



Fayoum University  
Faculty of Social Work  
Department of development and planning



# ***Risk Management Requirements for Small Developmental Projects***

Within the requirements to obtain a master's degree in social work

**Industry Development and Planning**

by

**Shaimaa Soliman Shafa'i Hassan**

Demonstrator in the Department of Development and Planning

**Supervisor**

**Prof. Dr.**

**Nahla Abdel Raheem Abdel Rahman**

Professor of Development  
and Planning

Faculty of Social Work

Fayoum University

**Prof. Dr.**

**Hashim Marei Hashim**

Assistant Professor of Development  
and Planning

Faculty of Social Work

Fayoum University

1442/2021



## **First: the study problem**

The issue of development, in its various aspects, has received clear attention from all advanced and developing societies as well. It also has received the attention of many scholars, researchers and thinkers as the primary means to achieve a better life for societies, and to raise the standard of living of their members, by investing all the resources and capabilities available in society that can be provided to bring about the intended change.

The small enterprises sector has a clear importance in the development process, as it is a major driver for economic development in a number of countries all over the world, especially in the developing ones, as it controls a large proportion of economic and industrial activity in most countries of the world. It also helps to employ large numbers of community members and turn them from idle energies to productive ones, and it plays a clear role in social stability, alleviating unemployment and poverty, and improving individual income levels, by transforming its workers from needy groups to productive ones that contribute to self-development.

Therefore, the interest in promoting small enterprises has become an important point of intervention for the International Labor Organization, and most of the developed countries in general and developing countries in particular have focused all their efforts to encourage the establishment of small and medium enterprises, especially after they have proven their ability and efficiency in addressing the main problems facing different economies. The Egyptian government has been interested in small and medium enterprises as a way to deal with the state's problems related to unemployment and poverty.

The global interest in small projects led to the establishment of many governmental institutions and civil societies that can support and develop these projects. Hence, the role of non-governmental organizations (NGOs) has become an important and effective force for the development of society and its support to

fight poverty, ignorance and diseases, which is better reflected on members of society and raising their economic, social and cultural level. It can be noticed that the large percentage of actual lending forces are found non-governmental organizations. Therefore, NGOs play an important role in the field of small projects as they deepen the idea of self-employment and provide funding for projects, as they are considered the mediator between donors and owners of small projects.

Despite this importance of small projects and their prominent role in achieving development in general, developing and increasing families' income, and improving their standard of living in particular, the status-co of these projects indicates that they still suffer from many obstacles that limit their ability to achieve development goals. There are many of these small projects that are set up and ended at the same time, due to the many risks they encounter, and the absence of any intervention from the associations funding these projects in facing these risks. Unfortunately, the ability of these projects to face these risks is low, so many projects cannot stand stable in the face of these risks and quickly get out of the market. Therefore, the issue of developing and promoting small enterprises has become one of the most urgent requirements, as small enterprises suffer from financing, training, administrative and marketing risks.

Hence, there has been an urgent need to establish risk management, as it is of great importance for the development and advancement of these projects. This is because as risk management is one of the important aspects of management within any institution that helps to reduce expected risks, maintain the sustainability of services, and increase the institution's capacity to achieve its goals.

Providing a risk management strategy for a project is an important area to prevent or reduce its exposure to risk, and it also helps to reduce losses and prevent it from being repeated. This can be achieved by identifying the causes

that led to the occurrence of each risk and avoiding them in the future, and developing strategies to avoid them and reduce their effects. Hence, this reduces the percentage of projects getting out of the market. In order for any project to succeed, its risks must be anticipated and identified at the beginning, as identifying risks is a prerequisite for limiting and avoiding their impact, and thus helping the project to continue.

Accordingly, the problem of the study is identified in “determining the requirements for managing risks facing small development projects,” this can be accomplished by identifying the risks facing small projects implemented through NGOs and the requirements of their management.

## **Second: Study concepts**

**The researcher depended on two basic concepts:**

- 1- The concept of risk management requirements.
- 2- The concept of small enterprises.

## **Third: The purposes of the study**

**The study aimed to:**

- 1- Determine the importance of managing risks facing small development projects.
- 2- Stand on the objectives of risk management facing small development projects.
- 3- Determine the risks facing small development projects.
- 4- Identify the requirements for managing risks facing small development projects.
- 5- Come up with a suggested vision for how to manage the risks facing small development projects.

