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# HANDBOOK FOR EU PROJECT DESIGN AND PROJECT CYCLE MANAGEMENT



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# **HANDBOOK FOR EU PROJECT DESIGN AND PROJECT CYCLE MANAGEMENT**

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# Table of contents

<b>I PROJECT CYCLE MANAGEMENT</b>	<b>7</b>
<b>1. Project definitions</b>	<b>7</b>
<b>2. A short description of the elements of Project Cycle Management (PCM)</b>	<b>7</b>
2.1 PCM Element Overview	8
2.2 Six phases of the project cycle	9
2.3 Participants	12
2.4 Decisions	13
2.5 Basic format of the documents used in the project cycle	13
2.6 Logical framework	14
2.7 Organizational learning	16
<b>3. Limitations of instruments and procedures of Project Cycle Management</b>	<b>16</b>
<b>II PREPARATION OF PROJECT</b>	<b>18</b>
<b>1. Analysis of the situation</b>	<b>18</b>
1.1 Problem analysis	19
1.2 Goal analysis	20
1.3 Strategy analysis	22
<b>2. Logical framework</b>	<b>23</b>
2.1 Description of the logical framework	24
2.2 Application of the logical framework	27
<b>Clarification of the important aspects of the logic of intervention</b>	<b>28</b>
<b>Selected questions of managers throughout the project cycle for the Head of Department</b>	<b>30</b>
<b>Supplemental material for PCM</b>	<b>33</b>



# I PROJECT CYCLE MANAGEMENT (EU)

## 1. Project definitions

There are many definitions of the term project, but we will only reflect upon three of them.

1. The means for a transfer of external funds in a fully oriented package of resources organized and systematized in a way that represents an answer to previously identified needs.

*\*Definition of European Commission*

2. An effort in which the human, the material and the financial resources are organized, in order to undertake a limited number of specific tasks, in a limited time period, in order to achieve a change which is expressed in qualitative and quantitative goals.

*\* Definition of the development agency DGIS - The Netherlands*

3. The project represents a basic unit of technical collaboration and refers to a limited activity intended for a gradual reaching of the goals of the organization.

*\* The most widely used definition among civic organizations.*

## 2. A short description of the elements of Project Cycle Management (PCM)

Project Cycle Management (PCM) is a method of project management through all its phases, from the first idea to the final (ex-post) assessment. The cycle phases are clearly described and the appropriate responsibilities are well defined. The key documents that follow the project cycle are designed in accordance with the logical framework method which connects the preparation and implementation of projects.

Several donors emphasize the importance of this PCM concept, although elaboration and implementation can greatly differ depending on the type, culture, and degree of organization

## 2.1. PCM Element Overview

The Project Cycle consists of mutually connected phases through which the project goes through in its duration, from the initial idea, all the way to the end of the project, when (ideally) the goals are met.

Project cycle management means implementation of control of the project cycle. Control means regulation and oversight of different activities that occur in each of the phases of the project cycle. Control does not mean management of the implementation of the project, which is the obligation of the chief of project and the project team.

The main participants are target groups, the mediator organizations that provide services, the counselors and the project officers from the donor organizations, the ministries and the agencies that actually implement the project. All participants have specific responsibilities towards the project or in different phases of the project cycle.

Another crucial aspect in the project cycle management are the decisions which need to be made so that the project may move into the next phase. Oftentimes, the officers from all or from different parties need to give consent regarding the decisions. Criteria and guidelines are needed to make decisions in a rational manner. Decisions, among other things, are made based on information contained in the documents.

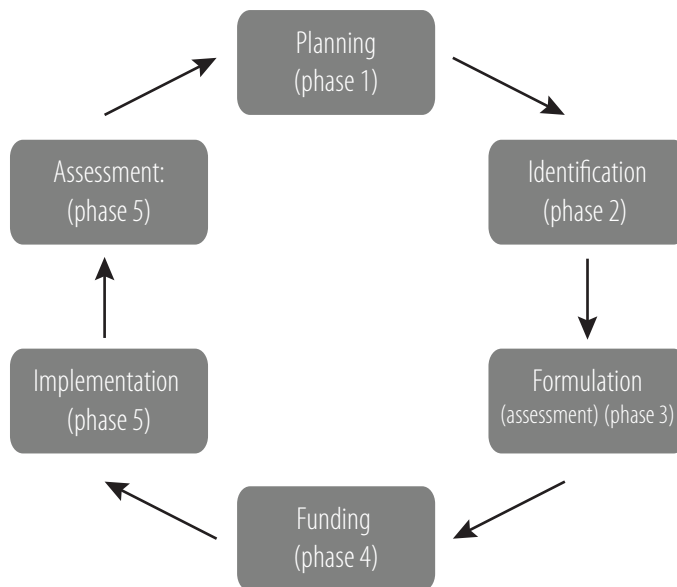
These documents in the PCM are designed so that their tables of contents are the same in all phases. This standardized document format promotes coherence in communication between, oftentimes, the numerous participants and increases operation efficiency.

The most important element of PCM is the logical framework which represents a diagram representation of the project. The logical framework is a tool for analysis and presentation of projects and programs in different phases of the project cycle. In each phase, the information relevant to that phase are added to the logical framework. The logical framework provides all parties included with a concise description of the project.

## 2.2. Six phases of the project cycle

The project cycle consists of numerous project phases. The activities and the persons or organizations included must be described in each phase. The donors have developed their own cycles with their own specific phases, however they follow the same path, more or less. A single phase consists of several sub-phases or activities.

The European Union describes the project cycle in the following manner:



### Planning (indicative programming)

The planning phase represents the presentation, i.e. the setting up of general guidelines for cooperation with the commission. That represents the sector and thematic focus of the aid in a specific country or region and from it numerous ideas on projects / programs can be developed.

The appropriately planned project, which is based on the actual needs of the target groups, must be based on accurate and complete analysis of the current situation. The current situation should be interpreted per the interests and activities of the interested parties. Oftentimes, separate parties have different views on the same reality.

