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EXECUTIVE SUMMARY

The present report is an update of D7.3 '*Risk monitoring procedure, first report*', mainly driven by the project evolution between M12 and M30

- Implementation & management of the 2 open calls,
- Selection of the 10 granted Application Experiments (AE)
- Current monitoring of the 10 running AEs.

All the risks related to the open call phase are closed. No risk related to the AE implementation phase has been raised so far. Two additional unplanned risks , one associated with the change of status of a granted start-up/SME through acquisition and a second one associated to KPI derivation, are discussed.

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1 INTRODUCTION

EARASHI project, HORIZON Europe, aims to improve working conditions, trust, and acceptance of collaborative embodied AI within robotic systems. In particular, this project supports the production machine/tool sector by assisting Industry, particularly start-ups and SMEs, in adopting advanced digital and eco-friendly technologies, specifically AI, data, and robotics. This approach will help employees in their daily activities and improve their working conditions, ultimately leading to a productivity increase. EARASHI adopts a worker-centric approach by considering workforce well-being and health (e.g., MSD and stress), design thinking methodology of production machines, worker acceptance, and ethics.

EARASHI will set up and publish 2 open calls (M6 and M13) with focus areas and challenges to improve working conditions in the production machines field, specifically with regards to health, safety, and well-being, while also promoting productivity via human-centered collaborative embodied AI, data & Robotics. The 10 selected projects/beneficiaries will:

- benefit from Financial support to Third parties (FSTP, Cascade funding) – up to 200 k€ (100% funding rate for Start-Ups and 70% for SMEs);
- get access to EARASHI leading-edge technologies (BB) and test facilities from RTOs and industrial partners, business support, mentoring by industrial pairs, support in ethics, system integration, and user acceptance, thus lowering both their technical and business barriers.

EARASHI targets to fund 10 projects, foster pan-European collaboration with at least 50% of selected projects being cross-border, enable agile responses to urgent needs, and open strategic autonomy in digital and future emerging enabling technologies, with 80% of the selected AEs having market potential, and more than 20% of the selected AE reaching TRL8-9 two years after the end of their project.

To that purpose, by means of the open calls and the FSTP, EARASHI partners provide access to Technological BB and Key Competencies for the selected application experiments. The foreseen BBs are available through the open calls (technology transfer support) and the key competencies are provided to the granted projects.

The present report is an update of D7.3 '*Risk monitoring procedure, first report*'.

- D7.3 (M12) outlines the risk monitoring procedure implemented throughout EARASHI in order to monitor identified risks from the proposal phase and address any unexpected risks as they arise:
 - Risk procedure monitored by the project coordinator with the support and in collaboration with all the WP leaders, and all the partners directly involved in the identified risk and the mitigation procedure.
 - Procedure to be updated as needed throughout the course of the project, based on EARASHI progress, and identified requirements.
- The main evolution between M12 and M30 are:
 - Implementation & management of the 2 open calls,
 - Selection of the 10 granted Application Experiments (AE)
 - Current monitoring of the 10 running AEs.

D7.4 presents the M30 update of the risk analysis status, mainly driven by the project realization between M12 and M30

2 RISK MONITORING PROCEDURE

The risk monitoring procedure is defined at the project set-up to ensure that the different project risks are identified, monitored, and mitigated, continuously along the project course.

All the risks, planned ones as in the Critical risks table of the DoA, (see §3.1.5. of Part B, also recalled Table 1) and unexpected ones, are listed in the **CRITICAL RISK DASHBOARD** available on EARASHI collaborative platform Talkspirit (*EARASHI > WP7 > Task7.3*) to all partners.

For every risk, the critical dashboard lists:

- The risk description
- the WP(s) linked to the identified risk
- The risk likely
- The risk severity
- The mitigation plan and associated measures
- status

RISK MONITORING is an integral part of project management, discussed as such during every **MANAGEMENT MEETING**, both as part of the general agenda and at the WP level whenever the mitigation measures interfere with the WP tasks and/or the risk outcomes and may impact the WP results and associated KPI. The risk dashboard is thus regularly reviewed and updated, especially during dedicated sessions during the monthly management meetings.

