

Project Cycle Management

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IHS

www.ihs.nl

Sources & References



EUROPEAN COMMISSION
JOINT RELEX SERVICE FOR THE MANAGEMENT OF COMMUNITY AID TO NON-MEMBER
COUNTRIES (SOR)

Resources, relations with the other institutions, evaluation, and information
Evaluation

Project Cycle Management *Training Handbook*



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A Project Cycle Management and Logical Framework Toolkit –

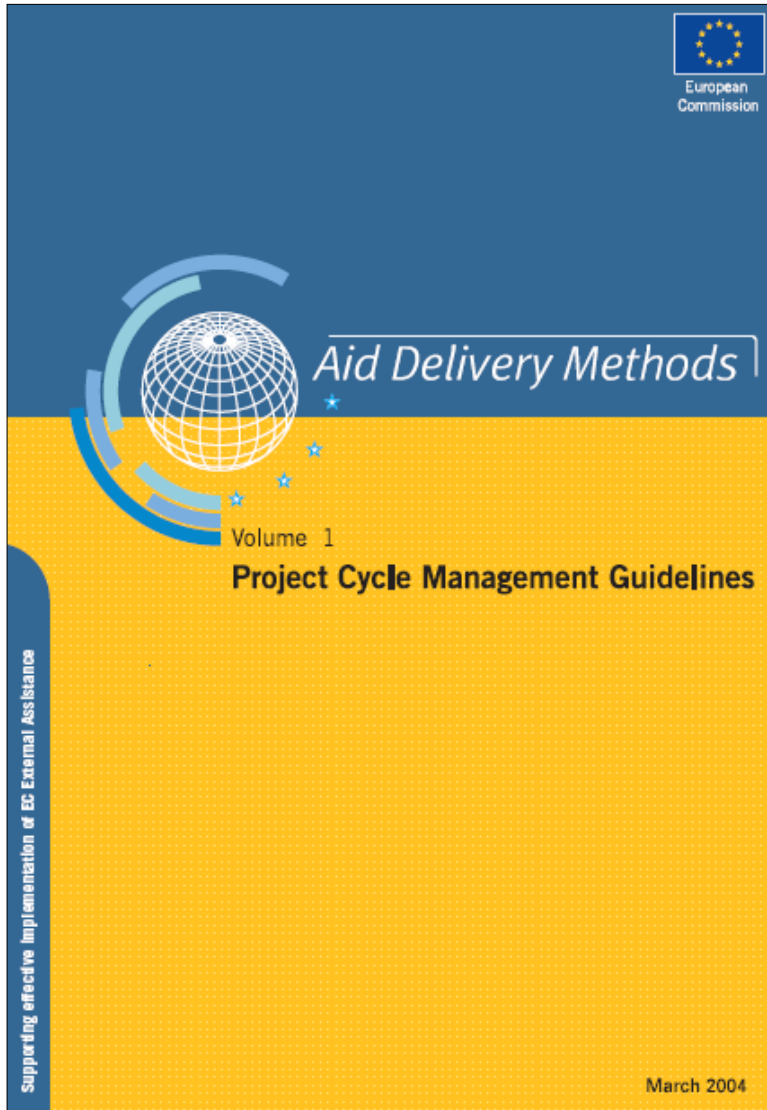
A practical guide for
Equal Development
Partnerships

Equal



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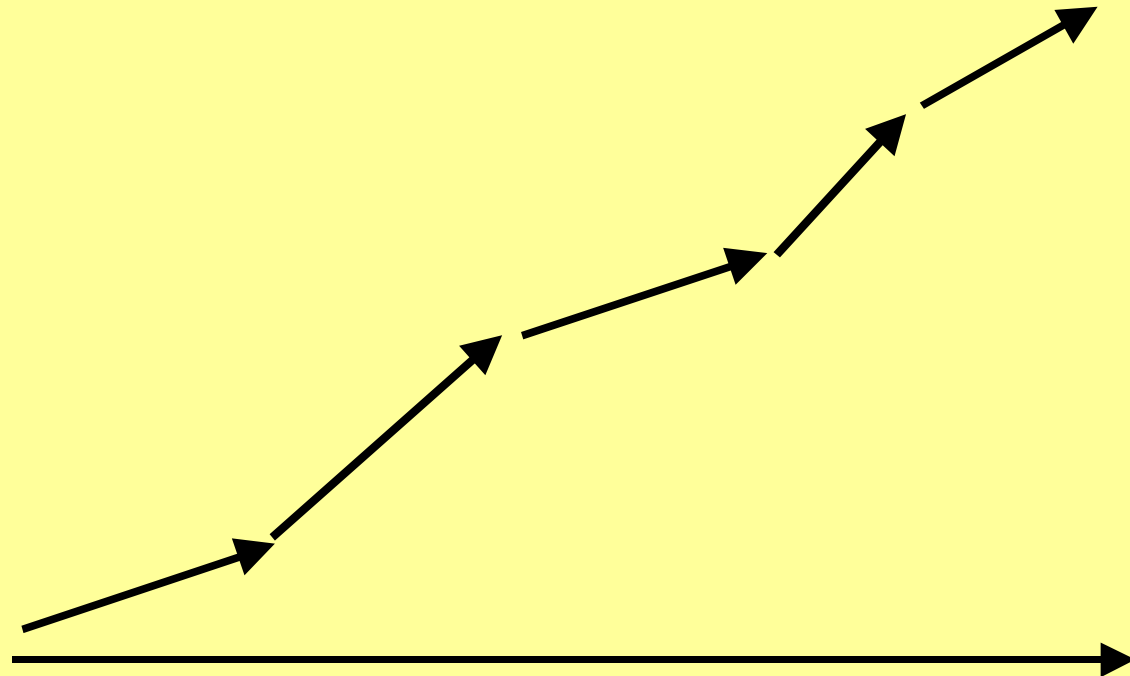
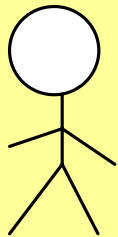


Why Projects



The Situation we face

Where we want to be
Achieved the desired situation
Situation changed
A Better Future



Current Situation

Where we are now?
Unhappy about current situation?
Need for changes?

Future Situation

Where we don't want to be!
Still unhappy!
Nothing has changed!

What is a project?

- A project should always ...
 - Be consistent with, and **supportive** of, **broader policy** and **programme objectives**, but
 - **Create/develop** something ‘**new**’, rather than simply support ongoing activities

And have ...

- clearly defined **objectives** which address identified needs
- a clearly identified **target group(s)**
- clearly defined **management responsibilities**
- a **start** and **finish** date
- a specified set of **resources** and **budget**

Examples of Projects

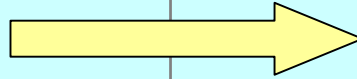
- Examples of projects include:
- Developing a new product or service.
- Effecting a change in structure, staffing, or style of an organisation.
- Designing a new transportation vehicle.
- Constructing a building.
- Running a campaign for political office.
- Implementing a new business procedure or process.
- Constructing a new infrastructure network

The Laws of Project Management

- When things are going well, something will go wrong. When things can't get any worse, they will. When things appear to be going better you have overlooked something. Murphy was an optimist.
- A carelessly planned project will take three times longer to complete than expected. A carefully planned project will only take twice as long.