One of the basic methods in planning is analysis of a situation in which all



parties can be included. Based on this analysis, i.e. the analysis of problems, the goals and the strategy of the intervention will be further developed.

### **Identification**

The identification phase regards the initial formulation of the idea of the project in a sense of goals, results and activities to make a decision whether a feasibility study should be performed. If it is feasible, then the basic approach is designed.

### **Formulation (assessment)**

In the formulation phase all details of the project are specified with the use of elements from the feasibility study. Oftentimes, this is prepared by consultants in collaboration with local institutions (Ministries) or with the donor organizations. In the case of the European Community, the Commission, in this phase, will examine the feasibility and sustainability of the project and the way it will be included in the sector politics (assessment). The other donors have similar policies for assessment of the recommendations and for recommending certain applications / projects on whether they should be funded.

### **Funding**

The funding Faith consists of the following activities and sub-phases:

- Draft financial recommendation
- Examination by the Funding Committee
- Decision on financing passed by the Commission by recommendation of the Funding Committee, and
- Draught and signing of the Funding Agreement

The preparation of a budget for an organization or a program can be defined as a “translation of the planned activities within the expected expenses (and income) in an organized way which encompasses a certain period”.

This definition has the following key points:

- An initial program of activities already exists: budget preparation

comes to the initial phase of planning;

- Translation of the planned activities in a budget is not a simple administrative operation, but a process of consultation in which the financial impose a choice of priorities;
- Budget preparation refers to the future financial flows, opposite of accounting which reflects the current and the previous income and expenditure;
- The budget is represented in the form of a timetable for income and expenditure; the total activity is decided upon for a period in which the sub-activities are expected to be executed.

### **Implementation**

The implementation phase regards the execution of the project, i.e. the activity / putting into use of resources provided by the Funding Agreement made with the donor. Implementation means achieving the wanted results and goals of the project. In this phase, numerous reports will be conducted: An operative plan, annual work plans and reports from monitoring.

### **Assessment**

In the assessment phase the results and the project impact are analyzed. The assessment phase can commence during the project implementation - monitoring. If that happens the assessment (monitoring) can be used to identify the possibilities for corrective actions.

If the evaluation is carried out after the implementation, it is used to formulate recommendations on how to improve the guidelines for similar projects in the future. If the contract provides funding for several phases of implementation, the start of the next stage, of course, will depend on the assessment of the previous one.

### **2.3. Participants**

Oftentimes, projects are managed by the participants from various organizations with large staff involved in the same project or in various stages of completion.

For example, major donors have officers who are involved in the headquarters and the offices of the local branches. An officer at the plant is responsible for planning, another one for monitoring, and third takes care only of finance. The local organization that implements the project has staff in the field, and it has representatives from other local and international organizations.

On the other hand, it is very important that the target group, as the most important one in the realization of the project, be involved in the phase of identification of the problem, particularly in the implementation phase.

Therefore, it is of utmost importance to clearly define duties and responsibilities and for those to be respected by all participants from all organizations.

In terms of donors, consultants and local partners, the management of the project cycle aims to clearly describe the functions, responsibilities, and duties. It also contains a control system to ensure that all participants adhere to these responsibilities.

### **2.4. Decisions**

Who makes the decisions and when? These are fundamental questions that need to be asked in the process of PCM. Although it seems very clear, it often remains unclear who really makes the decisions and on what basis. Like any decision, the decision on financing a project should be made on rational, objective, and explicit criteria. All parties need to know these criteria, as well as the organization that prepares the proposal. In this way, the content and the approach developed in the proposal will be transparent, clear, and more in line with the priorities of the client.

## 2.5. Basic format of the documents used in the project cycle

Another element of the PCM is the introduction of a standardized document format, which can be used in all phases of the project cycle. The standardized format facilitates communication both for the writer and for the reader:

- All the chapters and titles are the same,
- The terms are clearly defined and
- The order, per which all aspects are treated, is fixed.

Of course, depending on the stage of the project, the document contains different information. When the project is in the process of identification, it provides information on problems that need to be considered, on the general objectives and on the target groups. Although, in the implementation phase, it is more important for the document to describe the activities, the outcomes, the costs, and the expenses.

**The EC has adopted the following format for projects:**

1. **Review**
2. **Background / Base**
  - 2.1 Government / sectoral policy
  - 2.2 Sectoral characteristics
  - 2.3 Recipients and parties
  - 2.4 Affected problems
  - 2.5 Other interventions
  - 2.6 Available documentation
3. **Intervention**
  - 3.1 Main goals
  - 3.2 Aim of the project
  - 3.3 Midterm results
  - 3.4 Activities
4. **Assumptions**
  - 4.1 Assumptions at different levels
  - 4.2 Risks and flexibility

**5. Implementation**

- 5.1 Physical and non-physical assets
- 5.2 Implementation and organization procedures
- 5.3 Schedule
- 5.4 Cost estimate and funding plan
- 5.5 Special conditions / accompanying measures by Government

**6. Factors that ensure sustainability**

- 6.1 Policy Support
- 6.2 Appropriate technology
- 6.3 Environmental protection
- 6.4 Socio-cultural aspects / women in development
- 6.5 Institutional and management capacity, public and private
- 6.6 Economic and financial analysis

**7. Monitoring and evaluation**

- 7.1 Monitoring indicators
- 7.2 Reviews / evaluations

**8. Conclusions and suggestions**

**2.6. The logical framework**

The instrument which has proven to be very helpful in the preparation and in the implementation of projects is the logical framework.

The logical framework combines an analysis method and a method of presentation of the results of this analysis. Before the project or the intervention can commence, the problems of the current situation are analyzed. Based on the analysis of these problems, the goals of the intervention can be formulated and translated in terms of the logical framework. The main results of the analysis are summarized in a matrix that describes the most important aspects of the program / project in a logical way:

	Intervention Logic	Indicators objectively verifiable	Sources of verification	Assumptions
Main goal				
Aim of the project				
Midterm results				
Activities		Assets	Price	
				Prerequisites

The logic of the intervention describes the aim of the project, which is also the final result of the project. Midterm results lead to this goal, and the activities lead to the achievement of the midterm results.