#### **Fourth: Study questions**

**The study aimed to answer the following questions:**

- 1- What is the importance of managing risks facing small development projects?
- 2- What are the objectives of risk management facing small development projects?
- 3- What are the risks facing small development projects?
- 4- What are the requirements for managing risks facing small development projects?

#### **Fifth: The methodological procedures of the study**

##### **1- Type of study**

This study depended on the descriptive method, in order to determine the requirements of risk management facing small development projects.

##### **2- method used**

**The current study was based on:**

- A comprehensive social survey of (9) of the persons responsible for managing small enterprises in the selected NGOs at Bandar Al-Fayoum including (Egyptian Youth Association - Future Pioneers Association - Higher Horizons Association - Small Enterprise Development Association in LotfAlla - Small Enterprise Development Association, Fayoum Branch - Charitable Communication Association for Community Development - Life Makers Association - Salah El Din Association in Al Sahraia - Resala Association for Charitable Activities).
- Social survey with simple random sampling of a group of owners of small development projects funded by the Egyptian Youth Association.

### **3- Study instruments**

#### **A- Data collection instruments**

In this study, the researcher relied on two main instruments to collect data:

- A questionnaire to determine the requirements for risk management facing small development projects, applied to those responsible for managing these projects.
- A questionnaire to determine the requirements for managing risks facing small development projects, applied to owners of small projects.

#### **B- Data analysis procedures**

For analyzing the study data, the researcher relied on the SPSS program, and used a set of statistical treatments, namely:

- Frequencies and percentages.
- standard deviation.
- Arithmetic mean.
- Holistic reliability coefficient (alpha).
- T-test
- one-way analysis of variance coefficient
- Columns of Frequency.

### **4- Fields of study**

#### **A- The human domain**

- The questionnaire was applied to those responsible for managing small projects in the nine NGOs under study, using a comprehensive survey. The number of forms that had already been filled out was (95) out of (100) individual forms.

- A simple random sample of the owners of projects funded by the Egyptian Youth Association was selected, it included (156) individuals (representing 10% only of the population). Only (113) forms were applied.

**B- Spatial domain:**

- The questionnaire was applied to the officials in charge of small projects management in the nine selected NGOs.
- The other questionnaire was applied to the owners of small enterprises who benefit from the Egyptian Youth Association.

**C- Time domain:**

The study, both theoretical and experimental, was conducted during the period from December 2019 to March 2021.

**Sixth: The results of the study**

- The importance of risk management for the association includes: “improving the association’s ability to manage small projects”, “predicting the risks that may face the project”, “minimizing the chances of the association being exposed to closing or stopping projects”, and “dealing with financing risks facing projects, "dealing with administrative risks facing small projects", "dealing with training risks facing small projects", "dealing with marketing risks facing small projects", and "reducing the costs of managing small projects ".
- The importance of risk management for the project itself is numerous, namely: “helping the project to increase its profits”, “helping the project owners to identify the risks that may cause the disruption of their projects”, “monitoring the project periodically to measure the progress of work in it”, “taking the necessary measures to face the dangers threatening the project, “helping the project owners to create preconceived expectations for the results of the project,” and “helping the project to return as soon as possible to practice its activity after the occurrence of any danger”.



- The importance of risk management for the work and management team is summarized in : “We help the project team to come up with ready-made plans to face the risks of small projects,” “we generate confidence among project workers in their ability to face risks”, “we help risk management team to participate in making decisions related to projects, “we create a suitable environment for managing small projects”, “we encourage the association’s team to innovate for managing small project risks”, “we can differentiate between project risks that can cause losses and risks that lead to project end”, and ” We help project workers to be free from stress Nervous and anxious”.
- The objectives of risk management are numerous, and they are: “making decisions that will lead the management of small projects to succeed”, “working to protect the interest of the association and the owner of the project”, “ensuring that the required tasks are executed”, “reducing the size of losses that may face small projects.” Improving the association’s competitive performance in managing small projects, “assessing the emergency needs of small projects,” “maintaining a database of the risks faced by small enterprises,” “forming a future vision for managing small projects with the least possible risks”, and “realizing the profits of hindered projects”.
- There are many financing risks facing small development projects, but the most important financing risks from the point of view of project owners are the following: (costly feasibility studies, complex payment procedures for hindered projects, lack of cash to continue the project, high equipment prices for the project, overlap between the personal expenses and the project expenses, the loan amount does not meet the needs and requirements of the project).
- As for those responsible for project management in associations, they specify these financing risks in (lack of cash to continue the project, high prices for equipment needed for the project, complex repayment procedures for hindered projects, high interest on the value of the loan, loan value that does not meet

the needs and requirements of the project, the complexity of the procedures necessary for financing the project).