Changing roles of managers

Then



Now

Controlling/Directing



Empowering – potential

Imposing norms



Releasing creativity

Creating certainty



Managing uncertainty

Telling



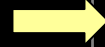
Listening

Vertical/line authority



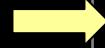
Matrix/Project Management

Problem solving



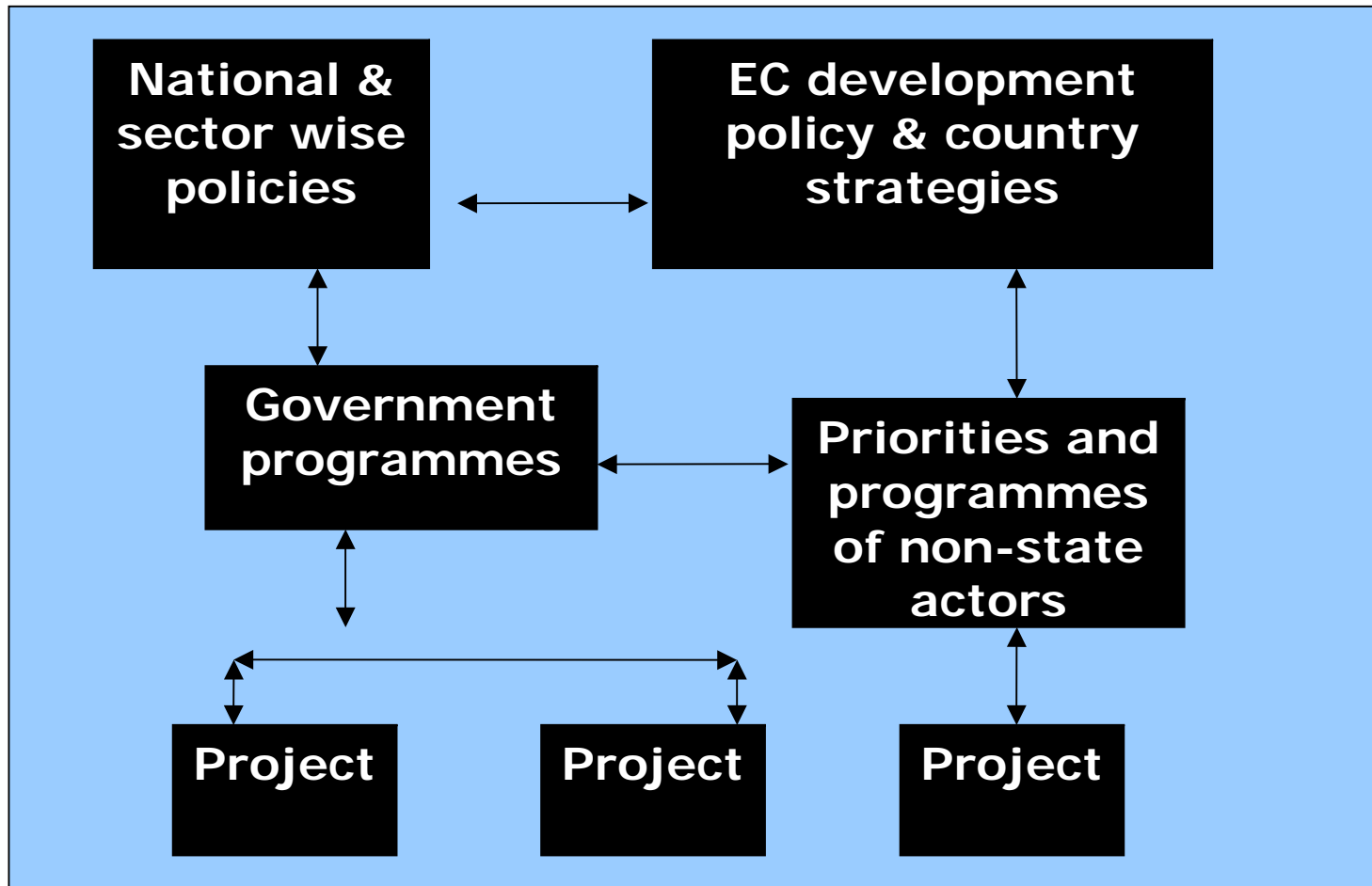
Opportunity creating

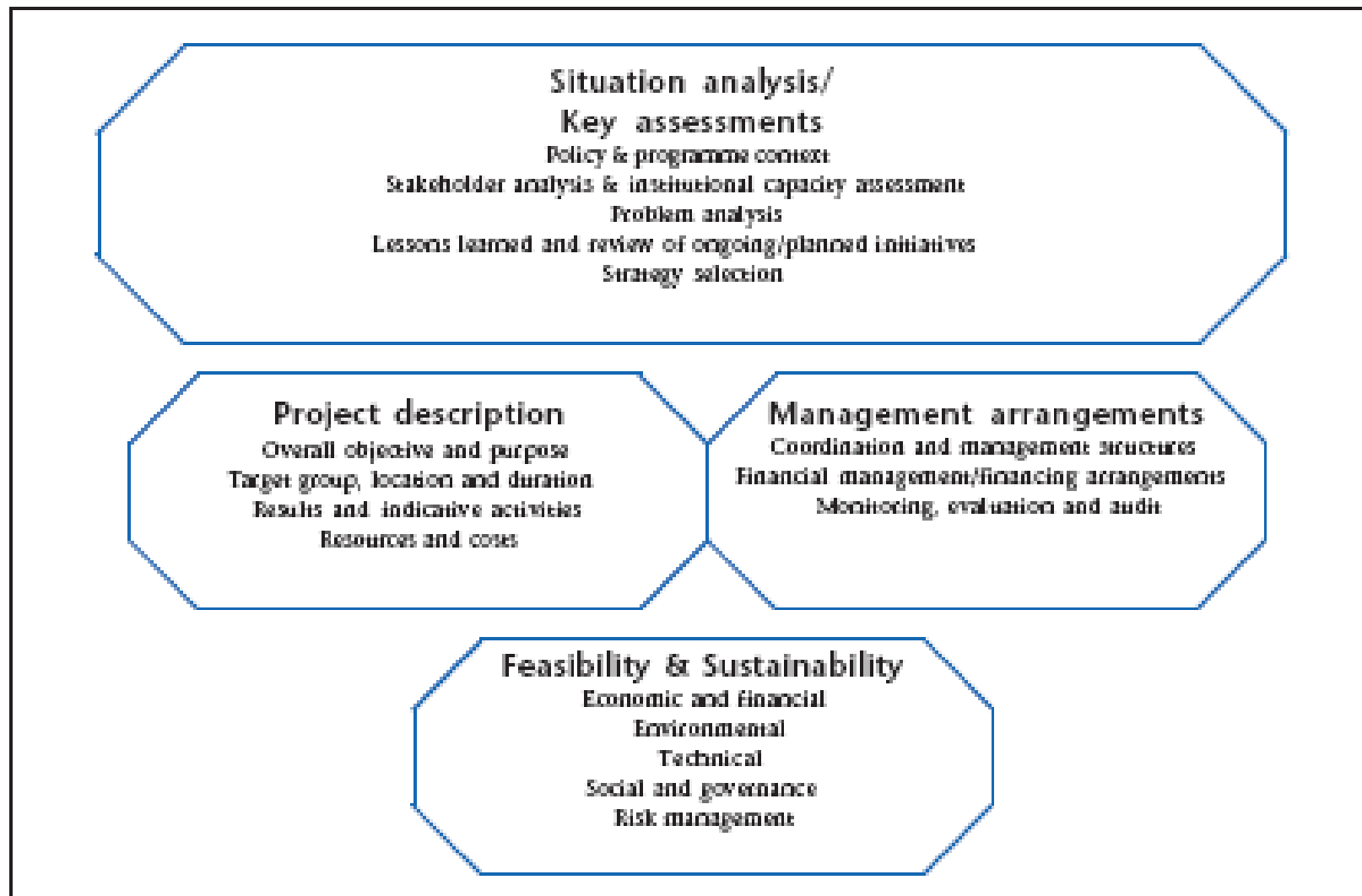
Manage within your area



Collaboration/partners

EU Policies, programmes and projects





10 reasons why some projects fail

1. Unclear objectives
2. Overambitious project goals
3. No stakeholder consultation
4. not linked to programme or policy framework
5. rigid targets and processes (inflexible)
6. false expectations (optimistic goals to attract finance)
7. end abruptly and usually too short term
8. 'driven' by aid professionals, not locally 'owned'
9. Many projects are not relevant to beneficiaries
10. Risks are insufficiently taken into account

Source: EU, The Project Cycle Management

Feasibility Study



Financial Implications



Sustainability



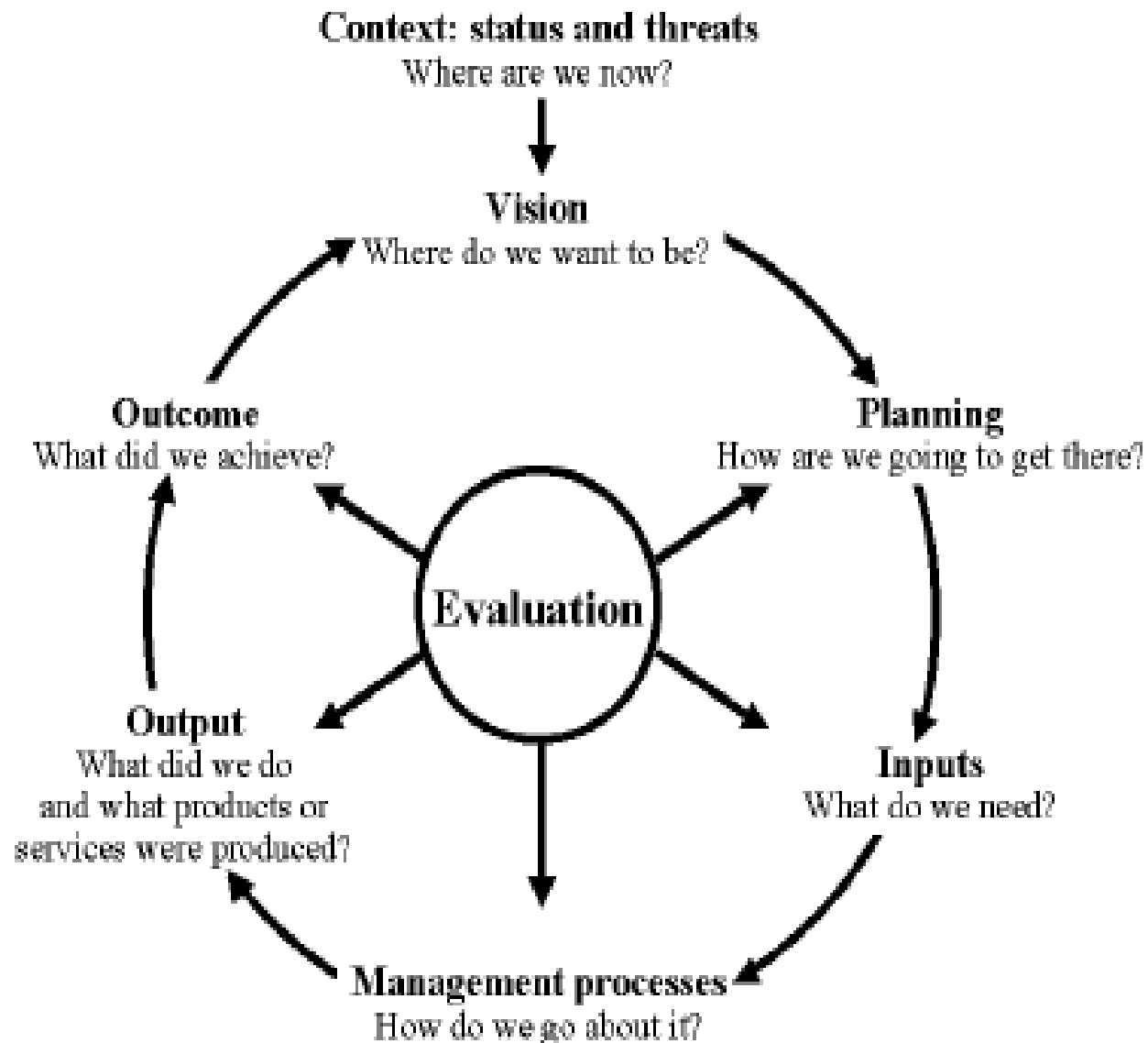
Success

Factors ensuring Sustainability

- Policy support
- Appropriate technology
- Environmental protection
- Socio-cultural aspects
- Institutional and management capacity (public and private)
- Economic and financial viability

The Success of a Project depends on

- Proper Planning
- A competent and motivated Project Team
- Organisational capacity being sufficient
- The different parties involved maintaining commitments/deadlines
- The project addressing the real problems
- Other Factors

