

# PROJECT MANAGEMENT

Steps to ensure sound management

Maria João Filgueiras-Rauch

Malta 16.01.2008

# What is a project?

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

A project should also have:

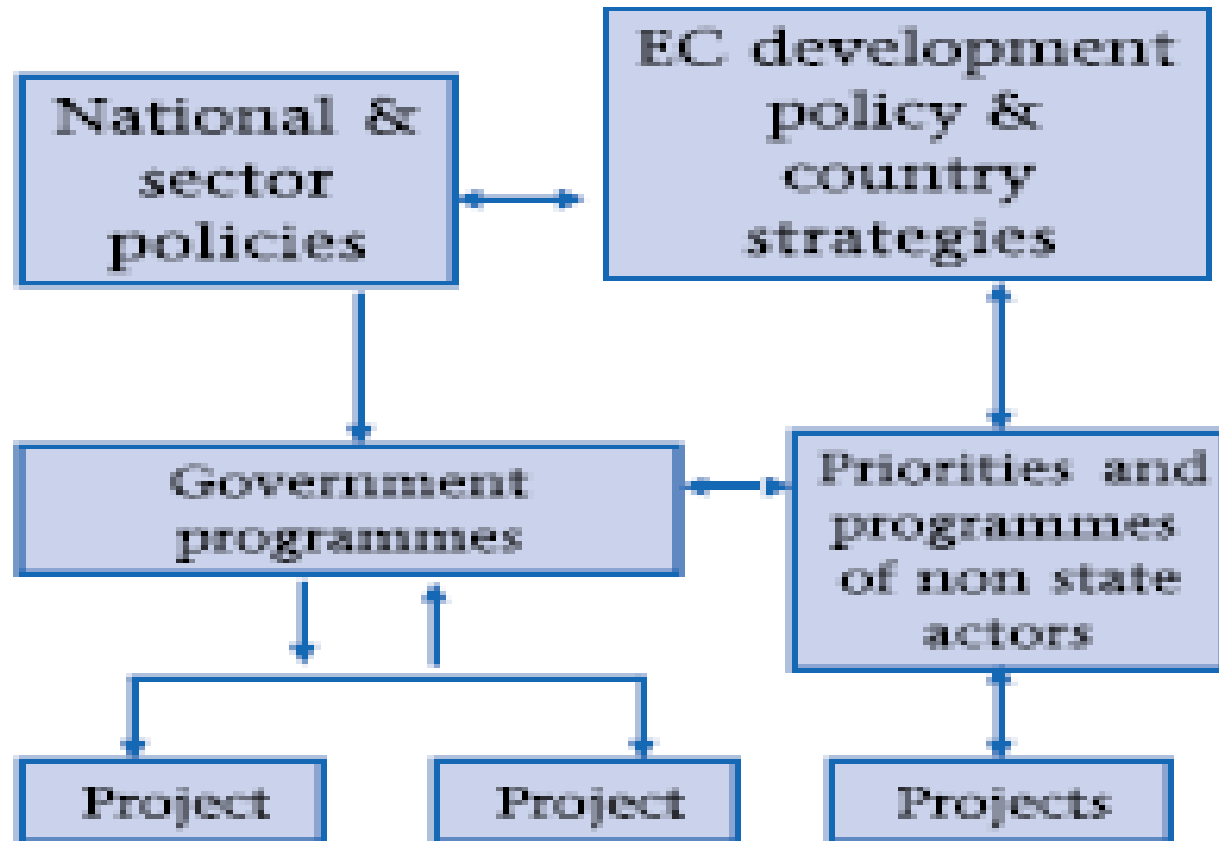
- Clearly identified stakeholders, including the primary target group and the final beneficiaries
- Clearly defined coordination, management and financing arrangements
- A monitoring and evaluation system (to support performance management) and
- An appropriate level of financial and economic analysis, which indicates that the project's benefits will exceed its costs

Development projects are a way of clearly defining and managing investments and change processes.

