



# project cycle management toolkit

**Local Livelihoods**

# Project Cycle Management Toolkit

Freer Spreckley

Edited by Sally Hunt

ISBN 0-9538674-1-2

Project Cycle Management Toolkit  
3<sup>rd</sup> Edition 2006

1<sup>st</sup> Edition published 2000  
2<sup>nd</sup> Edition published 2001

Local Livelihoods Ltd.  
St Oswalds Barn, Herefordshire, HR3 5HB, England

Tel: + 44 (0)1497831770  
Email: [info@locallivelihoods.com](mailto:info@locallivelihoods.com)  
Website: [www.locallivelihoods.com](http://www.locallivelihoods.com)

# Content

## Introduction

- 1.1 Introduction
- 1.2 Project Cycle Management
- 1.3 Management of PCM
- 1.4 Good Practice
- 1.5 Good Governance for Partnership Working

## The Six Stages of the Project Cycle

### Stage 1 Programme

- 1.1 Programme
- 1.2 Developing the Programme Strategy

### Stage 2 Identification

- 2.1 Stakeholders
- 2.2 Problems and Objectives Assessment
- 2.3 Quality Assurance Check – Relevance

### Stage 3 Formulation

- 3.1 Preparing the Logical Framework
- 3.2 Objectives Column
- 3.3 Assumptions Column
- 3.4 Check the Design Logic
- 3.5 Indicators Column
- 3.6 Evidence Column
- 3.7 Activities
- 3.8 Check the Logical Framework
- 3.9 Quality Assurance Check – Feasibility
- 3.10 Mainstreaming Framework
- 3.11 Considering the Evaluation
- 3.12 Project Proposal
- 3.13 Activity Plan
- 3.14 Budget Plan Guide
- 3.15 Ratio Analysis
- 3.16 Quality Assurance Check – Sustainability

### Stage 4 Appraisals and Commitment

- 4.1 Appraising a Project Proposal
- 4.2 Project Eligibility
- 4.3 Project Relevance
- 4.4 Project Feasibility
- 4.5 Sustainability of Project Benefits

### Stage 5 Implementation

- 5.1 Developing a Terms of Reference
- 5.2 Inception Review
- 5.3 Establish and Carry Out Project Monitoring

### Stage 6 Evaluation

- 6.1 Preparing the Evaluation
- 6.2 Lessons Learnt to Inform Strategy
- 6.3 Reporting on the Evaluation

#### Annexes:

- 1. PCM Training Programme
- 2. Project Facilitator software
- 3. PCM Templates
- 4. Glossary
- 5. Reference Material

# 1. Introduction

## 1.1 Introduction

### Welcome to the Toolkit

The Project Cycle Management Toolkit is a practical workbook on how to design, develop, manage, monitor and evaluate regeneration and development projects. It provides best practice techniques for all aspects of project management that are supported by diagrams, templates and illustrations. The Toolkit can be used as a workbook for those who wish to apply any of the techniques and exercises in their work, and as a study guide for students, on the job learners and participants of training courses.

The Toolkit is also the basic text book for the Project Cycle Management Training Programme, accredited to Level 2 and 3 with the Open College Network; see Annex 1. for further details.

Local Livelihoods has also developed a software database system called Project Facilitator which supports Project Cycle Management see Annex 2. for further details.

#### **This toolkit will:**

- explain project cycle management and how it can be used as a framework for organising regeneration and development programmes
- explain how to build a logical framework to help stakeholders discuss all the implications of what they are trying to do and build robust projects
- introduce a range of participatory development methods as a basic skills toolkit for development workers
- show how to engage with stakeholders in building shared approaches to regeneration and development
- explain how to identify mainstreaming opportunities and design project benefits to be sustained
- explain how to use quality assurance to guide project development, appraise projects and monitor and evaluate project implementation

#### **Who is this Toolkit for**

The Toolkit is designed for practitioners, both those experienced in project management who wish to learn a new method, and those who have never managed projects before and are looking for appropriate methods. The project management method described in this Toolkit is of interest to all those working in regeneration and development.

## What is Project Cycle Management

Project Cycle Management (PCM) is a framework within which to identify and clarify problems and then design, plan, implement, monitor and evaluate projects to overcome them. PCM creates 'equality in the workplace' by facilitating equal contribution by all stakeholders engaged in the process of regeneration and development. It builds a shared and concise picture of what a project will do to overcome a specific problem. It does this by breaking down the components of regeneration into manageable sized chunks. PCM divides the 'project cycle' into six stages in the life of a project: the cycle starts with the policy objectives and sectoral area covered and moves to identification of a problem to be addressed, develops the idea to solve the problem into a working plan that can be implemented and, on completion, evaluated. PCM provides the context in which project decisions are made and activities managed: it maintains the critical linkage between one stage and the next. As a common methodology PCM also provides the basis for a partnership framework when more than one agency is engaged in planning or managing projects.