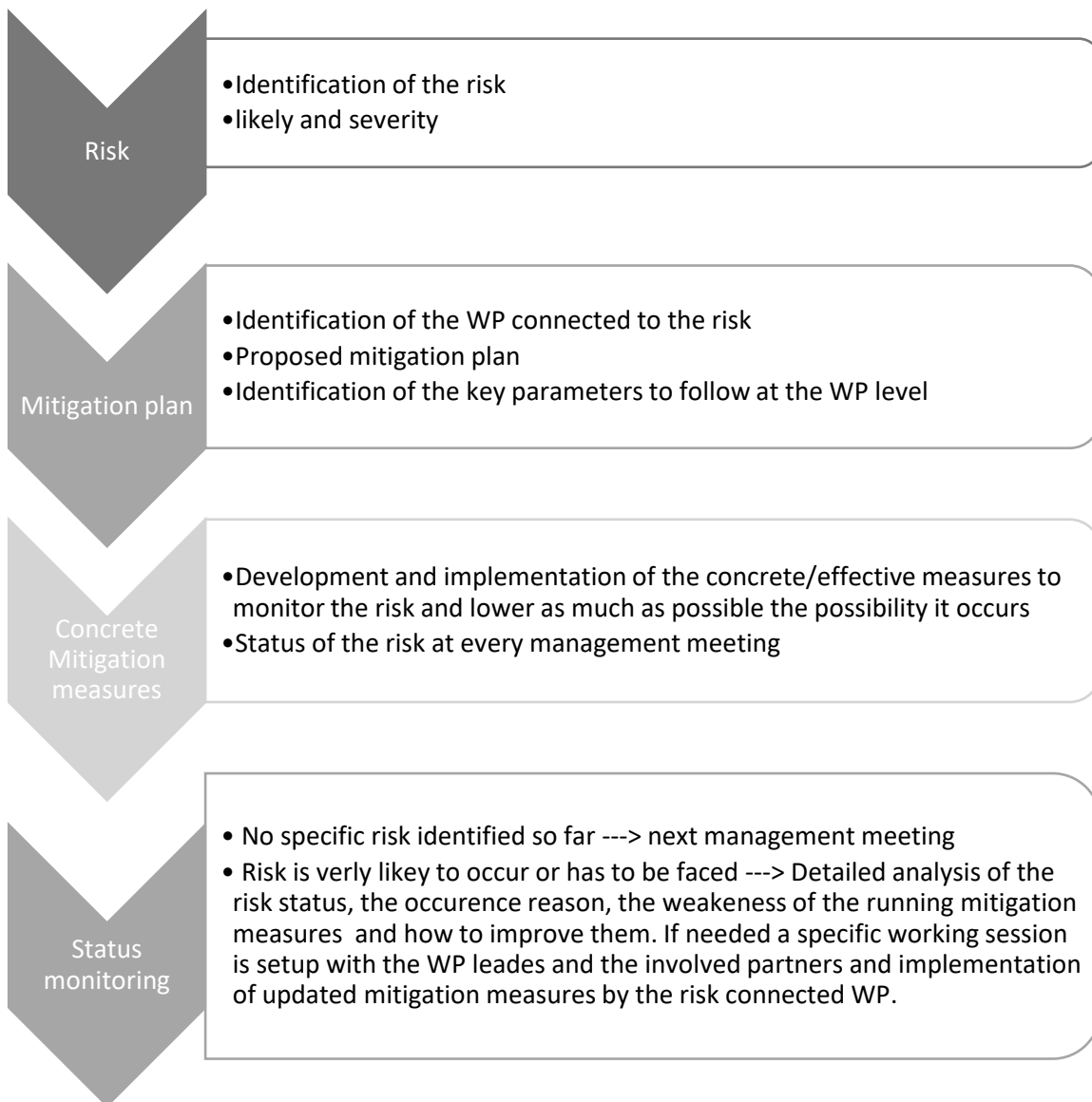


Figure 1: EARASHI Risk monitoring procedure

- The critical Risk dashboard is thus updated at every monthly management meeting, following the process illustrated in **Erreur ! Source du renvoi introuvable.**
- If needed because of the risk occurrence likelihood, the need to either put into place new mitigation measures or analyze and improve the running mitigation measures, a dedicated working session will be set up by the coordinators gathering the WP leaders and the involved partners (e.g., partners involved in the associated activity(ies), impacted by the risk outcomes, etc.).

3 CRITICAL RISK ANALYSIS STATUS AT M12

Ten critical risks were identified at the proposal level (§3.15. “Critical risks” of the DoA). They were monitored, following the process described in §2. The Critical risk dashboard is illustrated in Table 1.