# Projects:

- deal with complex and innovative tasks requiring cooperation between a number of specialists/disciplines – team approaches
- As solution-finder usually component of larger or comprehensive or area programme responsible for providing required supplies and services to sustain the solution found.

# Projects Context



# Project Cycle Management (PCM)

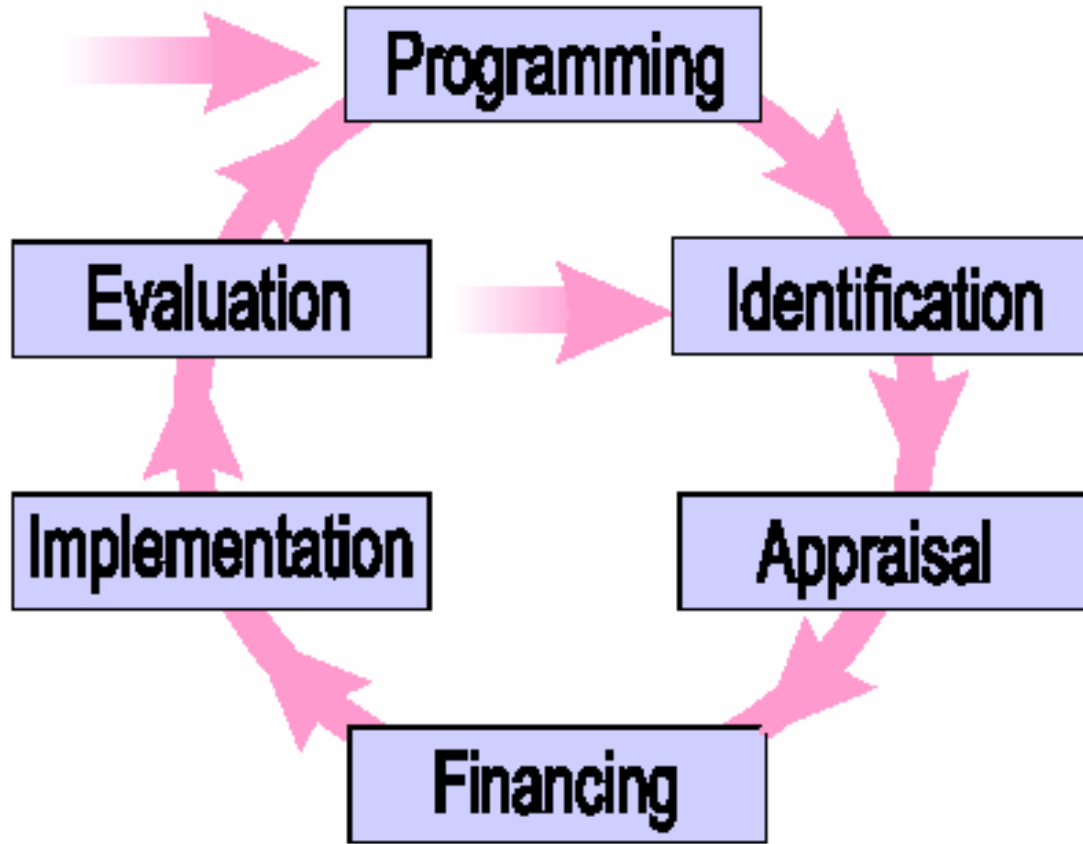
- introduced by the European Commission in the early 1990's to improve the quality of project design and management and thereby to improve aid effectiveness.
- PCM developed out of an analysis of the effectiveness of development aid undertaken by the OECD Development Assistance Committee during the late 1980's