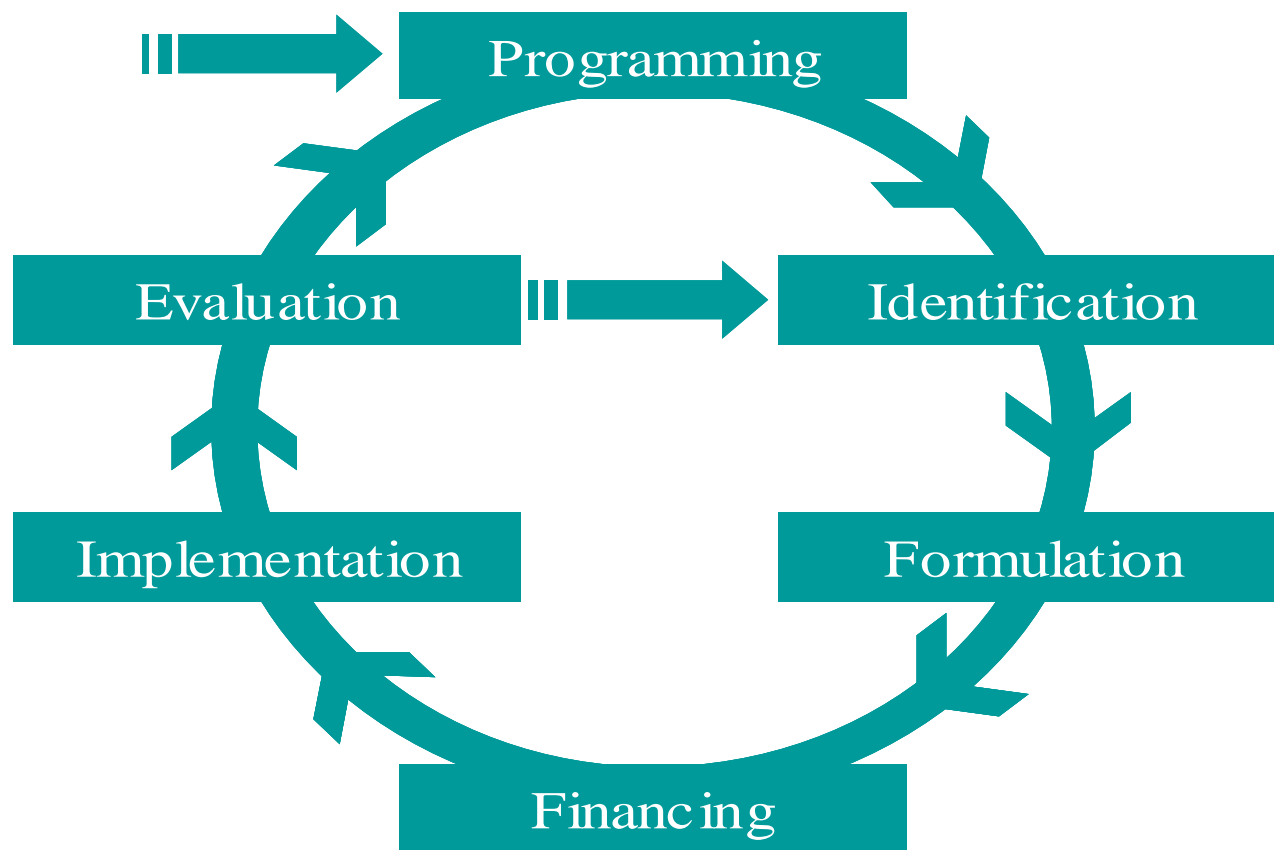


What is a Project Cycle?

Project Cycle defines different phases in the project life with well-defined management activities and decision making procedures

Vilas Nitivattananon, Asian Institute of Technology, 2005.

Project Cycle - 6 Phases (I)



Characteristics of PCM

Participatory
Approach

Logicality

Transparency

Consistency

Problem-
Solving

Objectives of PCM

• Experiences

- ☒ Unclear strategic framework
- ☒ Supply driven projects
- ☒ Poor analysis of situation
- ☒ Activity-orientated planning
- ☒ Non-verifiable results
- ☒ Short-term vision
- ☒ Lessons learnt not considered
- ☒ Imprecise project documents

• PCM

- ☑ Sectoral/programme linkage
- ☑ Demand driven approach
- ☑ Improved analysis
- ☑ Objective orientated planning
- ☑ Verifiable results
- ☑ Focus on sustainability
- ☑ Learning from evaluation
- ☑ Standardised formats

Source, EU, 2005.

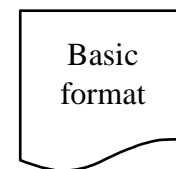
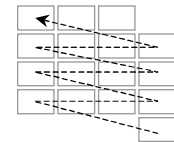
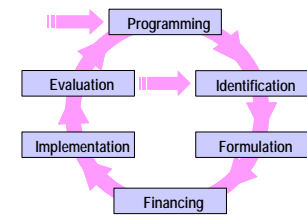
PCM Principles

- **Project Cycle Management**

- is a methodology for the preparation, implementation and evaluation of projects based on the principles of the **logical framework approach**.
- It describes management activities and decision-making procedures used during the life cycle of a project (key tasks, roles and responsibilities, key documents and decision options)

PCM Principles

- **Project cycle phases** - structured & informed decision-making, and feedback from evaluation
- **Partner / stakeholder ownership** - involvement of stakeholders in decision-making, including emphasis on teamwork and communication
- **Logframe planning** - comprehensive & consistent analysis
- **Integrated documentation** - standardised documentation and assessment criteria
- Can be applied to both projects and programmes



Source, EU, 2005.

Underlying Principles

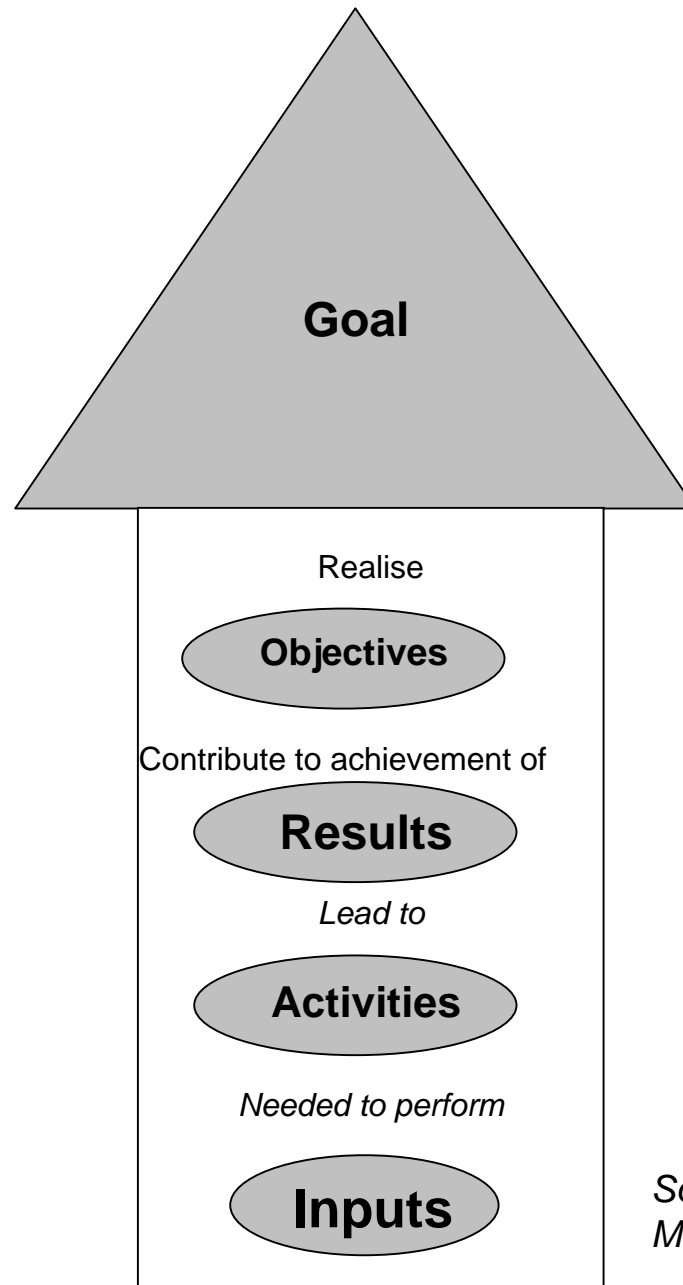
- **Change**
- **Transparency**
- **Participatory**
- **Sustainability**
- **Beneficiary focus and orientation**

Underlying Principles

- **Change** is the aim – if there is no need for change there is no need for a project. A project is designed to change an unsatisfactory condition into an improved situation. If the target group can change these conditions on their own, there is no need for the project.
- **Transparency** – PCM makes plans open and public – clear to everyone involved as well as those outside of the project or organisation and introduces a standard format for all documentation.
- **Participatory** – PCM allows for stakeholders to be involved – it allows for participatory planning. Further it enables the finding of agreement/consensus without high levels of conflict.
- **Sustainability** – Right from the planning phase the sustainability of the project is taken into account.
- **Beneficiary focus and orientation** – (client orientation) PCM is beneficiary focused in that the intervention planned is based on the needs and problems of the beneficiaries.

Why Project Cycle Management?

- Increase the involvement of beneficiaries
- Separate decisions in the project cycle
- Prepare a consistent and comprehensive project design
- Take factors of sustainability into account
- Apply transparent procedures
- Create a framework for learning



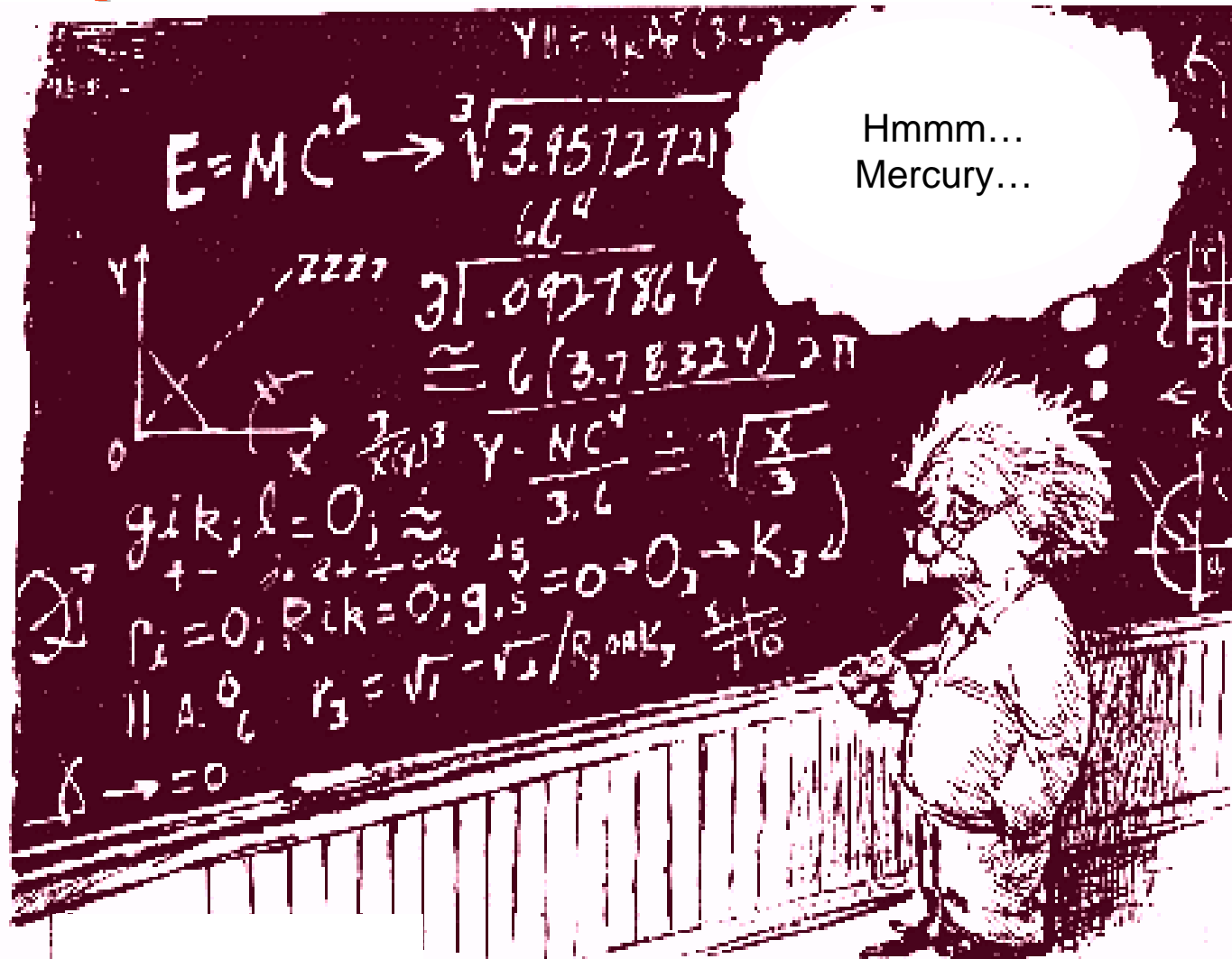
Source: Sophie Sakalis, *Project Cycle Management*, undated.