The aim of the project contributes to the main goal, as well as to the other interventions. These results, the aim of the project and the main goal should be described in an operational and measurable way, as indicators that can be objectively verified. Information about these achievements are mentioned in the sources of verification. The activities are translated into operational terms: resources or funds for implementation of activities and how much they cost. The fourth line describes the external factors influencing the project purpose, results and main goals. Prerequisites are those conditions that must be met before the start of the project.

The logical framework can be used at various levels. For example, the logical framework developed in the identification phase may remain in the cycle to be used by the participant - responsible for the implementation and monitoring of the achievements. Surely, the logical framework in the implementation phase contains more information than that of the identification phase, but basically it is developed information available from previous phases.

Moreover, the logical framework can be used as an effective tool for communication, as well as standardized formats for documents. There is a close connection between the logical frameworks and the basic formats of documents. Numerous chapters contain elements of the logical frameworks.

## 2.7. Organizational Learning

The introduction of an improved system will yield better results if the organization has the capacity to learn from their mistakes or from unsatisfying results. The most common errors are:

- practical errors, misuse of procedures, late response, errors in communication;
- errors associated with organizational systems and procedures: too long, arduous, and complicated procedures, insufficient allocation of responsibilities, etc.;
- wrong choice of approach, strategy, field of interest, partners, etc.

Large organizations often have difficulty learning because it requires a lot of time and effort. However, it remains an essential aspect of the PCM. If an organization find ways to learn from their mistakes, then that will improve its functioning. Organizational learning partly comprises of the means of training personnel to use the tools and procedures. However, training is just one of the ways. The effort should focus on a coherent strategy for continuous learning - a review of the results of projects and analysis of what went wrong in the past and of what went well. Then, this analysis should be transmitted to the improved procedures, to the necessary personnel, to the managerial qualities and so on.

## 3. Limitations of instruments and procedures of Project Cycle Management

Whatever the quality of the tools and procedures they alone can never guarantee successful results. Success depends on sincerity and knowledge with which they are applied.

The tools offered by the PCM method will surely be valuable to those who prepare and control the implementation of the projects, but only to the extent that the information available is of high quality. All responsible participants are professionals to the extent that the responsible politicians, implementers, and users are sincerely committed to the project and achieve the set goals.

One of the misunderstandings which must be noted in this regard is the misconception that the formulation of the logical framework is an ordinary formal and technocratic work resulting in a sketch of the project or program. Rather, the logical framework is the result of an analysis in a certain time, at a certain stage of the project cycle and reflects the knowledge and concerns at that moment. So, it is always necessary to adapt the plan to the evolving situation, for example, when the problem is resolved no further action is required and the plan should be adjusted, but when there are new problems, then you should act to remedy the situation.

Another important factor that should be considered in all phases of the project cycle is the discipline that is required for the adoption of correct decisions at the right time, throughout the project cycle. This factor is usually overlooked and / or difficult to pinpoint in the huge bureaucracies of the donors.



## II PREPARATION OF EU PROJECTS (EU PROJECT DESIGN)

The appropriately planned project, which is based on the actual needs of the target groups, must be based on accurate and complete analysis of the current situation. The current situation should be interpreted per the interests and activities of stakeholders. Often separately covered sides have different views on the same reality.

This chapter explores a method for analyzing the situation in which we can cover all parties. Based on this problem, the goals of the analysis and the strategy of the intervention will be further developed. The encompassed procedures are described in the first part. The second part is entirely devoted to the logical framework, which is a tool to describe the most important aspects of intervention in a concise manner.

### 1. Situation Analysis

There are several methods to analyze a situation. Expert research will result in answers to the questions as understood by the experts. Discussions with representatives of interested groups and organizations will provide observations existing in that particular group or organization. A meeting at which representatives of all stakeholders, including experts discuss the same issues in a democratic way, often leads to analysis that will be shared by all. These methods, when applied complementarily, will result in a single “image of reality”, allowing the formulation of projects that include goals that are accepted and supported by all stakeholders.

This chapter will discuss the following three stages in the analysis:

- problem analysis (image of reality);
- objectives analysis (image of the future, improved situation);
- analysis of strategies (comparison of different «chains of objectives»).

The analysis results in a selected row of targets that will be worked out in further preparation of the project.

The value of the analysis increases if prepared jointly by all (as many stakeholders as possible). Alternatively, problem analysis can be performed in a small group, provided that the group will explicitly try to make an inventory of all the problems and their cause-effect relationships from different viewpoints corresponding to the various stakeholders. To ensure that the project corresponds to the real needs of the group it is essential to analyze - it is better to do it together with the different parties - the issues that the appropriate group actually faces.

Each subsequent paragraph describes the phase in the process of analysis, starting with a brief description of the phase illustrated by a simple example followed by review (derived from the real situation) in which the results are presented in the diagram.

### **1.1. Problem Analysis**

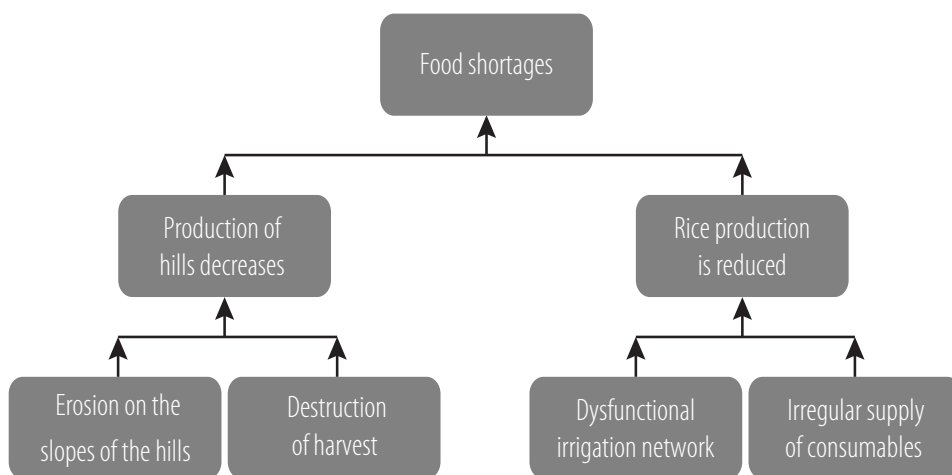
Problem analysis is of great importance in terms of project planning because it has great influence over the design of possible intervention.