During the first 12 months, the main risks of attention were the risk connected to the open call phase and potentially having an impact on the open call results as for instance risk #8 “Number and quality of AE projects not reached”:

- The activity on the open call page, and then the status of the open call registration page were regularly (weekly) monitored by the partner in charge of the website (CECIMO) and reported to the consortium.
- The open call text was disseminated on various platforms (EC platform, AI4EU, National Contact Point, EEN, E-DIH networks, etc.).
- Individual contact of companies with the partners was collected and shared with the partner in charge of the communication and dissemination (CECIMO) so that these companies were regularly informed of the various events and webinars set up by the consortium, etc.
- All partners, particularly cluster associations, were tasked with promoting the call. Their efforts were emphasized after a couple of weeks when not-so-activity was observed on the open call page.
- The companies were encouraged to contact the Building Block owners while writing their proposal in order to check the feasibility of their project, the added value of the building blocks and receive tailored guidelines and recommendations for their projects.
- Two specific Q/A webinars were organized in order to explain the open call scope and requests and answer questions online, and one webinar was proposed to present the overall strategy of the open call, the recording being available online (<https://earashi.eu/our-events/>).

One risk has been added (risk #11) following the first open call after the Open call submission page crashed on the last day of the open call 1 and applicants were not able to upload either their application or mostly their business video pitch. All the data were then collected manually by email and big file transfer by CEA and FM (in charge of the open call setup). The information was relayed on the website and by all the partners of the consortium. The crash was due to the huge number of very large files (business pitch video, e.g., 32) uploaded over a very short period of time. For the 2nd open call, the submission page has been reinforced for the 2nd open call and a crash test will be run before the call 2 opening.

4 CRITICAL RISK ANALYSIS STATUS UPDATED AT M30

At M30, the two open calls have been successfully implemented and the 10 granted applications are running with the following statistics:

- 2 open calls
- 96 fully eligible proposals submitted
- Applicants coming from 18 countries, 7 of them being Widening countries or Associated countries, as illustrated in Figure 2 where widening /Associated countries are in green and the selected AEs' countries are identified with ✨.
- The applicants are Start-ups or SMEs (open call request to be funded) with a fair distribution among Start-ups (less than 10 employees with more than 2 full-time equivalent staff), small and medium size SMEs (e.g. 1-10 employees and 11-50 employees resp.), see Figure 3
- 28% of the evaluated proposals were not eligible for cascade funding selection as they hit score below the eligibility threshold, e.g. overall score below 13 and/or individual score below 3 (as detailed in the Guide for Applicants).
- Less than 6% of the submitted projects were declared as non-feasible, all submitted during the OC1 (technical issue, timing and planned budget issue).

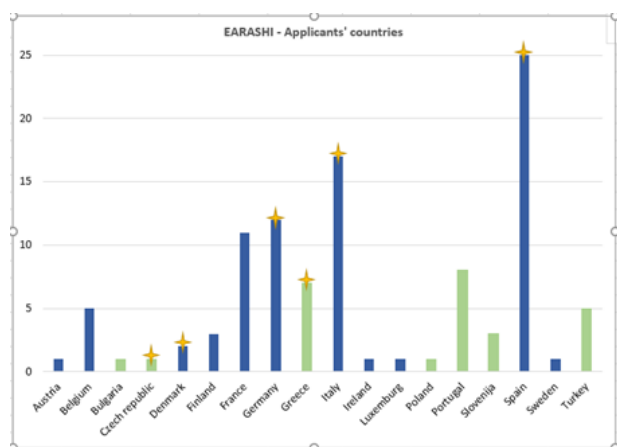


Figure 2: EARASHI – OC1 & OC2 applicants' countries

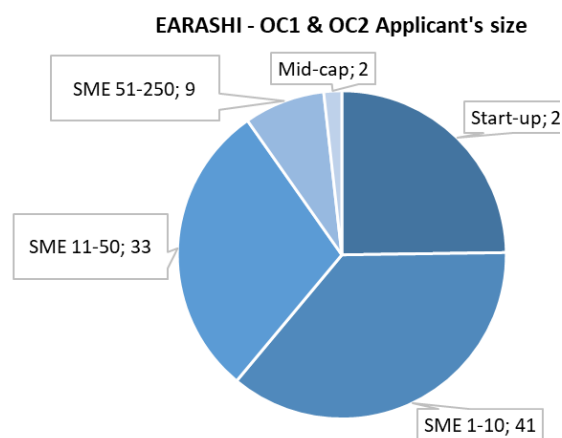


Figure 3: EARASHI – OC1 & OC2 Applicant's size

The risks #7, #8 and #11 are clearly related to the open calls and can be considered as closed now that the open call phase is over and all the AEs are being implemented.

