responsibilities
- Identify new risks as the project evolves



Good practice #3

(Un-)reliability of a partner is something impacting the **credibility** of project work, results and consortium.

- Always study the **project contracts**, they help you playing the “risk management game” in the right way!

Literature References

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