The procedure for problem analysis includes:

- precise definition of the framework and subject of analysis;
- analysis of the problem situation;
- identification of problems and establishing a causal hierarchy between the problems;
- presentation of cause-effect relations in the diagram.

In this problem analysis, the cause-effect relations are established between negative situations for an existing one. The analysis aims to identify the bottlenecks with high priority. Experts, informal groups and interested institutions and organizations contribute to this analysis.

*The analysis is presented in the form of a diagram or tree of problems which expresses the relationship and the hierarchy among all identified problems: before each depicted problem there precedes the problem(s) the cause(s) thereof and follows the problem that it causes.*



## 1.2. Analysis of Objectives

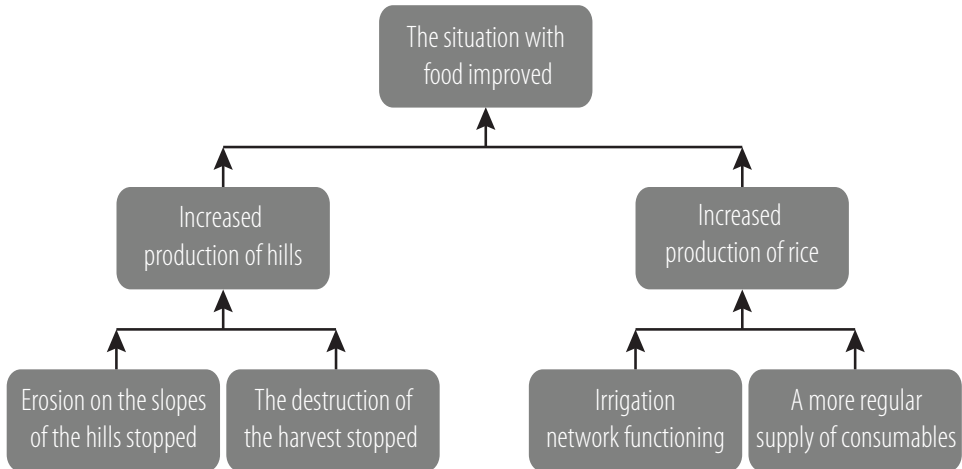
After the analysis of the problem follows the analysis of objectives. The analysis of objectives is usually based on the analysis of the participants and the number of reports and other documents on the facts and, consequently, a more objective information.

The analysis procedure of objectives includes:

- translating any problem in a problem tree in a realized positive situation (objectives);
- Verification of the hierarchy of objectives;
- Displaying means-end relations in a diagram.

*The adverse conditions in the diagram of problems are converted into positive situations*

For example, “low agricultural production” turns into “increased agricultural production.” All these realized positive conditions are presented in a diagram of objectives showing the means-end hierarchy.



This diagram, or tree of objectives provides a general and a clear view of the desired positive future situation.

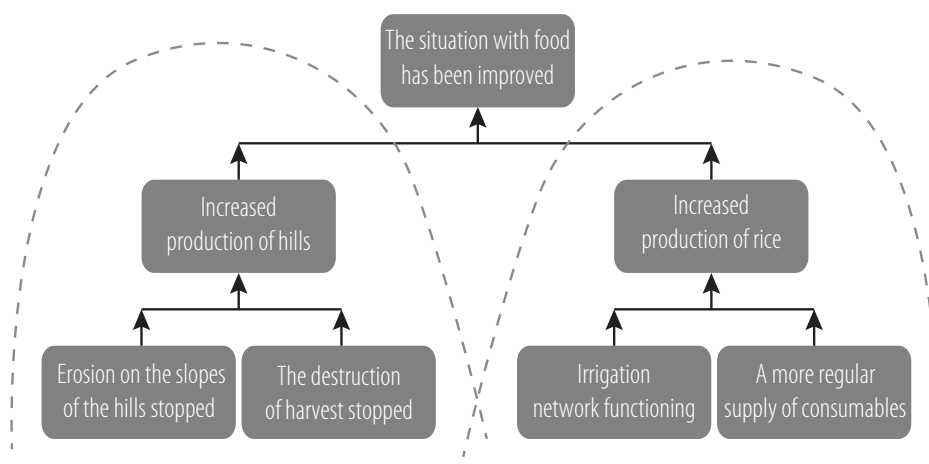
*Oftentimes, such a diagram shows a lot of goals that can be achieved by an intervention plan. Therefore you must make a choice. Some goals seem unrealistic or unworkable in the context of the intervention, so you need to find new solutions to the respective problem. If, for example, one of the goals is formulated as “reduction of the number of mosquitoes,” and it seems impossible, then you can find an alternative solution “regularly intake of antibiotics by the appropriate population.” Alternatively, you can make a choice that this problem will not tackle an appropriate intervention.*

### 1.3. Analysis of Strategy

The analysis procedure of strategy includes:

- identification of different possible strategies that contribute to the overall objective;
- choice of intervention strategy.

In the diagram of objectives, different target groups that share the same nature may be strategies. Out of these strategies, one (and sometimes more) is selected as a strategy for future intervention. Based on several criteria, the most important and most possible strategy is chosen. The criteria may include a budget that is on disposal, a meaning of a strategy, a probability of success, a necessary period of time and so one. The chosen strategy will be worked out at the phase of project planning.



