

PCM Useful Glossary

Action Programme A general term used to describe the contents of a Financing Proposal which presents a programme/package of projects for financing approval at the end of the Identification stage of the project cycle.

Activities In the context of the Logframe Matrix, these are the actions (tasks) that have to be taken to produce results.

Activity Schedule A Gantt chart, a graphic representation similar to a bar chart, setting out the timing, sequence and duration of project Activities. It can also be used to identify milestones for monitoring progress, and to assign responsibility for achievement of milestones.

Analysis of Objectives Identification and verification of future desired benefits to which the beneficiaries and target groups attach priority. The product of an analysis of objectives is the objective tree/hierarchy of objectives.

Analysis of Strategies Critical assessment of the alternative ways of achieving objectives, and selection of a set of 'feasible' objective clusters for inclusion in the proposed project.

Appraisal Analysis of a proposed project to determine its merit and acceptability in accordance with established quality criteria. In the context of the EC's Project Cycle, appraisal is carried out both during project identification and formulation, prior to the submission of a Financing Proposal. At Headquarters level, appraisal should generally involve input from the Quality Support Group.

Assumptions External factors which could affect the progress or success of the project, but over which the project manager has no direct control. They form the 4th column of the Logframe, and are formulated in a positive way, e.g.: "Reform of penal procedures successfully implemented". If formulated as negative statements, assumptions become 'risks'.

Audit The objective of an audit (i.e. an assurance engagement) is for an auditor to evaluate or measure a subject that is the responsibility of another party against identified suitable criteria, and to express a conclusion (i.e. opinion) that provides the intended user with a level of assurance about that subject. In other words: auditing is measuring facts against criteria and reporting a conclusion.

Bar Chart See "Gantt Chart".

Beneficiaries Are those who benefit in whatever way from the implementation of the project. Distinction may be made between:

(a) Target group(s): the group/entity who will be immediately positively affected by the project at the Project Purpose level;

(b) Final beneficiaries: those who benefit from the project in the long term at the level of the society or sector at large, e.g. "children" due to increased spending on health and education, or "consumers" due to improved agricultural production and marketing.

Budgetary aid Budgetary aid is a resource transfer from the donor directly to the partner government (into the consolidated account). The resources can be either non-targeted or targeted. Targeted budget aid requires that resources only be used for specific lines of the national budget (such as supply of medicines, building of schools, provision of educational supplies, etc).

Commission The European Commission.

Commitment A commitment is a formal decision taken by the Commission to set aside a certain amount of money for a particular purpose. No expenditure can be incurred in excess of the authorised commitment.

Contractor The public or private organisation, consortium or individual with whom the contracting authority enters into a contract. The firm, individual or consortium to which a contract is awarded.

Costs Costs are the translation into financial terms of all the identified resources ("Means").

Cost-benefit analysis Cost-benefit analysis involves the valuation of the flow of the project's costs and benefits over time to determine the project's return on investment. A comparison is made between the situation 'with' and 'without' the project to determine the net benefit of the project.

Cost effectiveness analysis Cost-effectiveness analysis is used to choose between variants of a project or between alternative projects whose purpose or results are identical or comparable. It allows a decision to be made as to the most effective way to deliver an established set of benefits which are not easily valued in monetary terms (i.e for non-tangible products).

Country Strategy Papers Country Strategy Papers (CSPs) are an instrument for guiding, managing and reviewing EC assistance programmes. The purpose of CSPs is to provide a framework for EU assistance programmes based on EU/EC objectives, the Partner Country government policy agenda, an analysis of the partner country's situation, and the activities of other major partners. CSPs are drawn up for all ACP, MEDA (except Cyprus, Malta and Turkey) and ALA countries.

Country Support Strategy Term used as a synonym for Country Strategy Papers (CSP).

DAC Development Assistance Committee of the OECD (Organisation for Economic Co-operation and Development).

Delegation The diplomatic office representing the European Commission accredited to countries or international institutions at the level of an Embassy. The Head of Delegation is often called Delegate or Ambassador.