# Project Cycle Management (PCM)

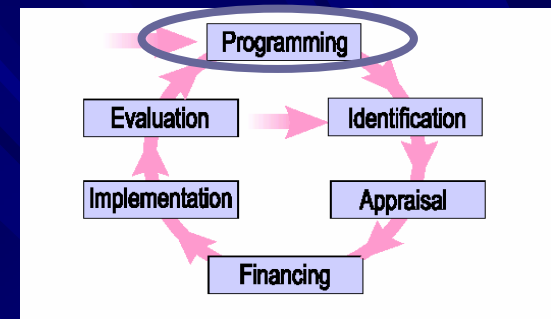
Evaluation findings from DAC members indicated a significant proportion of development projects performed poorly due to:

- Poor project planning and preparation (80%)
- Not relevant to beneficiaries
- Risks insufficiently taken into account
- Factors affecting the longer-term sustainability of project benefits ignored
- Lessons from past experience rarely incorporated into new policy and practice

# Project Cycle Management

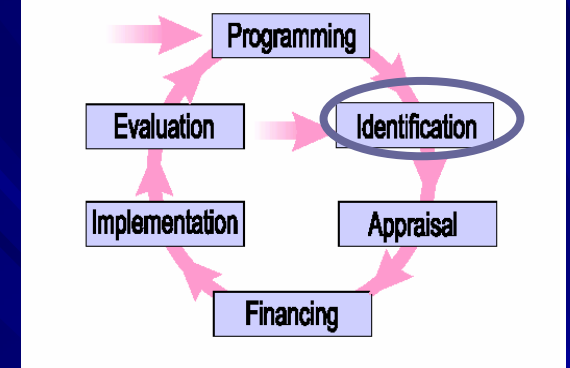


# Programming:



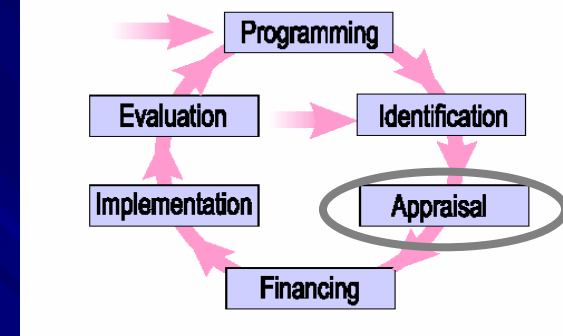
- National and sector level situation analysed to identify problems, constraints and opportunities.
- It involves a review of socio-economic indicators, and of national priorities.
- To identify and agree the main objectives and sector priorities and to provide a relevant and feasible programming framework for projects
- For each of these priorities strategies will be formulated taking account of the lessons of past experience.

# Identification:



- Ideas for projects and other actions identified and screened for further study
- Consultation with the intended beneficiaries of each action, analysis of faced problems and identification of options to address problems.
- Decision on the relevance of each project idea (both to beneficiaries and to programming framework), and on which ideas are further studied during Formulation phase.