## 2. Logical framework

*A logical framework is a series of interrelated concepts describing, in an operating mode, the most important aspects of an intervention. The description is presented in the form of a matrix. With the help of the logical framework we can check whether the intervention was well-designed. It also facilitates the improvement of monitoring and assessment.*

*Format of a Logical Framework*

	Intervention Logic	Indicators are objectively verifiable	Sources of verification	Assumptions
Main goal				
Aim of the project				
Midterm results				
Activities		Assets	Costs	
				Prerequisites

The logical framework is a means for representing the contents of an intervention. **Objectives, results, activities**, and their causal associations are systematically **presented in the first column of the matrix** (vertical logic). Establishing a logical framework is possible only after thorough analysis of available information (problems and opportunities).

Apart from the logic between the objectives, the results and the activities, the external factors **assumptions** that affect the anticipated results of the intervention are included in the fourth column.

Objectives, results and activities are more accurately described by **indicators - second column**. In order to obtain the necessary information to measure performance **the sources for verification - third column** are also described.

**Assets and costs** for implementation of activities are presented in order of activity (**fourth row**).

To achieve the intended objectives, results and activities certain **prerequisites** that exist in the surroundings and which do not depend on us must be met.

The matrix is concise and easily applicable in the documents. In addition, it reduces operating weight of several designers in different phases of the project cycle.

## 2.1. Description of the logical framework

The logical framework is a matrix of four vertical columns and four horizontal rows.

### **First column: *intervention logic***

**Main goal:** aim at the highest level which will contribute to the intervention. Other interventions and activities will also contribute to the achievement of this goal.

**Aim of the project (Project Purpose):** the objective to be achieved by the intervention. There should be a clear chance that this goal would be achieved on a long-term basis (per the project). Justified uses for target groups is always a prominent purpose of the project.

**Circumstantial results:** products from actions taken. The results will lead towards achieving the aim of the project

**Activities:** the activities that need to be executed in the intervention to achieve the intermediary results.

### **Second column: *objectively verifiable indicators***

The second column contains the objectively verifiable indicators. The indicators represent an operational description of the elements of the logic of the intervention in terms of target groups, quality, quantity, place, and time. The indicators are, in fact, a precise definition of the goal, the intent, and the results.

### **Third column: *sources and verification***

The third column contains the sources for verification. The sources for verification show how / when can the achievement of the goal, intent, results and activities (made operational through the indicators) be checked.

**Fourth column: *assumptions and prerequisites***

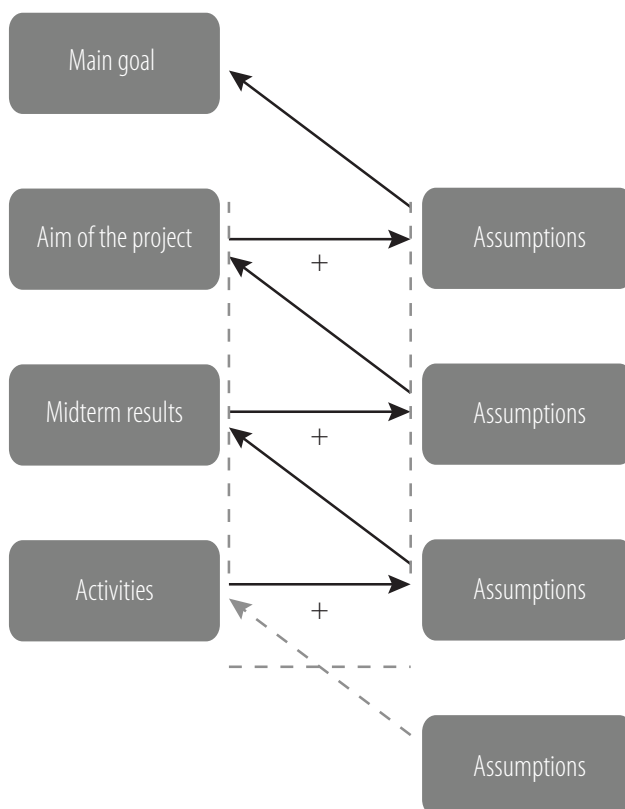
The fourth column contains the assumptions that are out of the direct control of the intervention, but are very important for the achievement of intermediary results, the intent of the project and the global aim. For example: “Without the destruction of the irrigation system” is an external factor which decisively determines whether one of the intermediary results will essentially contribute to the intent of the project.

The assumptions are external factors for which the intervention is not responsible, but which depend on the achievement of intermediary results, the intent of the project and the global aim.

Assumptions are the answer to the question: “Which are the external factors that are not influenced by the intervention, but significantly influence the achievement of the intervention?”

In the logical framework, they are represented in this matter:





The fatal assumptions make the successful application of the intervention impossible. In the event of a fatal assumption, that aspect of the project conception must be re-evaluated. For example, we can ask the Government for “a program for swapping the rice with corn”.

The starting of such a program can be set as a prerequisite. The preconditions are to be met before the start of the project. They are placed in the bottom cell of the 4th column.

**Fourth column: *assets and expenses***

The physical and non-physical assets (inputs) needed for execution of the activities are placed in the line of “activities”.

The expenses of the intervention and sources of the funds are put in line of the “activities”.

## 2.2. Application of the logical framework

The logical framework helps people preparing a project to formulate and structure their insights in a better way and to clearly describe the project in a standardized manner. The logical framework has no other aspirations. For example, if the project is based on bad directions or bad criteria, the logical framework will reveal the contradictions and the missing links, but it will not amend or replace them.

The logical framework is only a means that can contribute for the improvement of planning of the project or the program. The success of a project depends on many other factors, for example the competence, knowledge, and available organizational capability in the design team or to organizations engaged in the execution of the project. Therefore, the discipline that the logical framework imposes can never replace the professional qualities of those who use these resources.