Development Indicators The OECD, the United Nations and the World Bank have agreed to focus on a series of key goals in partnership with developing countries. These goals have been endorsed by major international conferences. A system for tracking progress has also been agreed. A core set of indicators will be used _ at a global level _ to monitor performance and adjust development strategies as required. In terms of development policy, the following terminology is applied for indicators:

- *Input* indicators measure the financial, administrative and regulatory resources provided by the Government and donors. It is necessary to establish a link between the resources used and the results achieved in order to assess the efficiency of the actions carried out. *E.g.: Share of the budget devoted to education expenditure, abolition of compulsory school uniforms*
- *Output* indicators measure the immediate and concrete consequences of the measures taken and resources used: *E.g.: Number of schools built, number of teachers trained*. In the EC's Logframe structure these 'outputs' are referred to as 'results'.
- *Outcome* indicators measure the results in terms of target group benefits. *E.g.: school enrolment, percentage of girls among the children entering in first year of primary school*
- *Impact* indicators measure the long-term consequences of the outcomes. They measure the general objectives in terms of national development and poverty reduction. *E.g.: Literacy rates*

Economic analysis Economic analysis assesses projects from the view of society as a whole (the national economy). Costs are defined as economic resources lost by the national economy (foreign currency losses), while benefits are defined as the new incomes distributed to domestic entities (i.e. contribution to the growth of the economy), to which may be added increases in domestic consumption.

Effectiveness The contribution made by the project's results to the achievement of the project purpose

Efficiency The fact that the results were obtained at reasonable cost, i.e. how well means and activities were converted into results, and the quality of the results achieved.

European Commission The executive arm of the European Union. It initiates European Union policy and implements programmes and policies established by the EU legislative and budgetary authorities.

Evaluation A periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination with a view to drawing lessons that may guide future decision-making.

Evaluation Phase The sixth and final phase of the project cycle during which the project is examined against its objectives, and lessons are used to influence future actions.

Feasibility Addresses the issue whether the project objectives can really be achieved

Feasibility Study A feasibility study, conducted during the Formulation phase, verifies whether the proposed project is well-founded, and is likely to meet the needs of its intended target groups/beneficiaries. The study should design the project in full operational detail, taking account of all policy, technical, economic, financial, institutional, management, environmental, socio-cultural, and gender-related aspects. The study will provide the European Commission and partner government with sufficient information to justify acceptance, modification or rejection of the proposed project for financing.

Financial Analysis Financial analysis involves comparison of the actual **costs** of the project (operating and investment expenses) with the **benefits** of the project (revenues generated).

Financing Agreement/ The document signed between the European Commission and the partner

Memorandum country or countries subsequent to a financing decision. It includes a description of the particular project or programme to be funded. It represents the formal commitment of the European Union and the partner country to finance the measures described.

Financing Memorandum See "Financing Agreement".

Financing Phase The fourth phase of the project cycle during which projects are approved for financing.

Financing Proposal Financing proposals are draft documents, submitted by the Commission's services to the relevant Financing Committee for opinion and to the Commission for decision. They describe the general background, nature, scope and objectives and modalities of measures proposed and indicate the funding foreseen. After having received the favourable opinion of the Financing

Committee, they are the subject of the Commission's subsequent financing decision and of the Financing Agreement which is signed with the respective partner country.

Formulation Phase The formulation phase is the 3rd stage of the project cycle. The primary purpose of this phase is to: (i) confirm the relevance and feasibility of the project idea as proposed in the Identification Fiche or Project Fiche; (ii) prepare a detailed project design, including the management and coordination arrangements, financing plan, cost-benefit analysis, risk management, monitoring, evaluation and audit arrangements; and (iii) prepare a Financing Proposal (for individual projects) and a financing decision.