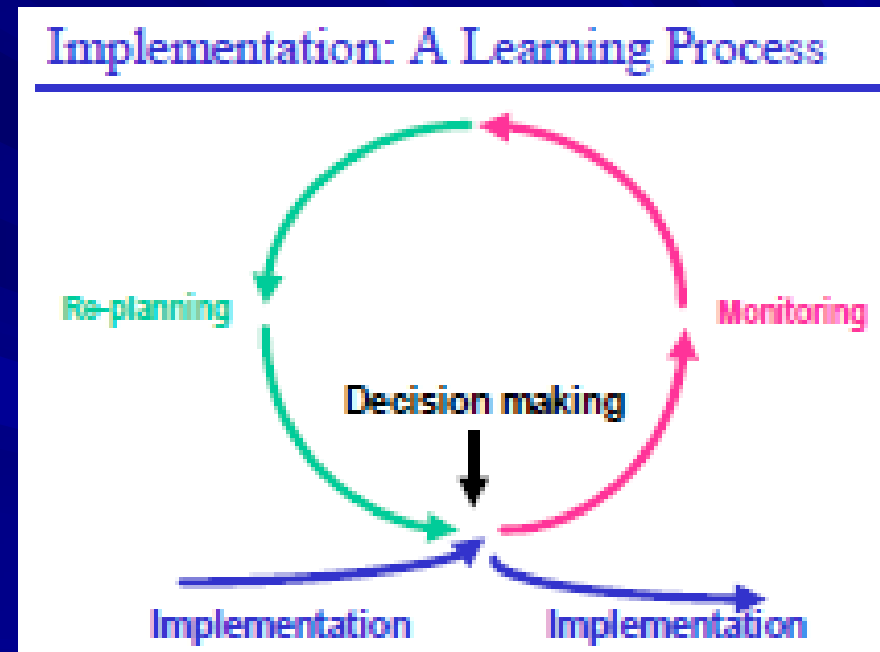
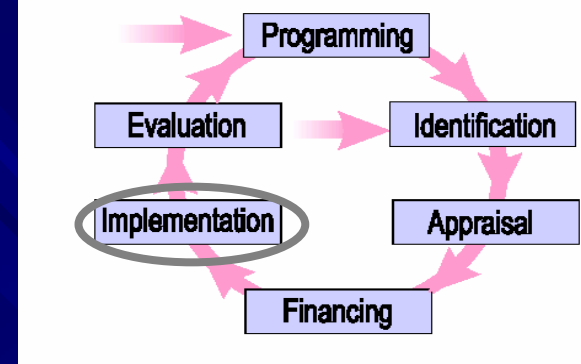
# Appraisal/Formulation:



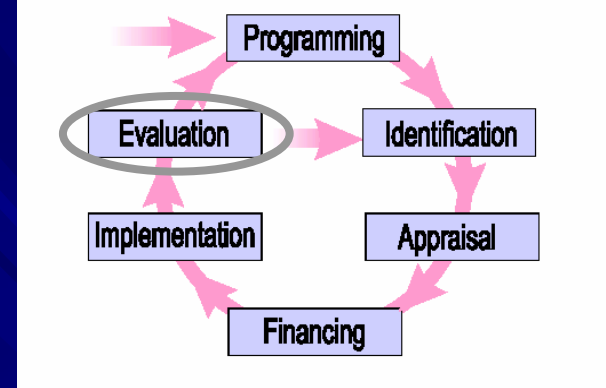
- Relevant project ideas are developed into project proposals
- Beneficiaries and other stakeholders participate in specification of the idea to assess its feasibility (likely to succeed?) and sustainability (likely to generate long-term benefits for beneficiaries?)
- decision on drawing up a formal financing proposal and seek respective funding

# Implementation:

- Procurement and contracting
- Management and supervision
- Monitoring
- Risk Management
- Financial management
- Testing and closure



# Evaluation



Assess the project to identify what has been achieved, and to identify lessons that have been learned.

Evaluation findings are used to improve the design of future projects (or programmes).

Although in the generic cycle the evaluation comes after implementation, a mid-term evaluation during implementation can occur, to identify lessons that can be applied during the remaining life of the project.

# PCM principles

- Use Logical Framework Approach to analyse problems and work suitable solutions
- Quality production of key documents in each phase ensuring structured and well informed decision making
- Consulting and involving key stakeholders
- Clearly formulate and focus of Operation Purpose
- Incorporation of key quality issues into design from beginning

# Logical Framework Matrix

## Tool

- that reflects the causal relationships between the different levels of objectives,
- how they were achieved
- and establish assumptions and risks from outside that can influence results
- for managing each project cycle phase and a **master tool** for creation of other tools such as implementation schedule and monitoring plan

# Logical Framework Matrix

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives				
Operation Purpose				
Results				
Activities		Means	Costs	
				Pre-conditions