An additional unplanned risk (#12) and its mitigation measure are discussed related to the change of status of one granted company from start-up/SME to midcap through acquisition in the course of the AE.

Additional unplanned risk (#13) related to KPI's deviation is added following the F2F meeting that took place end of January 2025: how some KPIs are adapted in order to be more aligned/tangible with EARASHI's realization and course.

The EARASHI critical risk dashboard updated at M30 is detailed in Table 1.

Table 1: EARASHI critical risk dashboard – M30 updated status

Risk	Description of risk	WP	Likelihood	Severity	Proposed risk mitigation measures	M30 updated status
1	Poor data quality (AI), data availability (AI), high implementation costs	5	Medium	High	Focus on the most critical factors (Pareto analysis...); Use databases of similar cases; Apply statistical tools to provide the data with the same behaviour.	N/A
2	High legal cost and time-consuming process of protecting IP	6	High	High	Using the internal human resources of partners; Providing Alternative Dispute Resolution (ADR Tools) and their building blocks such as Arbitration and Mediation.	N/A
3	Unwillingness of the involved parties to supply data due to the sensitive concept of information leakage	6	Low	High	Technology providers have been chosen for their willingness to share relevant information. Further planning and protection of data will be defined in the Standard Agreement.	N/A so far. The standard agreement was written and validated by all the partners' legal, including IP and data protection. For each AE, the selected BB owner co-signs - with the Third-party - the standard agreement and therefore is engaged to supply data as needed in the AE implementation.
4	Low quality of outputs, procrastinating in milestones or deliverables	All	Low	Low	The WP leader will observe continuously the performance and the quality of the progress and will report each quarter to mitigate the risk.	N/A so far EARASHI Results, deliverables and milestones are reviewed and discussed every month during the management meeting. An internal review procedure has been deployed prior to deliverable and milestone submission. Some deliverables have been delayed following the internal review feedback, ensuring no impact on the project schedule.

Risk	Description of risk	WP	Likelihood	Severity	Proposed risk mitigation measures	M30 updated status
						AE outputs: a strict monitoring process is put into place in order to follow the deliverables and MS, regular status & discussion with the AE, the CF payment (except the pre-financing) release is effective only when all the related deliverables and MS are validated by the monitoring partners and the coaching partners (eco-design, business, human-centric approach, etc.).
5	Infringe on existing patents	All	Low	High	The E&I managers will observe the IP environment and update the consortium in a planned manner. This risk could be avoided by applying a project development trajectory.	N/A so far. No such issue has been identified so far by the monitoring partners.
6	COVID or any other pandemic or reason prohibits travelling for implementation	All	Medium	Low	An alternative plan would be provided by the consortium to minimize the delays by applying all the possibilities suggested to monitor virtually, visit the installation virtually, etc.	N/A
7	SMEs' low interest in the proposed call	All (4)	Low	High	Calls were made appealing and oriented to SMEs' interests. Scope of the calls / Challenges defined with the support of the Advisory board. Lessons learnt and feedback from the first open call were implemented to improve the process, e.g., open call 2. Targeted communication activities and proactive outreach.	N/A The 10 challenges proposed for the open call 1 were defined with the support of the Advisory board. All but one were addressed through the OC1 applicants. The list of challenges was reviewed for the 2 nd open call based on OC1 feedback and the selected projects. The challenges well addressed through the first selected AE were removed from the OC2 challenges.

Risk	Description of risk	WP	Likelihood	Severity	Proposed risk mitigation measures	M30 updated status
						<p>A total number of 96 applications were received through the 2 open calls, with the same balance between the 2 calls.</p> <p>The risk is closed by now.</p>
8	Number and quality of AE projects not reached	4	Low	High	Quality is reassured by a transparent selection process with realistic evaluation criteria. If the number of projects is not reached, a 3rd call will be set up.	<p>N/A</p> <p>96 proposals – and 92 fully finalized and eligible for evaluation - were received through the 2 open calls. 72% were eligible for selection, e.g. overall score and all individual scores above the threshold – 13 and 3 resp. Only through OC1 some applications were declared as non-feasible by the building block provider. Finally, 10 AEs were selected for granting (~10% success rate), budget limitation. These results were obtained thanks to the active involvement of all the partners in promoting, networking, and supporting the companies during the application phase (open call scope, technical feasibility, etc.). This online support was reinforced during the OC2 following EARASHI strong recommendations through the open call communication materials and the online OC2 webinars.</p> <p>The risk is closed by now.</p>
9	AEs not complying with communication and dissemination requirements	6	Low	Medium	Setting clear dissemination KPIs at the application stage. Last payment suspended until KPIs are met. Communication leader as POC for communication and dissemination activities.	<p>Mandatory WP and deliverables are defined and imposed in the Application template/implementation description. The CF payment is correlated to their submission and the validation by the monitoring partners of all the required deliverables and milestones. Clearly identified in the AE monitoring process and explained by the monitoring partners.</p> <p>N/A so far</p>

