The PROJECT CYCLE and M & E

MINISTRY OF COMMERCE
TRADE DEVELOPMENT SUPPORT PROGRAM
ENHANCED INTEGRATED FRAMEWORK

Training on Monitoring and Evaluation
for First Quarter, 2013

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Training on Monitoring and Evaluation
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PROJECT CYCLE MANAGEMENT
The Project Cycle

- Programming
- Identification
- Evaluation
- Implementation
- Financing
- Appraisal
What is...?

- **Project Cycle Management (PCM)?**
  - A Method of managing the 6 phases of the Project Cycle using the Integrated Approach and Logical Framework

- **Integrated Approach? A method...**
  - Ensuring that projects are adjusted during the 6 phases in order to become more effective, efficient and sustainable
  - Specifying the documents to be produced in each phase to provide the basis for necessary decisions
  - Using a set of docs having the same basic format
Integrated approach

National/sectoral objectives

<table>
<thead>
<tr>
<th>Logical framework approach</th>
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<tbody>
<tr>
<td>Intervent ion logic</td>
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<tr>
<td>Overall Objective</td>
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<tr>
<td>Specific objective</td>
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<tr>
<td>Expected results</td>
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<tr>
<td>Activities</td>
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</table>

Standard documentation

- Concept Notes/Proposal
- MOU and Budget form
- Progress report
- Evaluation report

Results-based workplan & budget
The Project Cycle (1)

Key activities:

1. **Programming**
   - review of socio-economic indicators
   - review of partners and donor priorities
   - Agreement on sectoral and thematic focus for cooperation through an agreed strategy formulation

2. **Identification**
   - initial formulation of project idea
   - screening for further studies (= pre-feasibility)

3. **Appraisal (formulation)**
   - Conduct of feasibility study (if necessary)
   - Detailed specification of project ideas
   - Decision on whether to draw up financing proposal
Activities within the project cycle:

1. **Financing**
   - Drafting and negotiating a Fin. Prop.
   - Examination by competent committee members/pillar groups
   - Review of budget proposed and work program, including Project Results Framework

2. **Implementation**
   - Submission of proposal and approval of pillar group, IC, SSC
   - Mobilization and project execution

3. **Evaluation**
   - Analysis of project effects and impact
   - Recommendations on remedial action or guidance for future projects
The Project Cycle: Major Documents and Decisions

- Evaluation
  - Evaluation study
  - Decision to continue as planned or to reorient project (mid-term evaluation)
  - Decision about the need for extension

- Programming
  - Country Strategy Paper
  - Priority areas, sectors, timetable
  - Pre-feasibility study

- Identification
  - Decision which options to study further
  - Feasibility study
  - Decision whether to draw up a formal financing proposal

- Appraisal
  - Project Identification Sheet
  - Decision which options to study further

- Implementation
  - Progress and Monitoring Reports
  - Decision to fund

- Financing
  - Financing Proposal
  - Draft Financing Proposal

- Financing Agreement
Why PCM?

Negative experience:
• Unclear strategic framework
• Poor analysis of situation
• Activity-oriented planning and implementation
• Non-verifiable outcomes
• Disbursement pressure
• Short-term vision
• Incoherent project documents
• No common perception

Responses by PCM
➢ Clearly defined approach
➢ Improved analysis
➢ Objective-oriented planning and impl.
➢ Verifiable outcomes
➢ More emphasis on quality
➢ Focus on sustainability
➢ Standard formats
➢ Shared understanding of objectives and the process to achieve these
Quality: Key factors

1) Principles:
   ✓ Relevance
   ✓ Feasibility
   ✓ Sustainability

2) LFA tools

3) Complementary Tools

Better projects & more sustainable benefits to target groups
Quality Indicators

- **Relevance** relates to whether the project addresses the real problems of the intended beneficiaries.

- **Feasibility** relates to whether the project objectives can be effectively achieved.

- **Sustainability** relates to whether project benefits will continue to flow after the external assistance has ended.
**Role of PCM**

PCM provide structure to ensure that:

- **Projects are relevant** to the real needs of beneficiaries because:
  - ✓ Beneficiaries are actively involved in the planning, implementation and M&E processes since the outset
  - ✓ Problem analysis is thorough
  - ✓ Goals are clearly stated

- **Projects are feasible & sustainable**; efforts are made to ensure that:
  - ✓ Outputs & objectives are logical
  - ✓ Risks and assumptions are taken into account
  - ✓ Monitoring helps adjusting implementation
  - ✓ Benefits will continue after the project
  - ✓ Results from evaluation are used to learn from experience and adapt the content of the project as well as reshape the new programming phase
Factors ensuring Sustainability