# Logical Framework Matrix

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

# Example:

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives	Living conditions of local people improved			
Project/ Programme Purpose	River water quality improved			<ul style="list-style-type: none"> <li>-Market demand for fish remains at least stable</li> <li>-Tourists are informed about the improved situation</li> </ul>
Results	1. Direct discharge of wastewater by households and factories decreased			<ul style="list-style-type: none"> <li>-Upstream water quality remains stable</li> <li>-Uncontrolled discharge of waste into downstream at local scale</li> </ul>
Activities	1.1 Analyse environmental investments of companies 1.2 Identify relevant clean technologies 1.3 Design incentives 1.4 Test and adopt incentives 1.5 Provide incentives 1.6 Launch improvement of legal regulations and monitor their effectiveness 1.7 Connect households and factories	Means	Cost	Use of sewerage systems society accepts
			Pre-conditions	Construction permits obtained

# Logical Framework Matrix

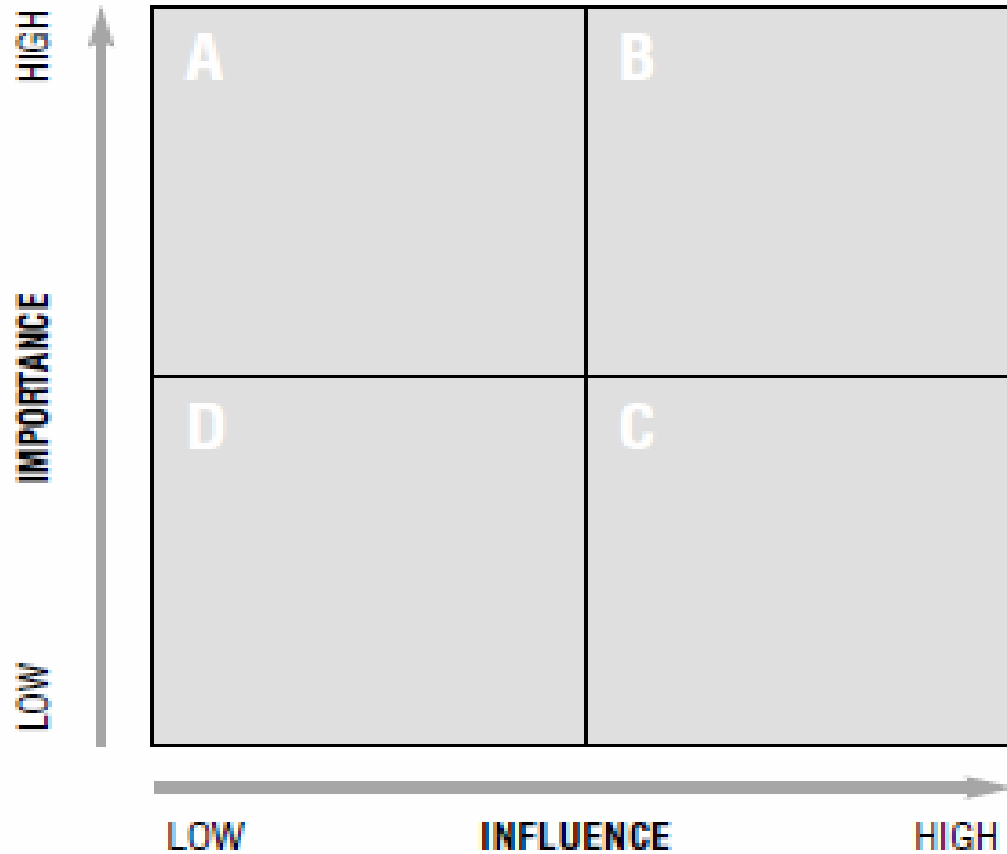
## ANALYSIS PHASE

- ↓ Stakeholder analysis - identifying & characterising potential major stakeholders; assessing their capacity
- ↓ Problem analysis - identifying key problems, constraints & opportunities; determining cause & effect relationships
- ↓ Objective analysis - developing solutions from the identified problems; identifying means to end relationships
- ↓ Strategy analysis - identifying different strategies to achieve solutions; selecting most appropriate strategy.