Fungibility Fungibility refers to the fact that donor funding of a project that government would have undertaken anyway (even if the donor funding were not available) has the effect of freeing government resources to be used for other purposes. The total effect of donor support therefore depends on how government uses these freed resources and not on the specific project or programme against which the development assistance is specifically earmarked. Agreement on overall public expenditure priorities is a way of ensuring that fungibility does not compromise the objectives of the providers of the development assistance.

Gantt Chart A method of presenting information graphically, often used for activity scheduling. Similar to a bar chart.

Gender The social differences that are ascribed to and learned by women and men, and that vary over time and from one society or group to another. Gender differs from sex, which refers to the biologically determined differences between women and men.

Gender Analysis EU policy on gender mainstreaming in development co-operation requires the integration of gender analysis at macro, meso and micro levels, throughout the project cycle. A gender analysis allows the identification and integration of the dynamics of change in a given situation, as well as the monitoring of their evolution, particularly in relation to the disparities between women and men. A gender analysis includes attention to: the different roles (productive, reproductive, decision-making) of women and men; their differential access to and use of resources and their specific needs, interests and problems; and the barriers to the full and equitable participation of women and men in project Activities and to equity between women and men in the benefits obtained.

Gender Equality The promotion of equality between women and men in relation to their access to social and economic infrastructures and services and to the benefits of development is vital. The objective is reduced disparities between women and men, including in health and education, in employment and economic activity, and in decision-making at all levels. All programmes and projects should actively contribute to reducing gender disparities in their area of intervention.

Hierarchy of Objectives A diagrammatic representation of the proposed project interventions planned logically, following a problem analysis, and showing a means to ends relationship. Synonym: Objectives tree.

Identification Phase The second phase of the project cycle. It involves the initial elaboration of the project idea in terms of its relevance and likely feasibility, with a view to determining whether or not to go ahead with a feasibility study (Formulation).

Impact The effect of the project on its wider environment, and its contribution to the wider sector objectives summarised in the project's Overall Objective, and on the achievement of the overarching policy objectives of the EC.

Impact Indicators See “Development Indicators”

Implementation Phase The fifth phase of the project cycle during which the project is implemented, and progress towards achieving objectives is monitored.

Inception Period The period from project start-up until the writing of the inception report, usually two to three months.

Inception Report The first report produced at the end of the inception period, which updates the project design and or the terms of reference and sets the work plan for the rest of the project.

Indicative Programmes These are prepared by the European Commission in co-ordination with partner country governments. They provide general guidelines and principles for co-operation with the European Union. They specify focal sectors and themes within a country or region and may set out a number of project ideas.

Indicators See “Objectively Verifiable Indicators” and “Development Indicators”.

Input indicators See “Development Indicators”

Inputs See “Means”.

Integrated Approach The continuous examination of a project throughout all the phases of the project cycle, to ensure that issues of relevance, feasibility and sustainability remain in focus.

Intervention Logic The strategy underlying the project. It is the narrative description of the project at each of the four levels of the ‘hierarchy of objectives’ used in the Logframe.

Logframe The matrix in which a project’s Intervention Logic, Assumptions, Objectively Verifiable Indicators and Sources of Verification are presented.

Logical Framework Approach (LFA) A methodology for planning, managing and evaluating programmes and projects, involving stakeholder analysis, problem analysis, analysis of objectives, analysis of strategies, preparation of the Logframe matrix and Activity and Resource Schedules.

Means Means are physical and non-physical resources (often referred to as “Inputs”) that are necessary to carry out the planned Activities and manage the project. A distinction can be drawn between human resources and material resources.

Medium Term A medium term expenditure framework is a system for planning actions

Expenditure Framework and programming spending over a 3 to 5 year period. It reconciles systematically the achievement of strategic objectives with respect for aggregate resource limits. It must be clear, realistic, comprehensive and endorsed at a senior political level.

Milestones A type of OVI providing indications for short and medium-term objectives (usually Activities), which facilitate measurement of achievements throughout a project rather than just at the end. They also indicate times when decisions should be made or action should be finished.

Monitoring The systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making.