The logical frameworks are useful in all five phases of the project cycle. In the first phase of preparations the logical framework is developed, however, without striving to be complete. During the next phases (formulation, appraisal, implementation and evaluation) the logical framework will gradually be furthermore completed to serve as a basis for the conception,

implementation and evaluation of the project. Thus, detailed planning and detailed budgeting, monitoring and other management tools, all based on the logical framework will be able to be developed.

As a method of display, it is useful to organize a workshop in which each cell of the frame is written on a card (a different color for each row of the matrix) and attached to be seen. This provides a clear picture of the key elements of the intervention. This display method is useful not only for developing a logical framework but also to have as a point of reference that the project will call upon while running.

During and after the intervention the same logical framework serves as a point of reference for monitoring and evaluation.

## Clarification of the important aspects of the logic of intervention

<b>What is the importance of the main goal?</b>	The main goal explains the direction of this intervention, as well as to others who contribute to it. At this level, their impact on the execution of the project is limited.
<b>What is the importance of the goal of the project?</b>	The goal of the project is the central reference - in terms of sustainable benefits to the target groups - which facilitates the management of the project and monitoring / evaluation of its success or failure.
<b>When is the project completed?</b>	When the goal of the project has been reached, namely: <ul style="list-style-type: none"> <li>• “the product” has been realized and “sold” in favor of the target group,</li> <li>• and when it has been calculated that the product will survive.</li> </ul>
<b>Why is only one goal of the project established?</b>	Only one goal of the project is established to prevent the intervention from becoming too complicated and extremely difficult to manage. Instead of one intervention with two goals, it is recommended to plan two separate (parallel and interconnected) interventions.

<p><b>How are the medium-term goals determined?</b></p>	<p>Medium-term goals are either deduced from the diagram of goals or from specific studies.</p>
<p><b>How are the activities determined?</b></p>	<p>Activities are determined by:</p> <ul style="list-style-type: none"> <li>• a deduction from the diagram of goals;</li> <li>• specific studies;</li> <li>• consultations with the parties involved.</li> </ul>
<p><b>Why is there a need for determining the activities?</b></p>	<p>Activities should be determined at a satisfactory level of detail to be able to:</p> <ul style="list-style-type: none"> <li>• perform tangible work schedules and calculate the likely duration of the intervention;</li> <li>• deduce necessary human and physical resources;</li> <li>• establish a budget.</li> </ul>

## Selected questions of managers throughout the project cycle for the Head of Department

Project Cycle	Questions to the Head
<b>Identification</b>	Does this project (region, entity, etc.). fit in our policy? If it fits, how much space (financial, technical assistance, etc.) do we have to accept it?
	How many similar projects were identified / accepted by my organization?
	How many similar projects have been implemented and who funded them?
	What are the organizations that implement these projects in that sector / region?
	What are our experiences with the organization that has identified this project?
	Which parties are involved in the identification of the project?
<b>Formulation</b>	What are the key elements in formulation document? Are they consistent and sufficient?
	What parties are involved in the formulation of the document? Is that enough?
	Which organizations has been proposed as the implementing agency?
	What experience do we have with this organization?
	Are the objectives, indicators and budget clearly stated? (Logical framework)

<b>Assessment</b>	That are common denominators in the use of the protective test?
	How much (or %) of the estimated documents pass the test?
	What are the test results for sustainability?
	How many formulation documents have passed / have been rejected by that organization?
	What are the predictions for the personnel requirement and how does that fit in the department planning?
	What methods are used in most projects to provide explicitly the participation of target groups?
	How are the valid assumptions about the success of other projects in that department identified?
	What is the «average» budget for similar projects?
	What are our experiences with budgets proposed by this organization?
<b>Funding</b>	How many overdue commitments do we have (+total sum)? And what is the distribution in different types of projects?
	What is the average ratio between contributions - national / state and donors?
	What is the average ratio between contributions of target groups and national contributions?

<b>Implementation</b>	What are the main problems that similar projects face?
	What is the deviation from the planned projects: by type of project / organization?
	What are the new methods / models used in the projects? And which ones of them are interesting for other projects?
	How respected are the monitoring procedures?
	What are the main projects that implementing organizations face during monitoring of projects?
	What lessons can be learned from the implementation of planning and / or determination of the policy?
	What do you think are the strengths / weaknesses of organizations regarding implementation during the implementation of the projects?
<b>Assessment</b>	What have we learned from this project that can be useful for other projects?
	How many projects have achieved the project goal within the planned deadline? What is the ratio per types of projects?
	How often were internal audits implemented by the projects / organizations?
	What is the added value of the role of technical assistance in these projects?
	What was my contribution as Head of Department in respect of these projects? And what is the added value?

## Supplemental material for PCM

### 8 REASONS WHY PROJECTS SUCCEED:

1. The organizational structure is tailored to the project team.
2. The project team participates in planning.
3. The project team is committed to the scheduled time planning.
4. The project team is committed to establish realistic budgets.
5. The project skillfully used techniques of network planning and does not allow only for the plan to be completed.
6. The project team works along with the administration, policies, and procedures and not against them.
7. The project team agrees on specific and realistic project goals.
8. The target group is involved from beginning to end of the project.

### 8 REASONS WHY SOME PROJECTS FAIL:

1. Inappropriate authority.
2. Lack of participation and planning of the project team.
3. Lack of participation in resolving the problems of the project team.
4. Inappropriate communication skills.
5. Inappropriate technical skills.
6. Inappropriate administrative skills.
7. Unreal timetables for the project.
8. Unclear project ideas.

### FOUR FACTORS FOR A SUCCESSFUL PROJECT

A successful management of a project means a mutual connection of four different and sometimes even conflicting factors.