Project Cycle Management (PCM)

A number of PCM models have been developed but they all follow the same basic formula:

- **Think** - current situation, the cause, who is involved, what to achieve?
- **Plan** - How to do it
- **Do** - Get it done
- **Review** - What went well, badly and what can we learn for next time?

Make decisions or recommendations despite numerous uncertainties!



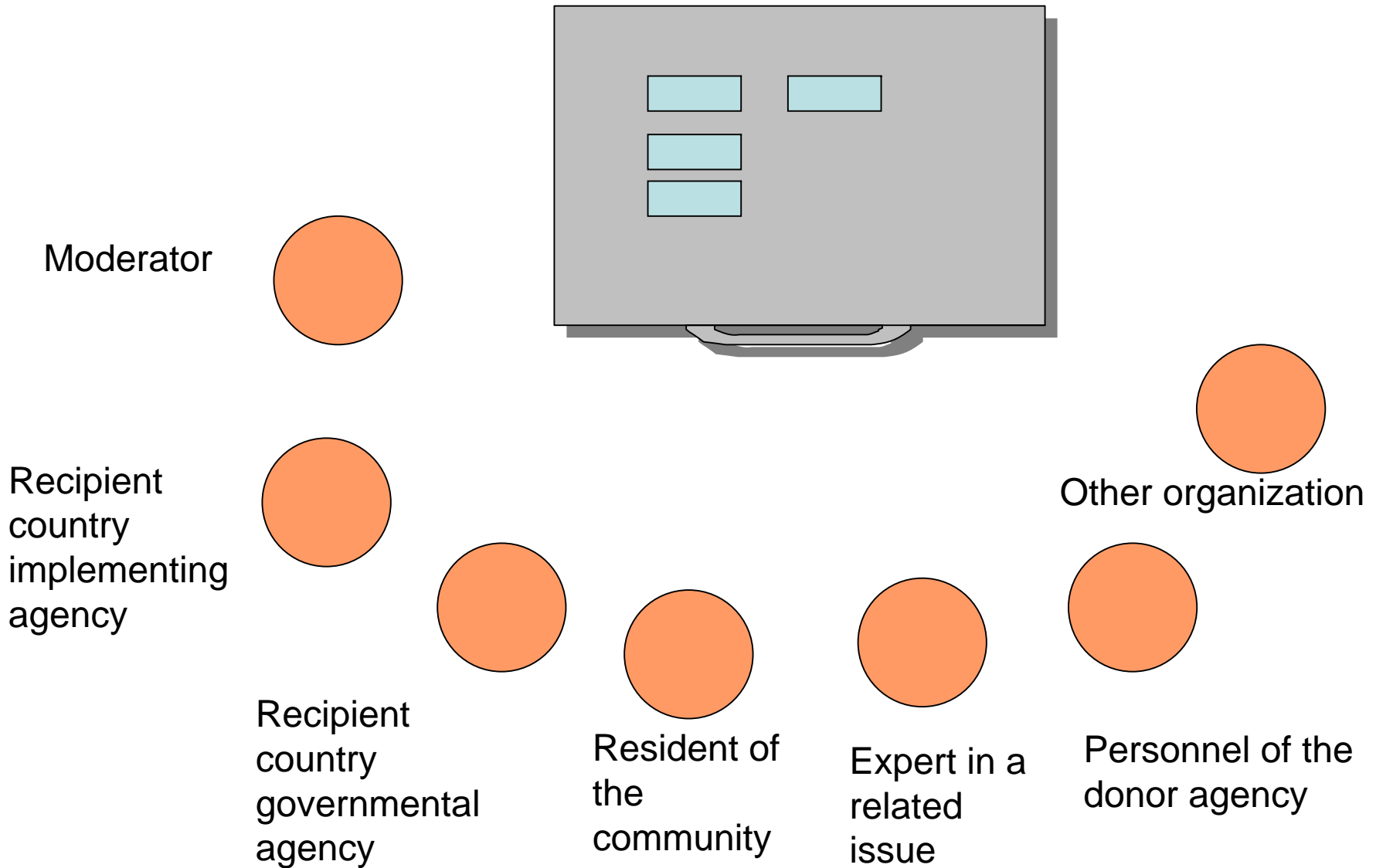
The Logical Framework

- Developed 1960'ies in the USA.
- Used by all major donor agencies.
- Compulsory in most EU funding applications.
- Tool and method for project identification, design and management.
- A method ensuring use of a systematic and logical approach.
- Common language.
- Two stages:
 - Analysis.
 - Planning
- Project Matrix final outcome.

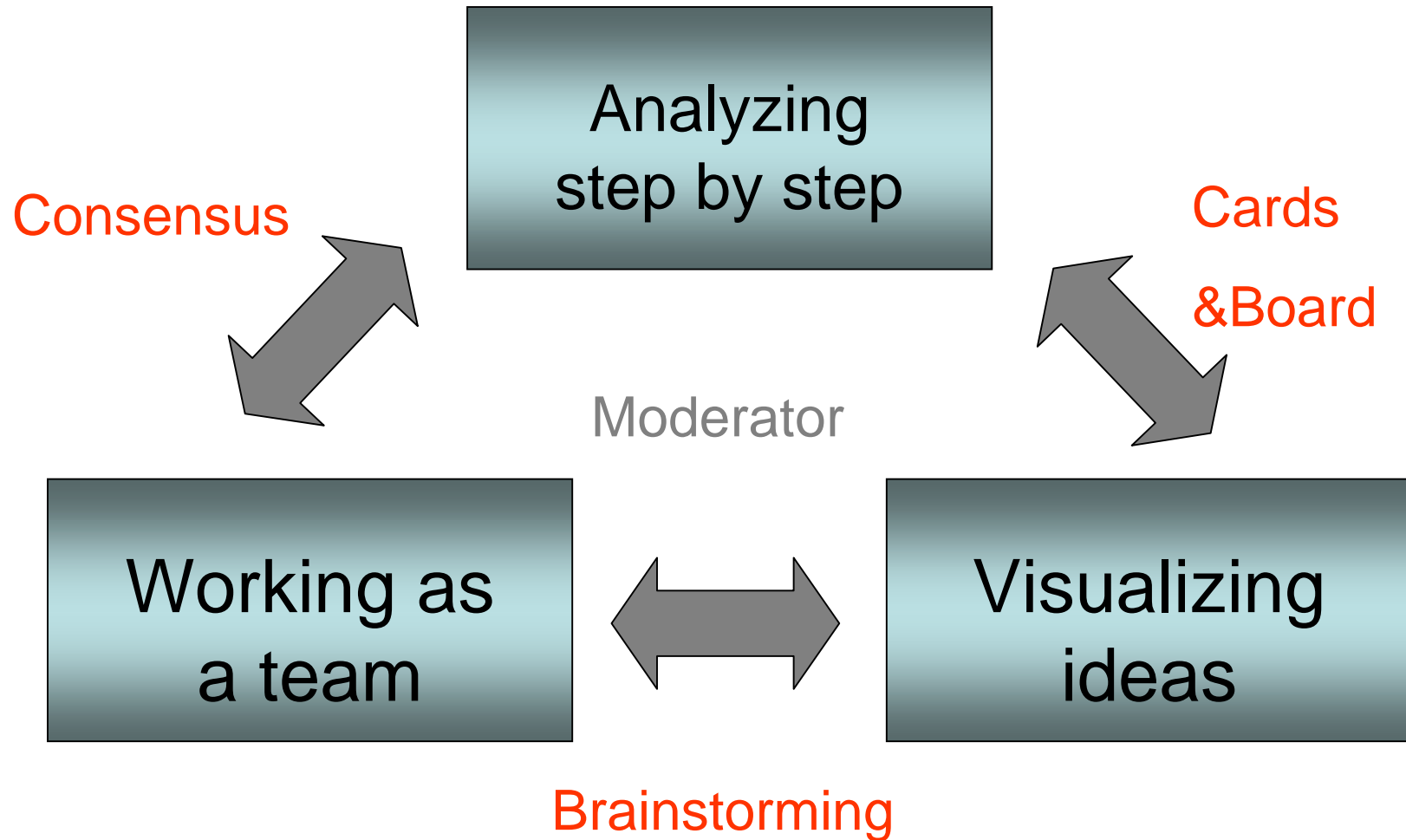
Development of PCM Method

- **Late 1960s** Logical Framework (USAID)
 - International Agencies introduce the Logframe
- **Early 1980s** ZOPP (GTZ)
 - Objectives-Oriented Project Planning
 - European countries adapt the ZOPP
- **Early 1990s** PCM(FASID)
 - JICA begins full-scale introduction of the PCM

Participants in the Workshop



PCM Workshop



8 Rules

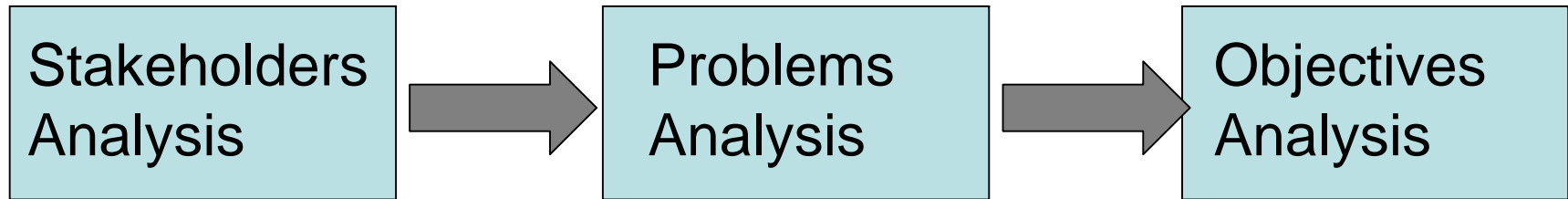
1. Write down **your own** statement on a card.
2. Write only **one idea** on a card.
3. Make your statement **specific**.
4. Express your statement in **a concise sentence**.
5. Stick to **the facts** and avoid abstractions and generalizations.
6. Make it a rule to write cards **before beginning discussions**.
7. Do not remove a card from the board before a **consensus** is obtained.
8. Do not ask **who wrote** a particular card.