- Policy Support;
- Appropriate technology;
- Environmental protection;
- Socio-cultural aspects/gender issues;
- Institutional and management capacity;
- Economic and financial viability;
The PCM Toolkit

LFA Tools:
• Stakeholder analysis
• Problem analysis
• Analysis of objectives
• Strategy analysis
• Logframe
• Activity planning
• Resource scheduling

Complementary Tools:
➤ Participatory workshops
➤ Environmental assessment
➤ Gender analysis
➤ Institutional appraisal
➤ Economic & financial analysis
Logical Framework Approach

• Technique to set up a project involving the identification of problems, prioritisation of objectives, definition of results and related activities through a careful consideration of the means, successful indicators and assumptions.

• LFA is a key management tool in each phase of the project cycle: from implementation to evaluation, representing a «master tool» for creating other tools (e.g. implementation and resource schedules, monitoring plan, etc.)
The LFA applied to the Project cycle

- LFA is applied from Identification to Evaluation
- LFA provides a basis for:
  - Checking what has been achieved vs planned
  - Verifying the influence of external factors on the project
  - Checking the benefits of the project
<table>
<thead>
<tr>
<th><strong>THE LOGFRAME Matrix</strong></th>
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<tbody>
<tr>
<td><strong>Intervention logic</strong></td>
</tr>
<tr>
<td><strong>Overall Objective</strong></td>
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<tr>
<td><strong>Project purpose (= specific objective)</strong></td>
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<tr>
<td><strong>Expected results</strong></td>
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<tr>
<td><strong>Activities</strong></td>
</tr>
</tbody>
</table>
THE LFA: Questions to be asked...

- **Why** a project is carried out (Intervention Logic);
- **What** the project is expected to achieve (Intervention Logic and Indicators);
- **How** the project is going to achieve it (Activities, Means);
- **Which** external factors are crucial for its success (Assumptions);
- **Where** to find the information required to assess the success of the project (Sources of Verification);
- **Which** means are required (Means);
- **How much** the project will cost (Cost);
- **Which** pre-conditions have to be fulfilled before the project can start (Pre-conditions);
The Analysis Stage (Context/Situation Analysis)

1. Stakeholder and **Problem** Analysis (image of reality: identify stakeholders and their problems by determining causes and effects);
2. Analysis of **Objectives** (image of an improved situation in the future: develop objectives from identified problems);
3. Analysis of **Strategies** (comparison of different options to address a given situation);

The Planning Stage

1. **Logframe**: define the project structure, test its internal logic, formulate objectives in measurable terms, define means and costs;
2. **Activity scheduling**: determine sequency and dependency of activities; setting milestones and assign responsibilities;
3. **Resource scheduling**: from the activity scheduling develop input schedules and a BUDGET;
Problem/Objective Tree

Step 1: Reformulate all negative situations of the problems analysis into positive situations that are:
- desirable;
- realistically achievable.

Step 2: Check the means-ends relationships thus derived to ensure validity and completeness of the hierarchy (cause-effect relationships are turned into means-ends linkages)

Step 3: If necessary:
- revise statements;
- add new objectives if these seem to be relevant and necessary to achieve the objective at the next higher level
- delete objectives which do not seem suitable / convenient or necessary.
Problem Analysis: an example

Decreasing incomes of artisanal fisherfolk

- Decreasing fish stocks
  - Destruction of coral & mangrove habitats
  - Illegal fishing methods
- Low price earned by artisanal fisherfolk
  - Bad quality processed fish
  - Limited access to market

Effects

Causes
Analysis of Objectives: an example

Incomes of artisanal fisherfolk increased

Decline in fish stocks arrested
- Coral & mangrove habitats conserved
- Incidence of illegal fishing reduced

Low price earned by artisanal fisherfolk
- Improved quality processed fish
- Access to market improved

Ends

Means
Strategy Analysis

Step 1: Identify objectives you do not want to pursue (not desirable or not feasible);

Step 2: Group objectives, to obtain possible strategies or components (clustering);

Step 3: Assess which strategy/ies represent(s) an optimal strategy according to the agreed criteria;

Step 4: Determine Overall Objective(s) and Project Purpose
### Planning stage: the LF basics

<table>
<thead>
<tr>
<th>Intervention logic</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions/risk s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Objective</td>
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<tr>
<td>Project purpose</td>
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<td></td>
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<tr>
<td>Expected results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td>MEANS</td>
<td>COSTS</td>
<td>Pre-conditions:</td>
</tr>
</tbody>
</table>

IF results are delivered, AND assumptions hold true, THEN the PP will be achieved…
The LF Logic

Vertical Logic
- Identifies what the project intends to do and achieve
- Clarifies the causal relationships and risks
- Specifies important assumptions and risks

Horizontal Logic
- Specifies indicators to measure progress
- Identifies the sources/means to verify indicators
Intervention Logic: levels of Objectives

Overall objectives
The long-term social and economic, sectoral or national program objectives to which the project contributes.