## PLANNING PHASE

- ↓ Developing Logical Framework matrix - defining project structure, testing its internal logic & risks, formulating measurable indicators of success
- ↓ Activity scheduling - determining the sequence and dependency of activities; estimating their duration, and assigning responsibility
- ↓ Resource scheduling - from the activity schedule, developing input schedules and a budget

# Stakeholders Analysis



# Stakeholders Analysis

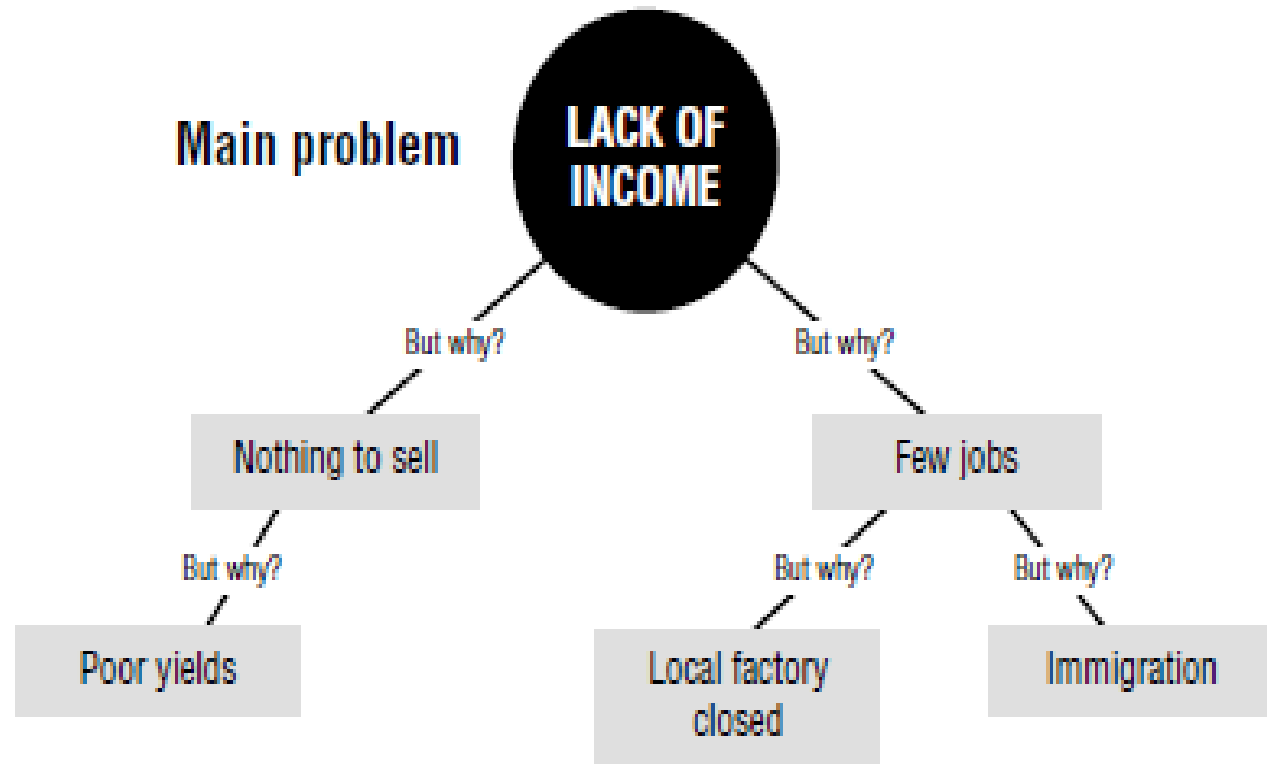
1. Identify the general development problem or opportunity being addressed/considered;
2. Identify all those groups who have a significant interest in the (potential) project;
3. Investigate their respective roles, different interests, relative power and capacity to participate (strengths and weaknesses);
4. Identify the extent of cooperation or conflict in the relationships between stakeholders; and