Rules for Writing Problems

1. Write in a **Sentence**.
Make Clear “Subject and Object”.
2. Avoid “**No Solution**”.
3. Avoid Generalization.– **Be Specific**.
4. Don’t Write a Cause and Effect in One Card.
5. Be Specific **Whose problem**.

7 Steps in PP

Analysis Stage



We are practicing by this stage.

Project Selection

Planning Stage



The Project Matrix

Goals	Indicators	Assumptions
Purpose	Indicators	Assumptions
Outputs	Indicators	Assumptions
Activities	Inputs	Assumptions

The Logframe Matrix

	Project Description	Verifiable indicators	Sources of verification	Assumptions
Overall objective				
Project purpose				
Results				
Activities		means	costs	
				Pre-conditions

Note: As each part of the matrix is formulated, the logic of other parts should be tested and refined/ revised, as required. An 'iterative' process.

Project Description	Indicators	Source of Verification	Assumptions
<u>Overall objective:</u> 1	8	9	
<u>Purpose:</u> 2	10	11	7
<u>Results:</u> 3	12	13	6
<u>Activities:</u> 4			5

Project Description	Indicators	Source of Verification	Assumptions
<p><u>Overall objective:</u></p> <p>The project's contribution to policy or programme objectives (impact)</p>	<p>How the OO-Overall Objective is to be measured including Quantity, Quality, Time?</p>	<p>How will the information be collected, When and by Whom?</p>	
<p><u>Purpose:</u></p> <p>Direct benefits to the target group(s).</p>	<p>How the purpose of the project is to be measured including Quantity, Quality, Time</p>	<p>As above.</p>	<p>If the purpose is achieved, what assumptions must hold true to achieve OO?</p>
<p><u>Results:</u></p> <p>Tangible products or services delivered by the project.</p>	<p>How results are to be measured including Quantity, Quality, Time</p>	<p>As above.</p>	<p>If Results are achieved, what assumptions must hold true to achieve the Purpose?</p>
<p><u>Activities:</u></p> <p>Tasks that have to be undertaken to deliver the desired results</p>			<p>If Activities are completed, what assumptions must hold true to achieve the Results?</p>

Project Description	Indicators	Source of Verification	Assumptions
<p><u>Overall objective:</u></p> <p>The broad development impact to which the project contributes – at national/sector level (provides the link to the policy and/or sector programme context)</p>	<p>Measures extent to which a contribution to the overall objective has been made. Used during evaluation. However, it is often to appropriate for the project itself to try and collect this information.</p>	<p>Sources of Information and methods used to collect and report it (including who and when/how frequently)</p>	
<p><u>Purpose:</u></p> <p>The development outcome at end of project – more specifically the expected benefits to the target group.</p>	<p>Helps answer the question “How will we know if the purpose has been achieved? Should include appropriate details of quantity, quality and time.</p>	<p>Sources of Information and methods used to collect and report it (including who and when/how frequently)</p>	<p>Assumptions (factors outside the project management’s control) that may impact on the purpose-objective linkage.</p>
<p><u>Results:</u></p> <p>The direct/tangible results (good & services) that the project delivers, and which are largely under project management control.</p>	<p>Helps answer the question “How will we know if the results have been delivered”? Should include appropriate details of quantity, quality and time.</p>	<p>Sources of Information and methods used to collect and report it (including who and when/how frequently)</p>	<p>Assumptions (factors outside the project management’s control) that may impact on the result-purpose linkage.</p>
<p><u>Activities:</u></p> <p>The tasks (work programme) that need to be carried out to deliver planned results.</p>	<p>(sometimes a summary of resources/means is provided in this box).</p>	<p>(sometimes a summary of costs/budget is provided in this box)</p>	<p>Assumptions (factors outside the project management’s control) that may impact on the activity-result linkage.</p>

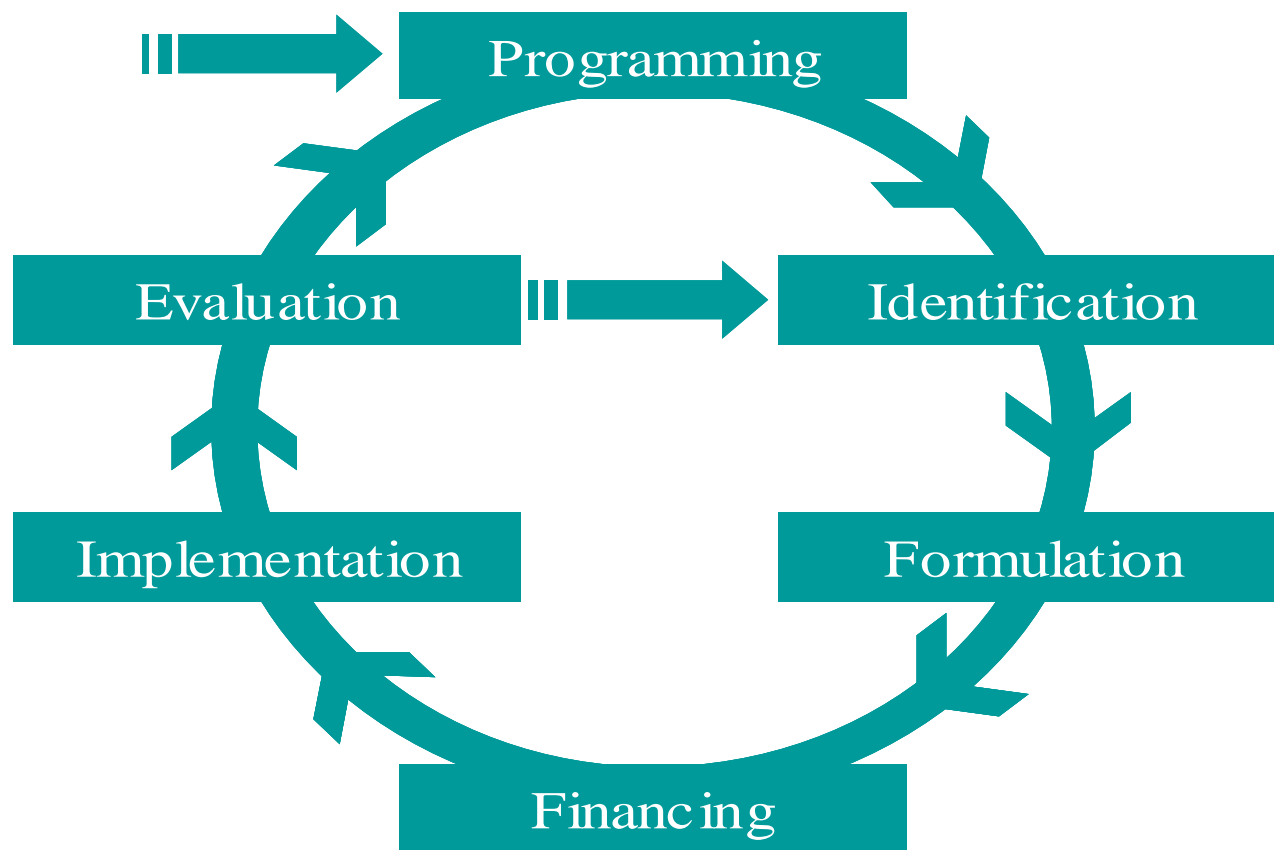
The Intervention Logic if-then Casuality

1. **IF** adequate **inputs/resources** are provided **THEN** **activities** can be undertaken.
2. **IF** the **activities** are undertaken, **THEN** **results** can be produced.
3. **IF** **results** are produced, **THEN** the **purpose** will be achieved; and
4. **IF** **purpose** is achieved, **THEN** this should contribute towards the overall **objective**.

IF reserved, we can say that:

1. IF we wish to contribute to the overall objective, THEN we must achieve the purpose.
2. IF we wish to achieve the purpose, THEN we must deliver the specified results.
3. IF we wish to deliver the results, THEN the specified activities must be implemented; and
4. IF we wish to implement the specified activities, THEN we must apply identified inputs/resources.

Project Cycle - 6 Phases (I)



Project Planning Matrix

Why	the longer term benefits for beneficiaries and society, explaining why the project is important.	Overall Goal
What	the immediate benefit for the beneficiaries, explaining why the project is needed by them	Project Purpose
What	the services that will be delivered to the beneficiaries by the project	Results
How	the project intends to achieve the results by the project	Activities
What	external factors are important for achievement of the of the objectives	Assumptions
How	achievement of objectives can be measured	Objectively verifiable indicators
Where	it is possible to find the data necessary for evaluating the project	Means/sources of verification
What	the project costs	Specification of inputs and costs

Why to use it?

From the point of view of the EU

- PCM is used by EuropeAid
- PCM should be used by all projects

- PCM requires the active **participation of key stakeholders** and aims to promote local ownership
- PCM incorporates **key assessment criteria** into each stage of the project cycle
- PCM requires the production of good quality **key documents** in each phase to support decision making

PCM helps to ensure that

- Projects are part of the country policy objectives
- Projects are relevant to the real problems of target groups / beneficiaries
- Projects are feasible (objectives are realistic)
- Benefits generated by projects are likely to be sustainable

PCM helps to ensure that

- projects have before starting implementation:
 - Clearly identified stakeholders (primary target group and final beneficiaries)
 - Clearly defined coordination, management and financing arrangements
 - A monitoring and evaluation system
 - An appropriate level of financial and economic analysis

PCM tools

Ton Farla, ERI-SEE Workshop, 03/07/2007.