<p><b>Need or problem</b></p>	<p><b>Idea and vision</b></p>
<p>Projects succeed when the people who develop them understand and appreciate the needs and the problems that they need to face. It is very important to assess the need or the problem, what are the reasons for the problem? What are the symptoms? For whom is the problem is a problem?</p>	<p>The project needs a vision for the union of all its activities and efforts. This is since the vision results in the strategy, the objectives and the work plan. The main idea behind the project needs to be clear, to show how it can make a significant and sustainable change of the needs or the problems.</p>
<p><b>The possibility of the project</b></p>	<p><b>Capacity</b></p>
<p>Projects need to have or to create a space in which they will operate. Projects should be actively supported, not just by money. The project should have support from key people and an active participation of the target group.</p>	<p>Projects need the right balance of skills, energy, resources, and organization so they can be carried out and bear fruit.</p> <p>They should be designed in a way that will be able to have an impact and make results.</p>

**STRUCTURING THE PROJECT THROUGH THE ISSUES  
BEFORE THE START OF THE PROJECT:**

<b>Main Issues</b>	Questions that need to be asked before starting the project
<b>Defining objectives, context and target group</b>	In which context, will the project take place? What changes does it impose (require)? Why implement the project? What is the expected result? Who is the project designed for? What are the issues being treated?
<b>Project content</b>	What is the theme and content of the project? What is the chosen approach (methodology)? What activities are involved? What is needed for the project to move forward?
<b>Where and when</b>	Where will the project be implemented? How long will it last? When is it starting / ending?
<b>Practical things</b>	What logistics are required? What practical measures do we have to cope with?
<b>Funding</b>	What are the final costs? (planning / implementation and evaluation) Where will the necessary financing come from?
<b>Partner</b>	Who are the partners? What is their role? What are the arrangements for coordination?
<b>Means of action</b>	Does the project qualify for any financial assistance? Can it use existing capacities (conditions)?
<b>Communication</b>	Internal communication: what is the flow of information among project team? External communication: does the project need media coverage? (Why? How? Which aspects?)
<b>Assessment and consequent activities</b>	How and when to assess? Which aspects? Why? What consequent actions are planned?

## **PROJECT STRUCTURING THROUGH “W” QUESTIONS (INSPIRED BY THE LASSWELL METHOD)**

Use questions for identifying individual elements of the project and how they are mutually interconnected. Your answers will give you a general overview of the project and make it possible to see how the components are connected.

### **WHO? – FROM WHOM? – WITH WHOM?**

- identification of partners of projects or target groups;
- their roles and relations in the project;
- their views of the project;
- strengths and weaknesses rooted into these relations.

### **WHAT?**

- main project activities - spontaneous, organized and institutionalized;
- social, economic, cultural, political, and educational dimensions;
- the influence of the project within these dimensions..

### **WHY?**

- need and wishes met by the project;
- motivation and interests of the participants;
- main objectives of the project;
- options for financing the project;
- Relations between the objectives of participants and institutional goals.

### **WHERE?**

- social context of the project and the situation of participants.

## WHEN?

- what period is the focus (past, present, future)?;
- short-term, mid-term or long-term?;
- biography of the participants and how that influences the project?

## HOW?

- how was it made? the process of organization and participation;
- techniques and instruments used;
- experience of participants, theories, other projects, etc.

## THE PROJECT MANAGER MUST BE:

- **An Organizer**, with a capacity to understand, plan and coordinate the efforts and resources for achieving the goals.
- **A Strategist**, capable to set clear long-term and mid-term goals, bearing them in mind along with the reasons for the project existence.
- **A Motivator**, with capabilities and attitudes that enable him/her to motivate people to participate in the project (employees, volunteers, youth)
- **A Fundraiser**, with knowledge and courage to apply for funds, to manage and to answer for them with integrity and competence.
- **An Activist, in a sense of a person that is capable to recognize initiatives and** to organize ideas in well-thought-of social actions with clear values that develop over time.
- **A Visionary**, someone who is capable to think of social innovation and change.
- **A Community Worker**, with special care of the community and / or organization work in which he / she is included.
- **A Social Worker**, ready to take care of people without replacing

them, i.e. to raise their motivation and their confidence so that they may participate in the creation of their future and the realization of their projects.

- **A Teacher and a Student**, capable for helping people grow, but at the same time to be able to learn from experiences and to use that in favor of the organization, the project or the community - monitoring and assessing the process in terms of the goals, the changeable plans and finally the goals in terms of the circumstances.

### **THE NEED FOR IMPROVED PROJECT MANAGEMENT**

A fast and general overview of the results of more than thirty years of development cooperation between the member states of the European Union and other countries should completely suffice. The experiences of different donor organizations, bilateral and multilateral, teach us that too many project fail or partially meet their goals. The assessment of the European Commission for 1988 concludes the following: nearly a third of projects were successful; around a third faced serious difficulties and a third were unsuccessful. It seems that it is difficult to learn from past experiences, to act more wisely in the future. Still, that is precisely the purpose of the project cycle management (PCM).

To achieve this goal, first we need to understand the weaknesses in project implementation. Evaluations of previous projects teach us that they can be divided into two categories:

- the actual problems of the beneficiaries or of other parties included in the project have not been considered;
- the project has not been placed into a rational framework of support by the beneficiary country;
- the project goals were never clearly and defined;
- A separation (a clear distinction) between the goals (e.g. actual availability of drinking water) on one hand, and the means of achieving those goals (e.g. digging wells) on the other has not been done;
- ineligible technologies and unused local renewable resources have

been applied;

- The socio-cultural values of people intended for the assistance have not been respected;
- efforts to strengthen the management capacity of local public and private organizations involved in interventions haven't been made;
- the risks and the examination of ways to avoid or mitigate those risks have not been anticipated;
- it is not enough to stress the good financial and economic viability of the project, during and after project implementation.

Weaknesses in the second category are:

- People who formulate the project, and people in donor and beneficiary countries, often neglect predefined rules and criteria;
- The proposed ideas for the project are analyzed into a pre-feasibility study before deciding whether it is worth considering it in detail (feasibility);
- There is a lack of adequate information during the implementation, monitoring is neglected and the necessary corrective actions are not taken;
- Oftentimes, there are too many project officers at different places (ministries, embassies, headquarters) responsible for the same project;
- It is unclear how responsibilities are allocated among all those who are involved in the project;
- It seems that the project officers are more concerned about rules and procedures than project management.