# SWOT Analysis

	POSITIVE	NEGATIVE
INTERNAL	STRENGTHS	WEAKNESSES
EXTERNAL	OPPORTUNITIES	THREATS

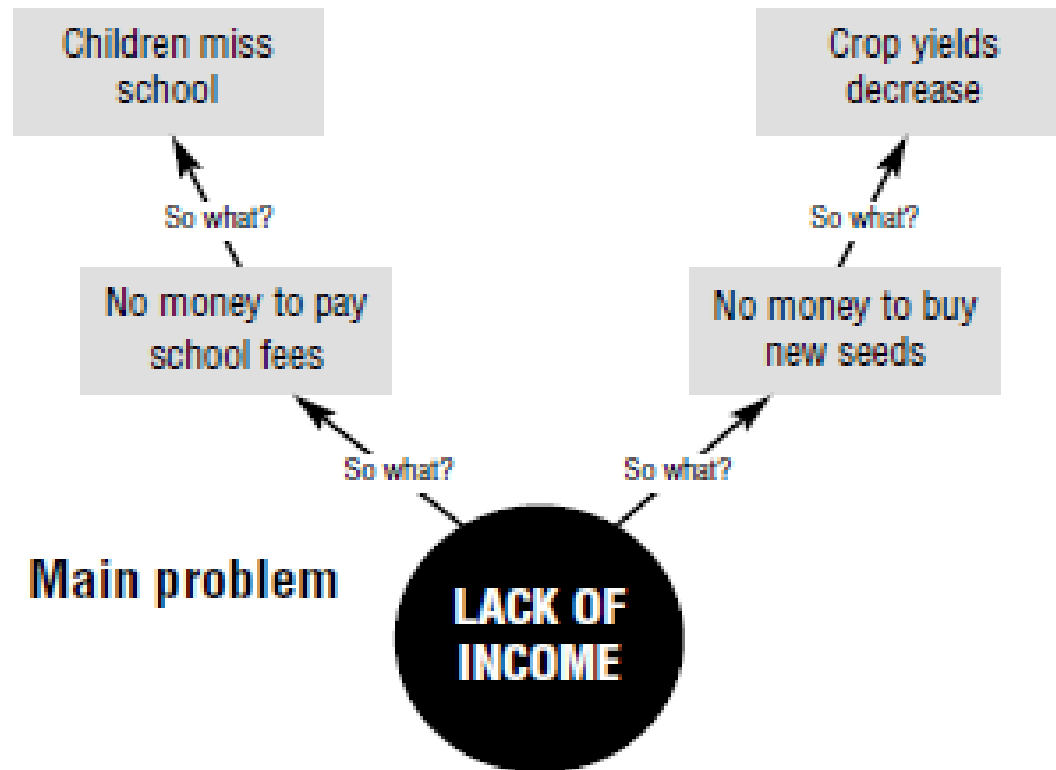
# Problem Tree

## Ex: Causes



# Problem Tree

## Ex: Effects



# Risk Management

**WHY?** - whatever the purpose of project is the delivery of its objectives will be surrounded by uncertainty - Risk

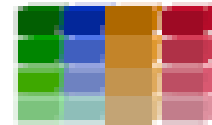
## **Risk assessment :**

- Addresses the combination of the likelihood of something happening and the impact if it happens.
- allows to actively manage potential threats to reaching objectives.

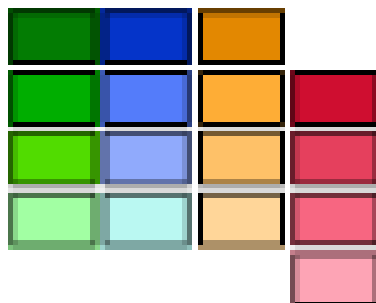
**Risk management** includes identifying and assessing risks (i.e. “the inherent risk”) and then responding to (i.e. management of) them.