PCM tools

- The logical framework approach
- Quality assessment criteria
- institutional capacity assessment
- Economic and financial analysis
- Promoting participatory approaches

The logical Framework Approach

- It is used at **identification stage** to help
 - analyse the existing situation,
 - investigate the relevance of the proposed project and
 - identify potential objectives and strategies
- It is used at **formulation phase** to help
 - Prepare an appropriate project plan with clear objectives and measurable results

The logical Framework Approach (2)

- It is used at **implementation stage** to provide a key management tool to support contracting, operational work planning and monitoring
- It is used at **evaluation and audit stage** to provide a basis for performance and impact assessment

The Process

Participation Review

Problem Tree

Objectives Tree

Review of Alternatives

Analytical Phase

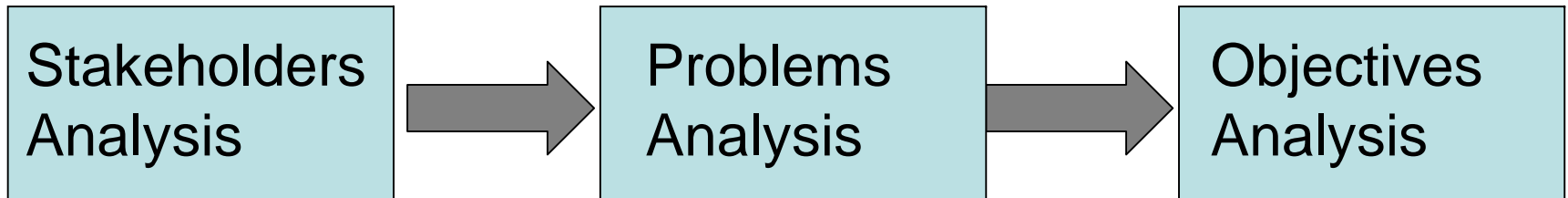
Step	Outputs
1. Participant Analysis	An analysis of participants
2. Problem Analysis	A problem tree
3. Objectives Analysis	An objectives tree
4. Alternative Analysis	An analysis of and selection of alternatives

Design Phase

Step	Outputs
5. Defining the project elements	A definition of the goal <ul style="list-style-type: none">- project purpose- results- activities- inputs
6. Assessment of external factors	Assumptions or external factors are assessed in terms of probability and importance
7. Developing indicators	Indicators for the development goal, project purpose and results are developed as a basis for monitoring and evaluation

7 Steps in LFA

Analysis Stage



Strategy Analysis

Planning Stage



Main stages of the log frame

1. Analytical Phase

STEP 1: STAKEHOLDER ANALYSIS

identify groups, people and institutions which are likely to be affected by the project, identify the key problems, constraints and opportunities they face

STEP 2: PROBLEM ANALYSIS

formulate problems; determine cause and effect relationships and develop a problem tree

STEP 3: OBJECTIVE ANALYSIS

Objectives -develop objectives from the identified problems; identify means to end relationships; identify clusters of objectives and determine the project strategy

Having analyzed the situation, the project should now be ready for detailed planning

2. Planning phase

STEP 4: INTERVENTION LOGIC

define the project elements, test its internal logic, and formulate objectives in measurable terms

STEP 5: ASSUMPTIONS and RISKS

identify the conditions which are likely to affect the project's implementation but which are outside the project management control

STEP 6: INDICATORS

identify ways to measure progress, formulate indicators; define means of measurement

STEP 7: ACTIVITY SCHEDULE

determine sequence and dependency of activities; estimate duration, set milestones, assign responsibilities

STEP 8: COST SCHEDULE

specify required inputs develop cost schedule; prepare budget

The Logical Framework



Stages of LFA

- In designing the LFA (Logframe), two stages are carried out during the Identification and Appraisal.
- the *analysis* stage
- the *planning* stage.

Stages of LFA

- the *analysis* stage
 - projects/programmes are designed to address problems, needs and interests of target groups, with consideration of gender peculiarities.
 - Main steps:
 - stakeholder analysis,
 - problem analysis (image of reality),
 - analysis of objectives (image of an improved situation in the future), and
 - analysis of strategies (comparison of different options to address a given situation).

Stages of LFA

- the *planning* stage.
 - the project idea is further developed in a practical operational plan ready to be implemented, the logframe matrix being filled in as the activities and resources are defined and scheduled.

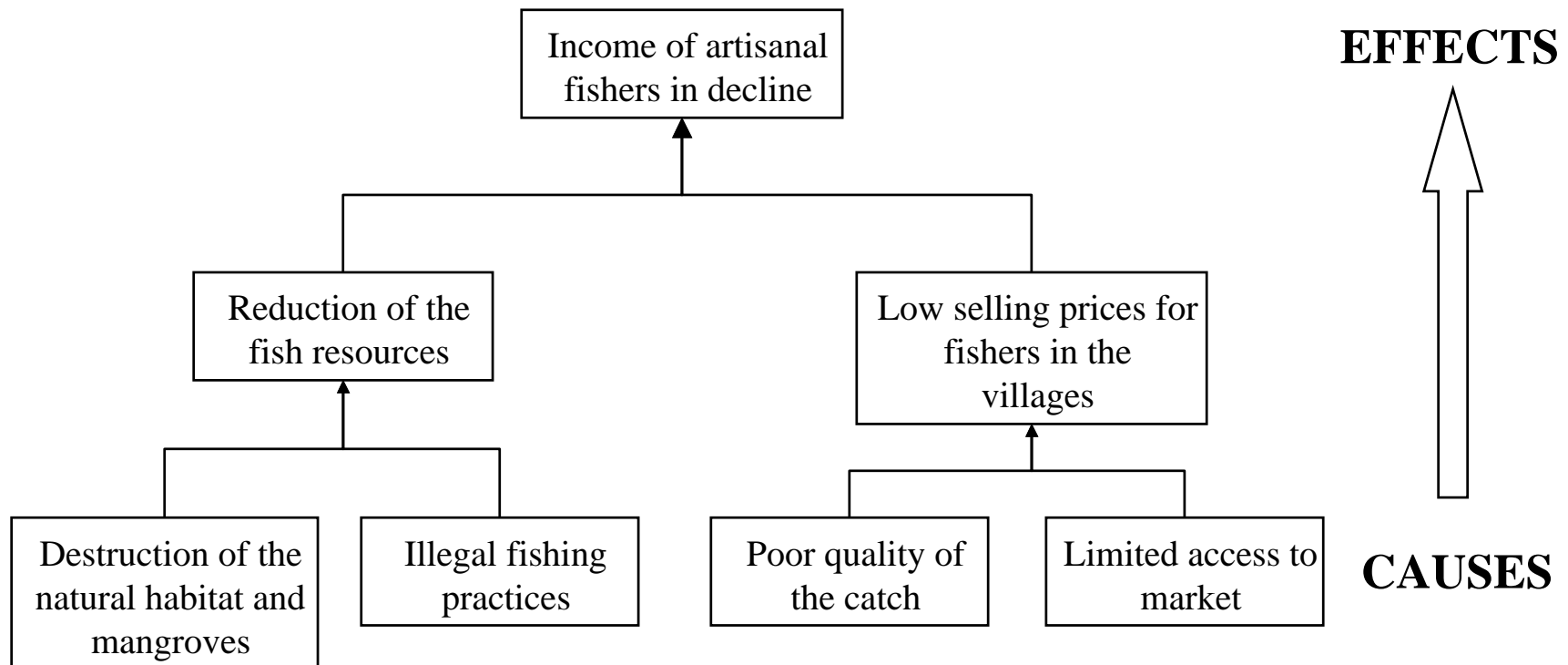
Some Examples Illustrations

Example stakeholder analysis – setting up ITC

Stakeholder Group	Tasks and responsibilities	Expectation for the project	Fear for the project	Support for project
Directorate for VET (Ministry of Education)	<ul style="list-style-type: none"> •Personnel selection •Budgets + definition of forms •Design of the VET system 	<ul style="list-style-type: none"> •Improvement of the equipment •Improvement of coordination •Training of staff •New ideas 	<ul style="list-style-type: none"> •Change of the socio-political framework •Priorities set by the donor organisation 	<ul style="list-style-type: none"> •Supply of project staff •Political support of the project •Multiplier for project impacts
Industrial Training Centre (ITC)	<ul style="list-style-type: none"> •Implementation •Selection of staff •Training specialists 	<ul style="list-style-type: none"> •Implementation modern training programmes •Improvement of education •Training of staff 	<ul style="list-style-type: none"> •Insufficient staff experience project implementation •Insufficient own financial resources 	<ul style="list-style-type: none"> •Staff highly motivated •Provision of venue •Link to other stakeholders
Employers	<ul style="list-style-type: none"> •Provision of jobs •Setting frame-work conditions for staff •Provision of social security •Development of technologies 	<ul style="list-style-type: none"> •Supply of highly qualified staff •Improvement of productivity •Improvement of product quality •Improvement of work-flow organisation 	<ul style="list-style-type: none"> •Competition through subsidised production in training centres •Low quality of training •Training costs partly covered by companies 	<ul style="list-style-type: none"> •Provision of jobs •Provision of internships •Collaboration in the design of the training •Collaboration in the final exams
Youth	<ul style="list-style-type: none"> •General education •Social responsibility 	<ul style="list-style-type: none"> •Enhancement of skills •employment 	<ul style="list-style-type: none"> •Lack of jobs, lack financial resources for training fees 	<ul style="list-style-type: none"> •Application of the new skills

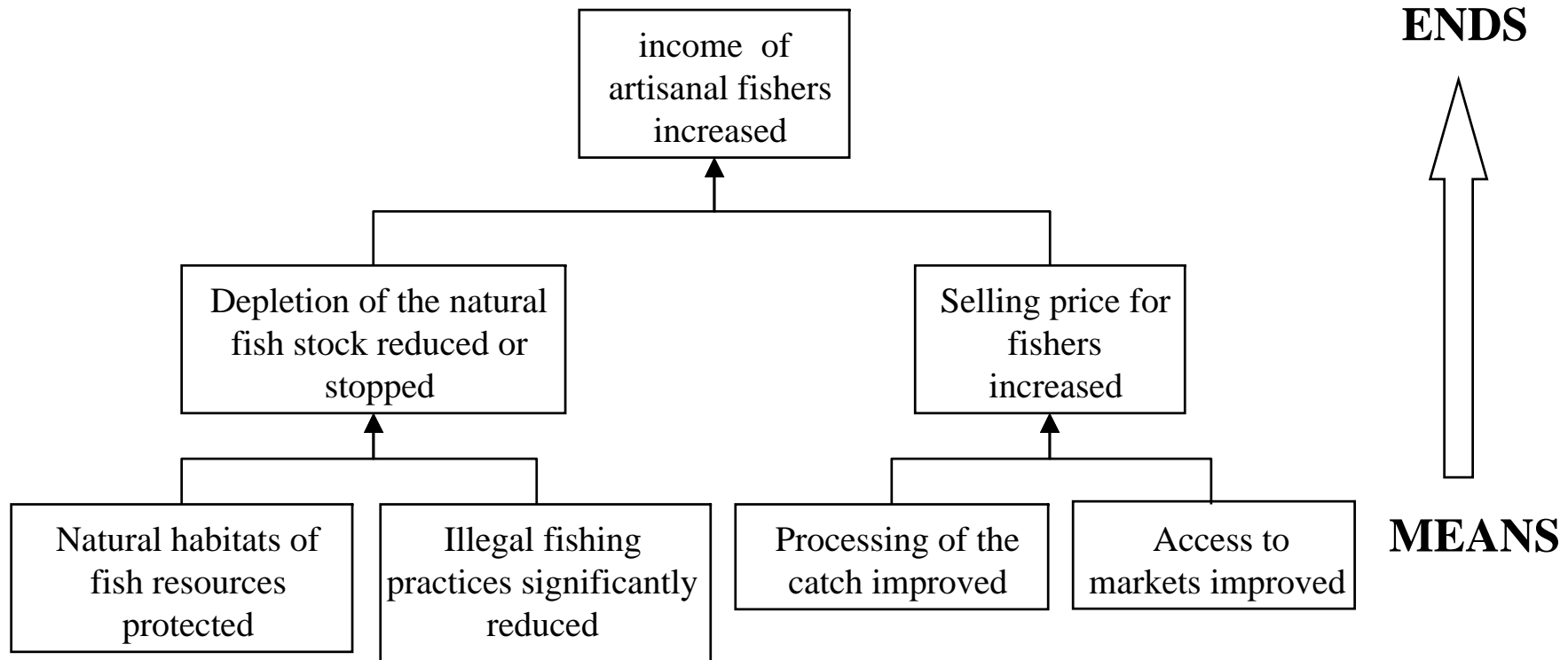
Problem Analysis (III)