Objective In its generic sense it refers to Activities, Results, Project Purpose and Overall Objective.

Objective Tree A diagrammatic representation of the situation in the future once problems have been remedied, following a problem analysis, and showing a means to ends relationship.

Objectively Verifiable Indicators (OVI) Measurable indicators that will show whether or not objectives have been achieved at the three highest levels of the logframe. OVIs provide the basis for designing an appropriate monitoring system.

Outcome Indicators See Development Indicators

Output Indicators See Development Indicators

Overall Objective The Overall Objective explains why the project is important to society, (**also sometimes** in terms of the longer-term benefits to final beneficiaries and the wider **known as the 'Goal'**) benefits to other groups. They also help to show how the project/programme fits into the regional/sector policies of the government/organisations concerned and of the EC, as well as into the overarching policy objectives of EC co-operation. The Overall Objective will not be achieved by the project alone (it will only provide a contribution), but will require the contributions of other programmes and projects as well.

Pre-conditions Conditions that have to be met before the project can commence, i.e. start with Activities. Pre-conditions (if any) are attached to the provision of aid.

Pre-feasibility Study The pre-feasibility study, conducted during the identification phase, ensures that all problems are identified and alternative solutions are appraised, and selects a preferred alternative on the basis of Quality Factors. The study will provide the European Commission and partner government with sufficient information to justify acceptance, modification or rejection of the proposed project for further appraisal.

Problem Analysis A structured investigation of the negative aspects of a situation in order to establish causes and their effects.

Problem Tree A diagrammatic representation of a negative situation, showing a cause effect relationship.

Programme Can have various meanings, either: (i) a set of projects put together under the overall framework of a common Overall Objective/Goal; (ii) an ongoing set of initiatives/services that support common objectives (i.e a Primary Health Care Programme); or (iii) a Sector Programme, which is defined by the responsible government's sector policy (i.e a Health Sector Programme).

Programming Phase The first phase of the project cycle during which the Indicative Programme is prepared. See also "Indicative Programme".

Progress Report An interim report on progress of work on a project submitted by the project management/contractor to the partner organisation and the Commission within a specific time frame. It includes sections on technical and financial performance. It is usually submitted quarterly or six monthly.

Project A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.

Project Cycle The project cycle follows the life of a project from the initial idea through to its completion. It provides a structure to ensure that stakeholders are consulted, and defines the key decisions, information requirements and responsibilities at each phase so that informed decisions can be made at each phase in the life of a project. It draws on evaluation to build the lessons of experience into the design of future programmes and projects.

Project Cycle Management A methodology for the preparation, implementation and evaluation of projects and programmes based on the principles of the Logical Framework Approach.

Project Partners Those who implement projects in the partner country (government ministries and departments, Non Government Organisations, etc.).

Project Purpose The central objective of the project. The Purpose should address the core problem(s), and be defined in terms of sustainable benefits for the target group(s). For larger/complex projects there can be more than one purpose (i.e one per project component)

Quality Frame – The Quality Frame is a tool for supporting consistent and structured

including Quality Attributes, assessment of the quality of projects as they pass through the phases of **Criteria and Standards** the project cycle. It consists of a matrix which contains a set of 3 key Quality Attributes (Relevant, Feasible and Effective & Well Managed) and 16 supporting Quality Criteria. Each Quality Criteria is in turn supported by a set of more detailed Quality Standards. The Quality Frame can be used either as a general checklist of key issues to be assessed/analysed at each stage of the project cycle, or it can be used as part of a more structured and formal assessment process involving independent assessors and a rating system.

Recurrent Costs Costs of operation and maintenance that will continue to be incurred after the implementation period of the project.

Relevance The appropriateness of project objectives to the real problems, needs and priorities of the intended target groups and beneficiaries that the project is supposed to address, and to the physical and policy environment within which it operates.

Resource Schedule A breakdown of the required project resources/means linked to Activities and Results, and scheduled over time. The resource schedule provides the basis on which costs/budget and cash flow requirements can be established.