Risk	Description of risk	WP	Likelihood	Severity	Proposed risk mitigation measures	M30 updated status
10	Selected SMEs and start-ups face difficulties (technical, business oriented) to resolve the challenge and reach the AE expected outcomes.	5	Low	High	The open call process is exhaustive (both technical and business-oriented), minimizing the chance of selecting start-ups and SMEs without the required skills. Tailored monitoring process with identified checkpoints and milestones will be carried out for each granted AE, to early identify issues, and propose mitigation actions. Technical support through various channels will be proposed. Last payment suspended until AE outcomes are validated and reached.	<p>The open call selection process put into place combines both a sturdy technical evaluation performed by 3 external evaluators with varying profiles and technical competencies and EARASHI internal evaluation + a business evaluation performed independently by BLU. A tailored monitoring process conducted by the monitoring partner is put into place involving both technical and business supervision. Monthly status is made and discussed during the WP5 monthly monitoring meetings. AEs status are tracked and are declared ●/●/● depending on their monthly status. The information is shared with the consortium in order to follow closely all the selected projects, anticipate as much as possible any difficulty (focus if an AE is identified as ●/●), and propose solutions as early as possible, thus preventing any blockage.</p> <p>The cascade funding payment is correlated to the achievement of the deliverables and milestones identified as such in the signed SAEA.</p> <p>N/A so far</p>
11	<u>NOT PLANNED</u> Crash of the registration/submission platform on the last day of the open call	4		High	The crash happened for the open call 1 closure day. All the data were then collected manually by email and big file transfer by CEA and FM (in charge of the open call setup). The information was relayed on the website and by all the partners of the consortium. Actually, 32 proposals (of 46) were concerned by the crash. This was due to the huge number of very large files (business pitch video) to be	<p>For the 2nd open call, the submission page was reinforced in order to avoid the crash that occurred during the OC1 last day. A crash test was performed and was not fully satisfactory. Therefore, it was decided to provide online support and video submission means during the last days of OC2, with notification return by email.</p> <p>The risk is closed by now.</p>

Risk	Description of risk	WP	Likelihood	Severity	Proposed risk mitigation measures	M30 updated status
					uploaded over a very short period of time.	
12	<u>NOT PLANNED</u> Change of status of one granted company (start-up/SME) through acquisition in the course of the AE.	WP5			<p>After discussion within the consortium, the consortium decided to stick to the rule defined in the Guide for Applicants regarding the Start-up/SME status, e.g. <i>'consider the status of the company at the call closure to establish the standard contract'</i>.</p> <p>This decision was reported in the management meeting minutes (16/10/2024) and the PO was informed by email (23/10/2024).</p>	In the case of the ORION project, ENDITY solutions, identified as Start-up in the signed SAEA – is foreseen to be acquired by DANOBAT in 2025. The FSTP granting will be preserved as long as deliverables, milestones and results will be delivered as planned. A more demanding monitoring is put into place involving both the monitoring partner and the WP5 leader.
13	<u>NOT PLANNED</u> KPI's derivation	WP5	Medium	High	Adaptation of some KPI content in order to be more aligned/tangible with EARASHI's realization and with the selected AEs	<ul style="list-style-type: none"> <i>LCA – 50% of AEs integrate LCA, following up on LCA to go ambitions: as the related task T5.7 'LCA' has been changed to eco-design service deployment, the KPI has been derived to Eco-design approach deployment metrix → all the granted AEs are eco-design coached with webinars & workshops dedicated to their specificity: SW/HW product/service development.</i> <i>Workers that perceive stress at work – decrease to 20%', 'Number of accidents at work due to production machine – decrease by 3% during project': whereas such KPIs are referring to global figures, EARASHI will provide sample numbers illustrating the overall targeted tendency (decrease by 3%) (but not direct impact on the overall figures).</i>