The problem tree helps to establish the cause/effect relation between problems

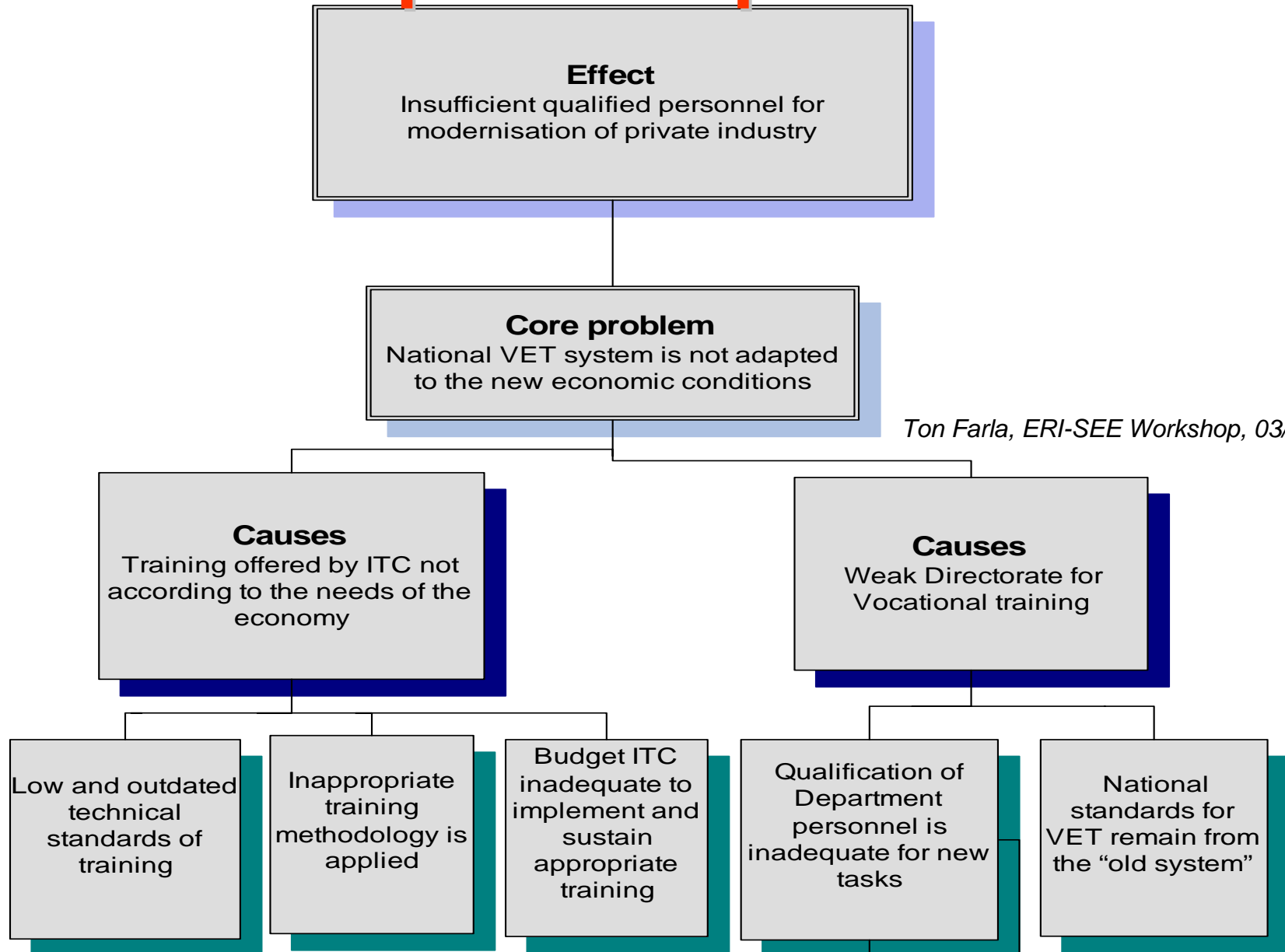


Analysis of Objectives

Convert the problems into positive achievements through means/ends relationships



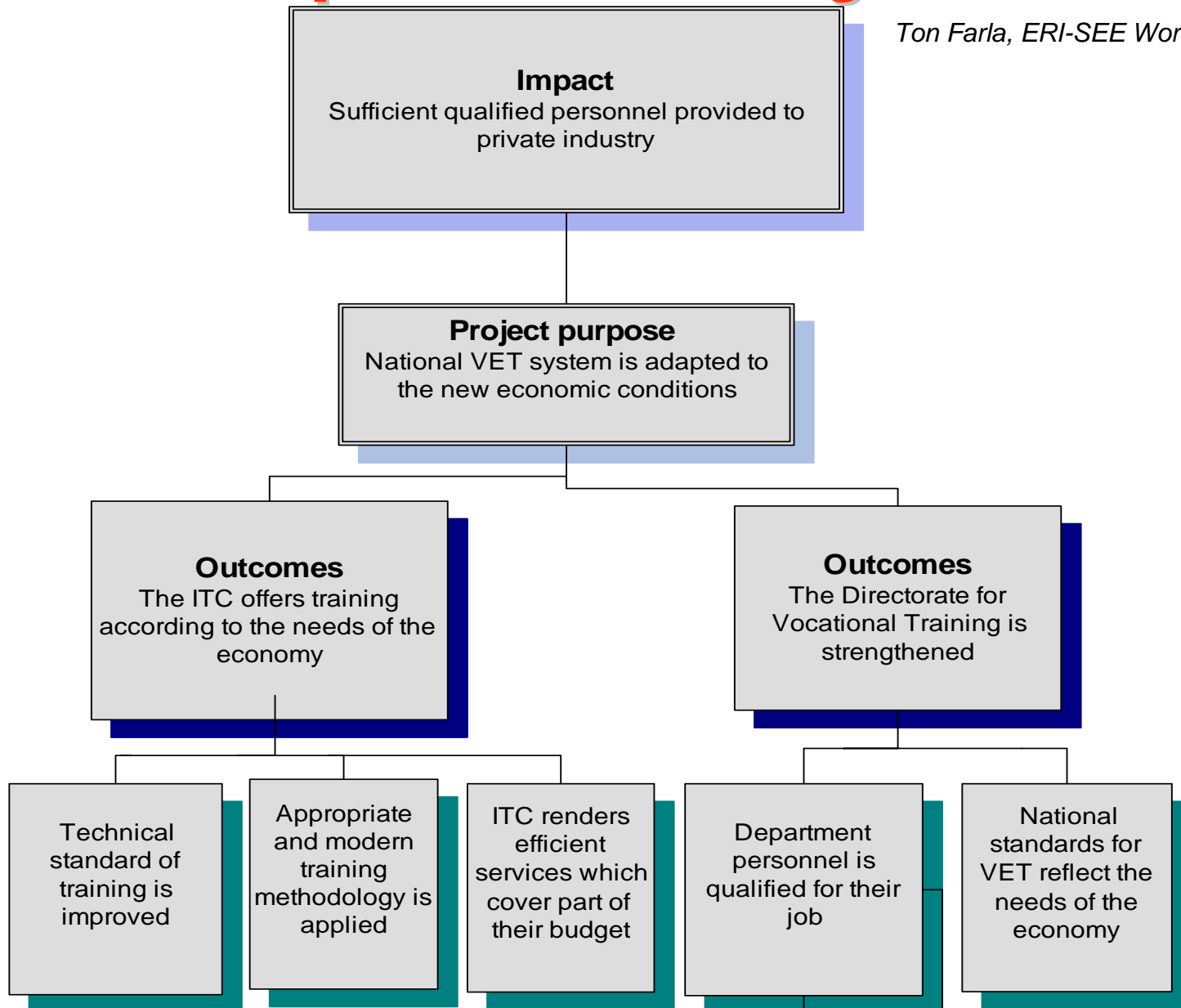
An example of a problem tree



Ton Farla, ERI-SEE Workshop, 03/07/2007.