### **SYSTEMATIC APPROACH TO IMPROVING THE PERFORMANCE AND IMPACT OF PROJECT**

To improve the performance and impact of the project we should take into account several factors:

- the quality of the analysis on which the project plan has been developed;
- the precise description of project objectives, means and external factors;
- the phases through which the project (idea) passes before implementation (enforcement);
- the quality and motivation of all specialists and office workers dealing with the analysis and evaluation of the project, its implementation (enforcement) and monitoring;
- the flow of documents produced during the various phases;
- the decisions made during all phases of the project cycle;
- the criteria based on which these decisions are made;
- the time pattern of each phase.

These factors are both from a technical and from a organizational nature, and together they determine the final results, performance and impact. The systematic approach should then determine all important factors for planning and implementation of an integrated and coherent manner.

#### **A glossary of terminology used in PCM**

<b>Term</b>	<b>Brief Explanation</b>
<b>Project Cycle</b>	
Project	A process in which human, material and financial resources are organized to take only the specified scope of work with limited costs and time to achieve a positive change expressed in qualitative and quantitative goals.
Project Cycle	Various phases that the project should go through from the initial idea to ex-post evaluation.

Project Cycle Management (PCM)	PCM means to exert control over the project cycle in terms of regulating and supervising the various activities undertaken (decisions, harmonization of (formats) documents, participation of different stakeholders).
Indicative Programming	Development of policy lines for the organization that expresses the sector and thematic focus on interventions / aid for the following period.
Identification	The first formulation of the project idea: main goals, results and activities.
Feasibility study	A study that reveals whether the first project idea is possible within the suggested context: technical, social (gender) and environmental studies may be needed.
Formulation	Using the elements of the feasibility study, project details are processed in a full proposal including the budget.
Assessment	Examination of project feasibility and durability and the way it fits into the organization's policy.
Funding Agreement	Approval of the project proposal (contents) and the budget from the funding organization, but also determining the obligations to the organization that means to execute the submitted project. An agreement must confirm this approval.
Implementation	Execution of the project by engaging resources provided to achieve the desired results.
Observation (monitoring)	Regularly gathering and analyzing information for monitoring (observation) on the progress of project implementation. Based on the information from the monitoring we can decide whether a specific action is required for correction.
Assessment (evaluation)	Analysis of the results and impact of the project (during or after the project). The evaluation serves for learning and for improving similar projects + policy formulation.
Logical Framework	Matrix of the project planning, providing the most important aspects of the project in a logical sequence in the context of its implementation.



Intervention Logic	First column of the logical framework which describes the important strategy of the project foundation. It contains the positive circumstances that must be met by the project as well as the general purpose to which the project contributes.
General Objectives (GO)	Long-term changes to which the project contributes. GOs show the importance of the project for society. Often, the GO correspond with the particulars of the policy of the organization involved. The project can contribute to several GOs.
Goal of the Project	The goal to be achieved if the project is successfully implemented. GP is supposed to express, at least, the usability of the output elements (infrastructure, services, etc.) provided by the project. There is only one goal of the project.
Results	Products of the project, realized in cooperation with the parties involved. The results as whole will lead to GP.  Often these are related to infrastructure (schools built), services (secured loans) and goods (supplied machine for...)
Activities	The actions (by the parties involved) to take advantage of the resources available to produce the intended results.
Resources / tools	Inputs (human, material and financial) necessary to achieve the objectives as planned in the project proposal.
Objectively Verifiable Indicator (OVI)	The indicator (OVI) is an operational description of the objectives.  They include the following elements:  Variable: what?  Quantity: how much?  Target group: who?  Place: where?  Time / period?  The OVI is used (in observation / evaluation) to verify whether the objectives have been achieved as planned.

Sources / means of verification	Sources of information (persons / documents) where the requested information for verification of indicators can be obtained.
Assumptions	Factors outside the direct control of the project, which may influence the success of the project. These should be observed.
Prerequisites	The conditions to be met before the project, otherwise you may face problems during implementation.
Budget / costs	The financial plan showing a general overview of the funding required to carry out the project + the plan who pays whose section.
Sustainability	<p>When the logical framework is made, we must verify that the results / GP can be supported after the end of foreign intervention.</p> <p>The following elements must be considered:</p> <p>Local support / policy;</p> <p>appropriate technology;</p> <p>capacity of the organization;</p> <p>social aspects, e.g. gender;</p> <p>environmental issues;</p> <p>financial / economic.</p>
Gender and Development	<p>An approach that looks at the relationship between men and women in a social and economic environment and that it is trying to smooth the imbalances in these relationships.</p> <p>Projects should be formulated in a way that is gender sensitive.</p>
<b>Observation (monitoring)</b>	
Management Structure	An overview of various levels of management involved in monitoring and their specific responsibilities.
Manager Questions	An open question expressing the need for information on monitoring.
Indicator	A variable designed to measure changes in a phenomenon or process.

Indicator Monitoring	An indicator that allows the variable to be measured for observation.
Direct Indicator	An indicator that represents a variable that is required to measure what one wants to know.
Indirect indicator (replacement indicator)	An indicator that provides an important variable to measure what one wants to know, but in an indirect way. (in order to know the details, it can be very difficult / sensitive to measure them directly)
Information Flow	Description of the process of data collection up to the distribution of conducted reports, including actors / formats.
<b>Assessment (evaluation)</b>	
Relevance	Check whether the objectives of the project respond to the needs and priorities of the target group.
Effectiveness	Check whether the objectives of the project (at the GP and results level) have been achieved.
Efficiency	Check whether available resources were used optimally (balance between input and output elements).
Impact	Check whether the broad effects (mainly at the level of GC) have been achieved.
Sustainability	Check whether the positive effects of the project will continue in the post-project period (and if external assistance has ended).



## HANDBOOK FOR EU PROJECT DESIGN AND PROJECT CYCLE MANAGEMENT



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