Results In the EC's Logframe Matrix hierarchy of objectives, Results are the tangible products & services delivered as a consequence of implementing a set of Activities. The hierarchy of objectives used by some other donors (and indeed within the context of some EC programmes) refer to these results as 'Outputs'.

Risks See also "Assumptions". Risk is the probability that an event or action may adversely affect the achievement of project objectives or activities. Risks are composed of factors internal and external to the project, although focus is generally given to those factors outside project management's direct control.

Sector Approach A Sector Approach is defined as a way of working together between government and development partners. The aim is to broaden Government ownership over public sector policy and resource allocation decisions within the sector, to increase the coherence between policy,

spending and results and to reduce transaction costs. It involves progressive development of a comprehensive and coherent sector policy and strategy, or a unified public expenditure framework for local and external resources and of a common management, planning and reporting framework.

Sector Policy A Sector Policy Support Programme (SPSP) is a programme of the European

Support Programme Commission by which financial support is provided to the partner Government's Sector Programme. An SPSP may follow three types of operating (financing) modality, namely: (i) Sector Budget Support; (ii) Financial contributions to pooled Common Funds which fund all or part of the Sector Programme; and (iii) Commission specific procedures (European Commission budget or EDF).

Sector Programme As a result of following a Sector Approach, Governments in consultation with partner donors and other stakeholders may develop a sector policy and action plan. This is identified as a Sector Programme if it includes the following three components: (i) an approved sectoral policy document; (ii) a sectoral medium term expenditure framework; and (iii) a coordination process amongst the donors in the sector, led by the Government.

Sources of Verification They form the third column of the logframe and indicate where and in what form information on the achievement of the Overall Objective, the Project Purpose(s) and the Results can be found (described by the Objectively Verifiable Indicators). They should include summary details of the method of collection, who is responsible and how often the information should be collected and reported.

Stakeholder Analysis Stakeholder analysis involves the identification of all stakeholder groups likely to be affected (either positively or negatively) by the proposed intervention, the identification and analysis of their interests, problems, potentials, etc. The conclusions of this analysis are then integrated into the project design.

Stakeholders Any individuals, groups of people, institutions or firms that may have a relationship with the project/programme are defined as stakeholders. They may – directly or indirectly, positively or negatively – affect or be affected by the process and the outcomes of projects or programmes. Usually, different sub-groups have to be considered.

Sustainability The likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended. Key factors that impact on the likelihood of sustainability include: (i) ownership by beneficiaries; (ii) policy support/consistency; (iii) appropriate technology; (iv) environment; (v) socio-cultural issues; (vi) gender equity; (vii) institutional management capacity; and (viii) economic and financial viability.

SWOT Analysis Analysis of an organisation's **S**trengths and **W**eaknesses, and the **O**pportunities and **T**hreats that it faces. A tool that can be used during all phases of the project cycle.

Target Group(s) The group/entity who will be positively affected by the project at the Project Purpose level.

Technical Assistance Specialists, consultants, trainers, advisers, etc. contracted for the transfer of know-how and skills and the creation and strengthening of institutions.

Terms of Reference Terms of Reference define the tasks required of a contractor and indicate project background and objectives, planned Activities, expected inputs and results/outputs, budget, timetables and job descriptions.

Transaction Costs The concept of transaction costs aims to capture the aggregate costs of the administrative activities involved in managing development assistance, which have no value either to the recipient of assistance or to the donor other than to permit an aid transfer to take place. All development assistance will have some transaction costs and, in most cases, these will be shared by donors and recipients. Sector programmes and budgetary aid aim to minimize transaction costs either by reducing their sum total or by altering the way these costs are shared (to the benefit of the recipient).

Transparency Transparency implies that information is available in the public domain, and is accessible both in terms of its location and presentation – in a format and language that can be widely understood.

Work plan The schedule that sets out the Activities (and may include the Resources) necessary to achieve a project's Results and Purpose.