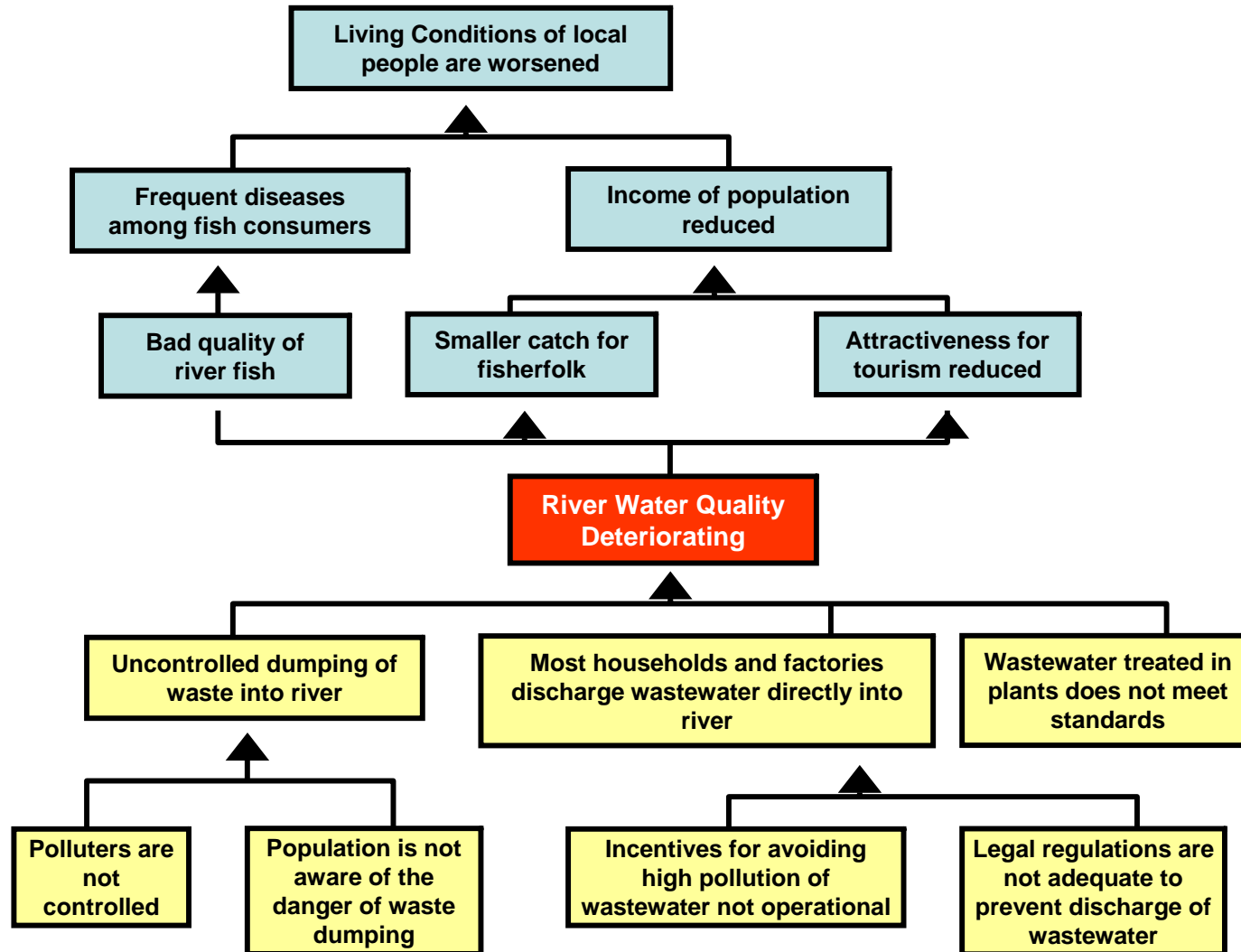
An example of an Objective tree

Ton Farla, ERI-SEE Workshop, 03/07/2007.

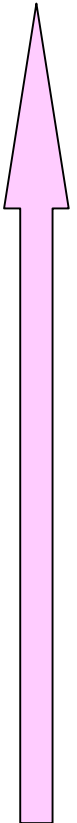


Problem analysis (hierarchy)

A procedure which allows to (1) Analyse an existing situation. (2) Identify key problems in this context (= negative existing situations). (3) Establishing cause-effect relations between problems in tree/hierarchy



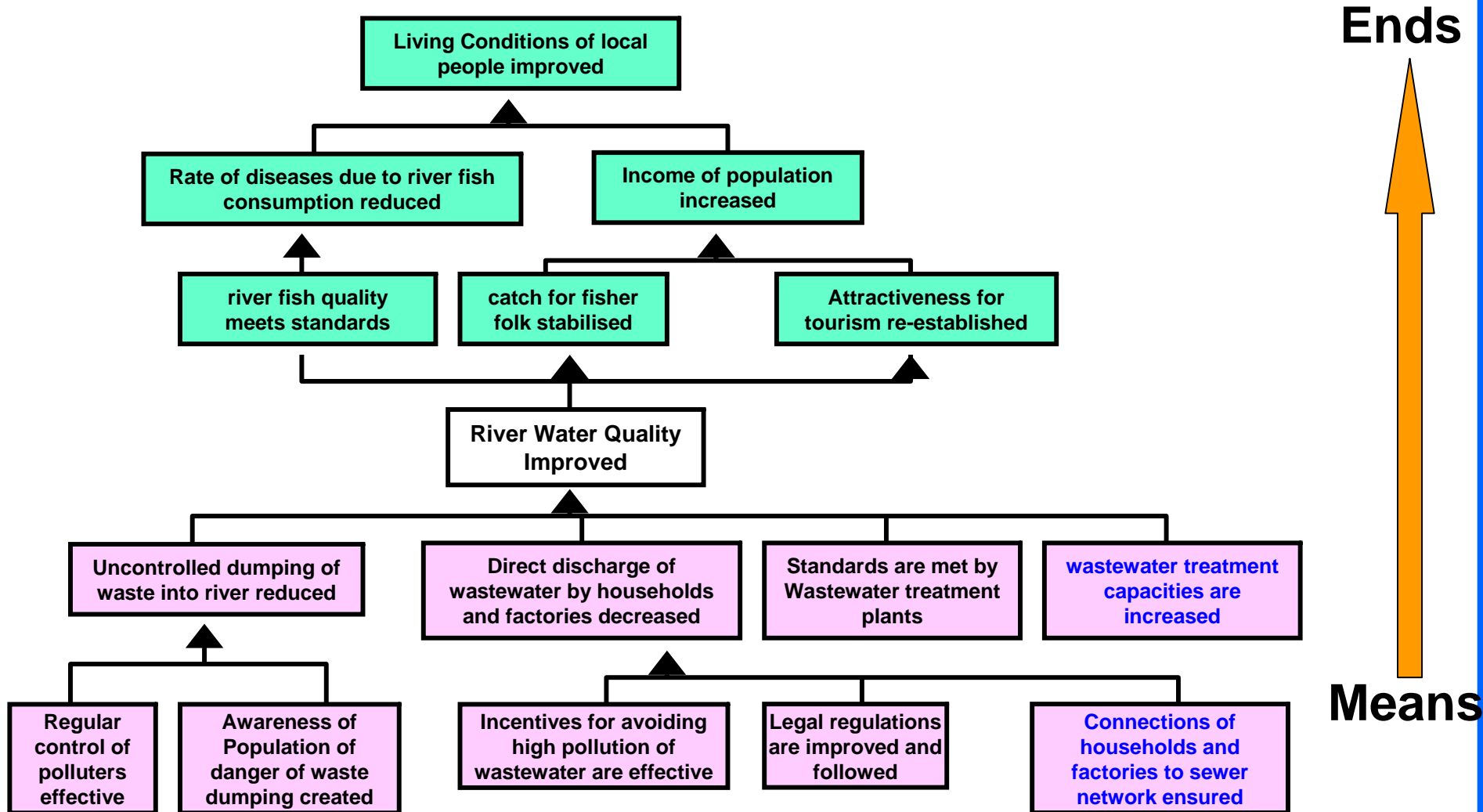
Effects



Causes

Objectives tree

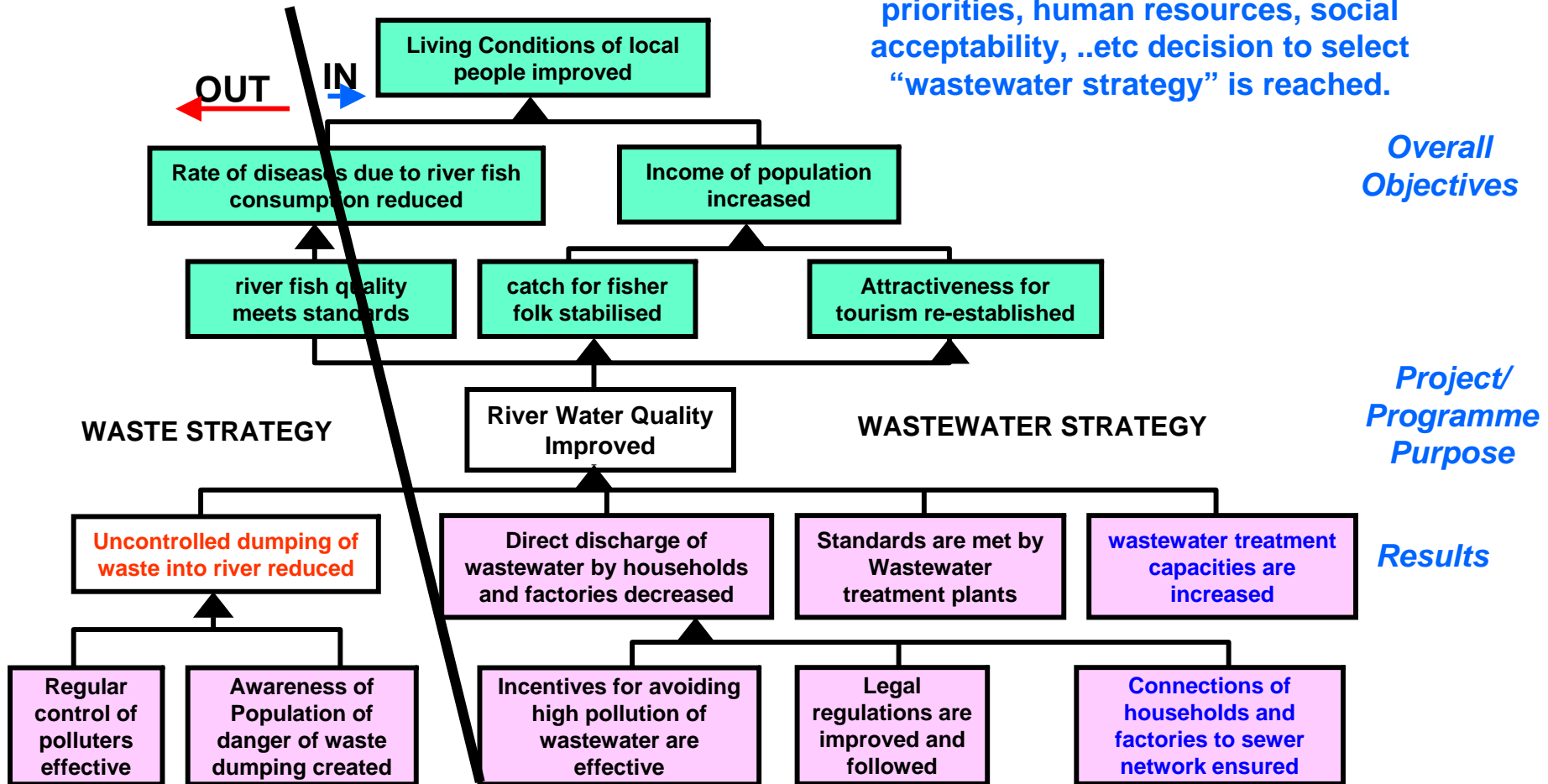
A technique to (1) describe the future situation that will be achieved by solving the problems. (2) identify potential solutions for a given situation. (3) turn the negative aspects into positive ones (desired, realistic)



Analysis of Strategies

A technique to (1) identify possible solutions that could form a project strategy (2) select one or more strategies (3) decide upon the strategy to form the project

Based on urgency, budget, policy priorities, human resources, social acceptability, ..etc decision to select "wastewater strategy" is reached.



Essential management tools

- An information package for applicants
 - the agency's mission, priorities, and eligibility criteria
- A questionnaire for eligibility screening
 - along with instructions to applicants and a checklist for staff
- A full application form, along with
 - instructions to applicants on how to fill it in
 - instructions to staff on how to use the information and data provided in the project proposals
- Methodological guidelines for staff for conducting a cost-effectiveness analysis
- A project fiche, to synthesise information and to report to the decision-making body
- A manual of operational rules and procedures for staff
- A database for project cycle management (modular)