# Implementation

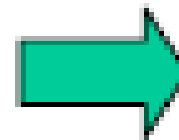
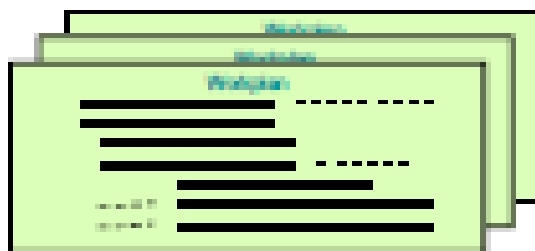
## Activity & Resource Scheduling



### Logframe



### Results-based workplans & budgets



# Preparation of activity schedule

## Steps:

- 1 – List main activities
- 2 – Break activities down into manageable tasks
- 3 – Clarify sequences and dependencies
- 4 – Estimate start-up, duration and completion of activities

# Common mistakes:

- **Omission essential activities and tasks**
- **Failure to allow sufficiently for interdependency of activities**
- **Failure to allow for resource competition**
- **Desire to impress with promises of rapid results**

# Preparation of activity schedule

- 5 – Summarise scheduling of main activities (i.e. Gantt)
- 6 – Define Milestones
- 7 – Define Expertise
- 8 – Allocate tasks among the team

# Preparing Resource Schedules

- Checklist for specifying means and scheduling costs

# Major activities PM

## ■ Quality Control

Type of information to collect, how to systematise and store

Monitoring activities (when, how, and whom)

How to use monitoring results, conclusions and recommendations

Decide whom to inform and implications

Plan evaluation involving stakeholders

# Major activities PM

- **Information , communication and reporting**
- **Financial Planning (Forecasts and reviews)**
- **Staff /Personnel Management**

Define tasks and responsibilities

Identify training needs and organise required training

Ensure team building and motivation

# REPORTING

Purpose:

- building local ownership of projects,
- Ensuring partners take on responsibility for project implementation, and
- harmonizing procedures with other donors,

# REPORTING

- focus on progress towards achieving results
- compare progress against plan = assessment of performance can be made
- briefly explain deviations from plan and highlight remedial actions taken or required
- be clear and concise = information is easily accessed and understood

# Monitoring and Evaluation

## Monitoring

Is part of day to day management

It checks objectives met, analysis changes in project environment, local strategies and policies

It allows corrective action

# Monitoring and Evaluation

## Monitoring:

- Which Activities are underway and what progress has been made (e.g. at weekly intervals)?
- At what rate are means being used and cost incurred in relation to progress in implementation (e.g. monthly)?
- Are the desired Results being achieved (e.g. quarterly update)? (efficiency)
- To what extent are these Results furthering the Project Purpose (e.g. half-yearly analysis)? (effectiveness)
- What changes in the project environment occur? Do the Assumptions hold true?

# Monitoring and Evaluation

## Evaluation:

- To generate lessons to be used in future designs
- Mainly analysis of the efficiency, effectiveness, impact, relevance and sustainability
- Mid term / Final /ExPost

# AUDIT

- Traditionally checks whether financial operations and statements are in compliance with legal and contractual obligations
- Recently *Performance Audit* is concerned with questions of efficiency and good management
- Normally external and done by professional auditors

# Successful partnership work

- Find individual and collective interests (mutual gain)
- Respect and trust
- Recognised Leadership
- Reinforced basis of participation and involvement
- Developed common vision
- Transparency (communication, information sharing, openness, interdependence)
- Patience and tolerance

# Final Recommendations:

*To ensure a good implementation be sure to have:*

- a good analysis and planning
- a clear structure with clear defined responsibilities
- adequate staff with right soft and technical competences
- good team work/participation system

# Final Recommendations:

- good partnership with necessary relevant actors
- accountability under control
- good reporting system
- flexibility to respond to changes along the way

Thank you for  
your attention.... and  
.....best wishes for your projects!

Maria João Filgueiras-Rauch  
Malta 16.01.2008