Project Cycle Management

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Supported by
The Enhanced Integrated Framework (EIF) for LDCs
Content

• Project Definition
• Different Project Cycles
• History of Project Management Cycle (PMC)
• Phases of the PMC
What is a project?

- Definition: 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.
Relationship between projects, programmes and policies
Generic Project Cycle

- **Defining**
  1. Goals
  2. Specifications
  3. Tasks
  4. Responsibilities

- **Planning**
  1. Schedules
  2. Budgets
  3. Resources
  4. Risks
  5. Staffing

- **Executing**
  1. Status reports
  2. Changes
  3. Quality
  4. Forecasts

- **Delivering**
  1. Train customer
  2. Transfer documents
  3. Release resources
  4. Release staff
  5. Lessons learned
Generic Project Cycle
EU Project Cycle_2002

Diagram:
- Programming
- Identification
- Appraisal
- Financing
- Implementation
- Evaluation
EU Project Cycle_2004

Programming

Evaluation & Audit

Identification

Implementation

Formulation
ADB Project Cycle
WB Project Cycle
EIF Project Cycle
Today, we learn from EU 2004 Guideline
PCM History

• “Project Cycle Management” (PCM) was adopted in 1992 by the European Commission as its primary set of project design and management tools, based on the Logical Framework Approach (LFA).

• A first PCM manual was produced in 1993, and is continuously updated.

Merging PCM and Logframe Approach

- **Project Cycle Management**
  Defines different phases in the project life with well-defined management activities and decision making procedures.

- **Logframe Approach**
  A methodology for planning, managing and evaluating programmes and projects, using tools to enhance participation and transparency and to improve orientation towards objectives.

**Project Cycle Management**
- The decision making and implementation process defined by the organisation.

**Logframe Approach**
- Project management methods and tools.
Programming Stage

**Programming**

- Analyse situation at national and sectoral level. Identify problems, constraints and opportunities;
- Identify main objectives and sectoral priorities for development cooperation;
- Provide a relevant and feasible programming framework within which projects can be identified and prepared;
- Formulate/evaluate strategies taking account of past experience

- **Donor Question:** What are the partner’s development priorities and what is the donor’s focus for assistance?
- **Donor Decision:** Choice of programme priorities, sector focus, type of assistance and financing modalities
Identification Stage (1)

**Identification**

- Identify ideas for projects and other development actions
- Consult intended beneficiaries of each action, analyse problems they face and options to address these problems
- Make decision on the relevance of each project idea and on which ideas should be further studies during formulation
- Develop relevant project ideas into operational project plans.
- Assess feasibility and sustainability
- Make decision whether to draw up a formal project proposal and seek funding for the project.

- **Donor Question:** Is the project concept relevant to priority local needs and consistent with their policy priorities?
- **Donor Decision:** Accept, modify or reject the project idea(s)
Identification Stage (2)

Logical Framework Approach

1. Stakeholder Analysis
2. Problem Analysis
3. Objective Analysis
4. Strategy Analysis
Formulation Stage (1)

**Formulation**

- Specify objectives, inputs and outputs
- Assess impact and sustainability
- Assess environmental, social and gender issues
- Review of the prepared project for institutional capacity, costs and benefits.
- Project proposals are examined by the funding agency, and a decision is taken on whether to fund the project.
- The funding agency and the country agree the modalities of implementation and formalize these in a legal document which sets out the arrangements by which the project will be funded and implemented.

- **Donor Question:** is the project feasible and will it deliver sustainable benefits?
- **Donor Decision:**
  - Accept, reject or modify the proposal
  - whether or not to commit finance
## Formulation Stage (2)

<table>
<thead>
<tr>
<th>Strategy of Intervention</th>
<th>Key Performance Indicators</th>
<th>Means of Verification</th>
<th>External Factors assumptions / risks</th>
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<td>Activities</td>
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<td>Pre-conditions</td>
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### Diagram
- **Programming**
- **Identification**
- **Implementation & Audit**
- **Formulation**
Formulation Stage (3)
Implementation Stage

**Implementation**
- Procure and deploy resources, including personnel
- Implement activities and deliver results
- Monitor and review progress
- Revise operational plans in light of experience
- Report on progress.

- **Donor Question:** Are results being achieved and resources efficiently and effectively used? What corrective action should be taken?
- **Donor decision:** Continue financing, modify scope of donor support, or terminate support
Evaluation & Audit Stage

**Evaluation & Audit**

- Funding agency and partners 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.
- It is common practice also to conduct a mid-term evaluation during implementation, to identify lessons that can be applied during the remaining life of the project.

**Donor Question:**
- Were planned benefits achieved, will they be sustained, and what lessons have been learned? (evaluation)
- Has there been compliance with applicable laws and rules? Are efficiency, economy and effectiveness criteria being met? (audit)

**Donor decision:** Change policies, scope of forward programme, or their operating modalities
Thank you!