Project Purpose
The project’s central objective: sustainable benefits to be delivered to target beneficiaries. It defines the project’s success.

Results
The services to be provided by the project for which project managers can be held accountable.

Activities
What is going to be done to deliver the project’s results.
Assumptions

• External factors that are important for the success of the project.

So they:

✓ determine the more global environment and sustainability issues;
✓ Summarise factors the project cannot control
✓ Are factors the project does not address but need to be closely monitored
Assessment of Assumptions

Is the external factor important?
- Yes
  - Will it be realised?
    - Almost certainly
    - Likely
    - Unlikely

  *Redesign the project by adding activities or results; reformulate the Project Purpose if necessary*

- No
  - Do not include in logframe
  - Is it possible to redesign the project in order to influence the external factor?
    - Yes
      - Include as an assumption
    - No
      - The project is not feasible
What are indicators?

- **Objectively Verifiable Indicators (OVI)** are specific verifiable measures of change or results as a consequence of project activities.
- They provide the basis for performance measurement.
- They are useful to convey to others what the project tries to achieve.
How to define OVIs?

1. Specify for each result, PP (and the OO), the most suitable indicator.

2. Define, on the basis of the indicator, “targets” (precise aims of the results and the PP) in terms of:
   - Quantity (how much?)
   - Quality (what?)
   - Target group (who?)
   - Time/period (starting when and for how long)
   - Place (where?)
An Example

✓ Objective: agricultural productivity increased
✓ Select the indicator: rice yield per ha
✓ Define the targets:
  ▪ Quantity: rice yield per ha increased from x% to y%…
  ▪ Quality: with z% of the harvest having export quality…
  ▪ Target group: …for 60% of the farmers…
  ▪ Place: …in North-Western Province…
  ▪ Time: …by 2010
An OVI should be:

- **S**pecific
- **M**easurable
- **A**vailable (at an acceptable cost)
- **R**elevant (with regard to the objective concerned)
- **T**ime-bound (available when useful to managers)
Sources of verification

• They describe where and in what form to find the info on achievement of objectives

• Questions to be clarified:
  – Do appropriate external sources exist?
  – Are they specific enough?
  – Are they reliable and accessible?
  – Are the costs for obtaining info reasonable?
  – Should other sources be created?

• Try to use existing sources as much as possible
Typical problems

• Beneficiaries not clearly identified
• Problems identified as important are not those of the intended beneficiaries
• Objective structure poorly developed
• Multiple project purposes
• Assumptions not developed
• Indicators not developed
Management control and external factors

Overall objective:

To alleviate poverty in designated areas
Welfare of farming community improves
Farm income rises
Changes generate increase physical product
Farmers voluntarily re-adjust
Farmers evaluate results from new techniques and change practice to try new techniques (change attitude)
Farmers gain new knowledge and skills
Farmers attend advisory sessions
Service prepares and delivers techniques

Efficient delivery of technical advice to farmers
THE ACTIVITY SCHEDULING

• List main activities;
• Break activities down into manageable tasks;
• Clarify sequence and dependencies;
• Estimate start-up, duration and completion of activities;
• Summarise scheduling of main activities;
• Define milestones;
• Define expertise;
• Allocate tasks among team;
• Estimate time required for team members.
RESOURCE SCHEDULING

• Maintain objective-oriented approach of logframe
• Facilitate results-based budgeting and monitoring of cost-effectiveness
• Provide basis for planned mobilisation of resources (external and internal)
• Identify cost implications:
  – Counterpart funding requirement
  – Post-project financial sustainability
### 3. Project Budget