- There are many administrative risks facing small development projects, the most important ones from the point of view of project owners are the following: (poor use of information technology systems in many of the projects presented by the association, lack of communication between the association and the project owner, lack of continuous planning for project development, lack of sufficient information for project owners on how to manage their projects).
- As for those responsible for project management in associations, they specify these risks in (confusion in the decisions of the responsible authorities, the lack of communication between the association and the project owner, the lack of sufficient information for project owners on how to manage their projects, the lack of continuous planning for the development of the project).
- There are many training risks facing small development projects, the most important training risks from the point of view of project owners are the following: (The association does not provide training to project owners on important skills like the skill of teamwork for the project, feasibility study, crisis management, how to deal with market variables)
- As for those responsible for project management in associations, they specify them in (failure to train project owners on how to deal with market variables, failure to provide necessary training to owners of small projects, failure to provide information to project owners about market variables, failure of the association to provide training for the skill of feasibility study).
- Marketing risks facing small development projects are numerous and varied, but the most important marketing risks from the point of view of project owners are the following: (The association does not intervene to market the project products, the absence of a specialized employee to market the project's products due to the lack of resources, high advertising costs, lack of the use of

modern methods of product marketing, the decrease in the demand for the products of small and medium enterprises).

- As for those responsible for managing projects in associations, they specify them in (the absence of an employee specialized in marketing the project's products due to the lack of resources, the low level of demand for small and medium-sized enterprises products, lack of using modern methods of marketing products, the high costs of participation in exhibitions and markets, lack of sales and presence Product surplus).
- The financing requirements needed by small development projects, are numerous and varied, but the most important financing requirements from the point of view of project owners are the following: (Facilitating all procedures for obtaining the loan at a low cost, coordination with governmental organizations to obtain loans to finance the project, investing the association's resources to manage Project risks, providing the project with human expertise to achieve its success).
- As for those responsible for managing projects in the associations, they specify them in (facilitating all procedures for obtaining the loan at a low cost, preparing recent studies on the projects expected to succeed within each governorate, providing the project with human expertise to achieve its success, and providing soft loans from all funding agencies for small projects).
- Administrative requirements that are needed by small development projects are numerous and varied, but the most important administrative requirements from the point of view of project owners are the following: (Determining the strength and weakness elements in existing small projects, preparing a suitable timetable for the project, the association's follow-up of the project since its inception and its continuous evaluation, continuously preparing reports on the risks facing small projects, the association's participation of project owners in

managing the risks they face, and preparing a plan to reduce the project's exposure to risks).

- As for those responsible for managing projects in associations, they define them in (identifying the strengths and weaknesses of existing small projects, providing an appropriate environment for the establishment of each project separately, preparing a plan to reduce the chances of project exposure to risks, increasing the association's ability to control risks and reduce them to the lowest possible level, follow-up of the project starting from its inception and continuous evaluation, preparing continuous reports on the risks facing small projects).
- Training requirements that are needed by small development projects are numerous and varied, but the most important training requirements from the point of view of project owners are the following: (Establishing a training center for workers in small projects, the association's encouragement of entrepreneurs to innovate and have unconventional thinking, designing an information program for project owners to share their experiences).
- As for those responsible for project management in associations, they specify them in (the association's encouragement for entrepreneurs to innovate and think unconventionally, provide training programs that help project owners to deal with the risks facing their projects, and the establishment of a training center for workers in small projects).
- Marketing requirements needed by small development projects are numerous and varied, but the most important marketing requirements from the point of view of project owners are the following: (the association holding exhibitions to sell project products, providing part of the budget to make publicity for the project, providing modern technological methods for marketing Projects' products).

- As for those responsible for project management in the associations, they specify them in (increasing the competitiveness of the project in the market, providing information, about the market, needed for the owners of small projects before starting the project, providing modern technological methods for marketing the products of the projects).
- The study also reached a proposed vision for social service to deal with the risks facing small development projects.