<table>
<thead>
<tr>
<th>Expenses</th>
<th>All Years</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit</td>
<td># of units</td>
</tr>
<tr>
<td><strong>1. Human Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Salaries (gross amounts, local)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.1 Technical</td>
<td>Per month</td>
<td></td>
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<tr>
<td>1.1.2 Administrative/ support Staff</td>
<td>Per month</td>
<td></td>
</tr>
<tr>
<td>1.2 Salaries (gross amounts, expat/int. staff)</td>
<td>Per month</td>
<td></td>
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<tr>
<td>1.3 Per diems for missions/travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.1 Abroad (project staff)</td>
<td>Per diem</td>
<td></td>
</tr>
<tr>
<td>1.3.2 Local (project staff)</td>
<td>Per diem</td>
<td></td>
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<tr>
<td>1.3.3 Seminar/conference participants</td>
<td>Per diem</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Human Resources</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>2. Travel</strong></td>
<td></td>
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<tr>
<td>2.1. International travel</td>
<td>Per flight</td>
<td></td>
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<tr>
<td>2.2 Local transportation (over 200 km)</td>
<td>Per month</td>
<td></td>
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<tr>
<td><strong>Subtotal Travel</strong></td>
<td></td>
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<tr>
<td><strong>3. Equipment and supplies</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Purchase or rent of vehicles</td>
<td>Per vehicle</td>
<td></td>
</tr>
<tr>
<td>3.2 Furniture, computer equipment</td>
<td></td>
<td></td>
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<tr>
<td>3.3 Spare parts/equipments for machines, tools</td>
<td></td>
<td></td>
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<tr>
<td>3.4 Other</td>
<td></td>
<td></td>
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<tr>
<td><strong>Subtotal Equipment and supplies</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>4. Local office/project costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Vehicle costs</td>
<td>Per month</td>
<td></td>
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<tr>
<td>4.2 Office rent</td>
<td>Per month</td>
<td></td>
</tr>
<tr>
<td>4.3 Consumables - office + medical supplies</td>
<td>Per month</td>
<td></td>
</tr>
<tr>
<td>4.4 Other services (tel/fax, electricity/heating, maintenance)</td>
<td>Per month</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Local office/project costs</strong></td>
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<tr>
<td><strong>5. Other costs, services</strong></td>
<td></td>
<td></td>
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<tr>
<td>5.1 Publications**</td>
<td></td>
<td></td>
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<tr>
<td>5.2 Studies, research**</td>
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<tr>
<td>5.3 Auditing costs</td>
<td></td>
<td></td>
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<tr>
<td>5.4 Evaluation costs</td>
<td></td>
<td></td>
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<tr>
<td>5.5 Translation, interpreters</td>
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<tr>
<td>5.6 Financial services (bank guarantee costs etc.)</td>
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<tr>
<td>5.7 Costs of conferences/seminars**</td>
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<tr>
<td><strong>Subtotal Other costs, services</strong></td>
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Note: All costs are in EUR.
Monitoring of Implementation

Monitoring:
✓ is a systematic management activity
✓ Actual progress is compared to planned so to identify remedial actions
✓ Takes place at all levels of management
✓ Uses both formal reporting & informal communication
✓ Focuses on resources, activities & results in the logframe
Evaluation: Major issues

Evaluation:
✓ is an assessment of project success
✓ Assesses the relevance, efficiency, effectiveness, impact and sustainability of projects in relation to stated objectives
✓ Focuses more on results-to-purpose and purpose-to-overall objectives
✓ Checks the coherence of project planning
✓ Checks the influence of the important assumptions
✓ Is based on the guiding principles: impartiality, independence and credibility
Types of evaluation

3 levels of evaluation:

1) Mid-term review (useful to consider revision of objectives)

2) End of project or final evaluation (to assess the achievement of the project purpose)

3) Ex-post or impact evaluation (to assess sustained benefits and overall impact)
Evaluation of efficiency

- Analysis of how successful the project has been in transforming the means (the resources and inputs allocated to the project) through project activities into concrete project results.

- Provides the stakeholders with information on inputs/costs per unit produced.
Overall objective:
  change
Project purpose + assumptions
  utilisation
Results + assumptions
  action
Activities + assumptions
  allocation
Means + pre-conditions

Analysis on how well the production of project results contributes to the achievement of the project purpose

Uses base-line information on the pre-project situation as a starting point
Evaluation of Impact

- Overall objective: change
- Project purpose + assumptions utilisation
- Results + assumptions action
- Activities + assumptions allocation
- Means + pre-conditions

- ✓ Analysis of the overall effects of the projects.
- ✓ Analysis of the contribution of the project purpose to the overall objectives (focus on long-term changes).
- ✓ Collection and analysis of info at level of communities at large focusing on the final beneficiaires of the project.
- ✓ Also analysis of unintended impacts (negative and positive)
Integrated Documentation

1. Summary
2. Background
3. Intervention Logic
4. Assumptions
5. Implementation
6. Factors ensuring sustainability
7. Monitoring and evaluation
8. Conclusions and recommendations
Success of a Project: Some Factors

- Good / careful planning
- Fair representation of different interests through participation
- Efficient project management
- Project addresses real problems of the target groups
- Parties involved stick to their commitments
- Beneficiaries are clearly identified by gender and socio-economic group
- Competent and motivated project team
- Fair allocation of costs and benefits between women and men
- Organisational capacity