An organisation that uses PCM will have to adjust their operational procedures and working style to fully benefit from the methodology. PCM uses a standard set of templates that should be adopted, in part or in full; this does not require any major change, possibly a re-ordering of existing documents and a change in the perception of what is a 'quality document'. Volume of text does not produce quality: clarity of understanding produces quality.

Staff may also have to change the way they interact with stakeholders; PCM works better through a series of short (½ to 2 hours) participative workshops rather than through meetings. Often meetings are too long - boring; dominated by a few individuals - exclusive; require agendas, notes, minutes and actions to be prepared - bureaucratic; and often not very productive – no clear results obtained, whereas PCM uses the templates to inform, record, analyse, and conclude the results of a participative workshop. Everyone is involved; the structure keeps the session focused and time to a minimum, and all the necessary documentation is prepared.

## What is Logical Framework

Logical Framework is the specific set of techniques used during the project cycle to design, plan, monitor and evaluate a project. The Logical Framework is a matrix of four columns and four rows divided into 16 boxes in which information is written. When designing a project the Logical Framework is used to examine the relationships between different sets of information, which can then be amended, moved, added to or deleted to fashion projects that are clear, realistic and manageable. The Logical Framework can be used to summarise the project and for communicating a clear picture of the plan to stakeholders on one or two sheets of paper. The Logical Framework is used as the basis for writing the project proposal. It is also used as a tool to appraise projects, monitor progress during implementation and evaluate the project.

## Why use Project Cycle Management

The purpose of regeneration projects is to solve problems that are not solvable by existing means. Over many years projects have been evaluated against achieving their stated objectives; evaluations have shown that a lack of a robust project methodology reduces the chance of projects achieving sustainable benefits. Analysis has identified the inappropriateness of many of the methods used in project design and management as one of the main reasons for not meeting expectations. Many of these methods were copied from the private and public sectors where they had been specifically designed for those purposes using their particular management structures. This is underlined by evidence that a high number of projects fail to achieve sustainable benefits beyond the life of the project funding. Increasingly, there is an emphasis on the principle that those who are intended to benefit from a service should be involved in designing and managing the provision of the service. PCM addresses a number of these specific issues. The following table illustrates the areas in which PCM supports project design and development and addresses the lessons learnt from previous evaluations.

Project Evaluation Conclusions	Project Cycle Management
• Projects tend to be developed to attract funds	• Projects are designed to solve problems
• Projects have to fit within a standardised set of outputs	• Projects develop local strategy, criteria and indicators to fit within the local situation and achieve excellence.
• Focus is on writing funding applications	• Focus is on designing and making decisions before writing the proposal
• Stakeholders have not been active in the design of projects	• Stakeholders participate in defining the problems and making decisions about the solutions
• Projects are funder and/or technical supply driven	• Projects are demand led
• Poor analysis of local situation	• Through stakeholders' participation, the local situation is well understood
• The project design focuses on activities	• Projects are designed through identifying objectives as solutions to problems
• Non-verifiable impact	• Each objective has clear verifiable evidence indicators
• Short term vision	• The focus is always on the long term and sustainable benefits, or mainstreaming.
• Tendency is for projects to include many areas and become complex and exclusive	• Tendency is for projects to be placed within an operational strategy and remain single focus
• Inconsistent documentation	• All documents are standardised and made stable in order to enhance inclusiveness

Regeneration and development is to change the way organisations deliver services and to change the way individuals and groups of people receive them. There is nothing simple or straightforward about regeneration and community development; it is complex and difficult because it involves changing the behaviour of large organisations, individuals and groups of people. For stakeholders to change they need to be involved and want to change; consequently their participation is required as part of the methodology of the regeneration process.

PCM, when used participatively, (i.e. reliant on contributions by beneficiaries and their involvement in the decision making process) has gained a reputation for generating partnership between the service provider and service user, enabling projects to achieve their stated objectives. The method is designed specifically for projects whose purpose is to achieve sustainable solutions to perceived problems; it takes account of the need to involve those who are intended to benefit (the 'beneficiaries'), in all levels of planning, implementing and evaluating. The very process of using PCM is part of the solution to the problem of people feeling they do not have a say, or are not listened to, when it comes to designing projects.

### **What is a Programme and what is a Project**

Regeneration and development programmes and projects are short term interventions to create long term benefits. Their purpose is to change an existing negative situation into a positive situation. Generally programmes and projects are initiated to:

- Put in place better services, and
- Change the behaviour of service providers and/or service users

The Programme is the overall plan within a policy framework. The Programme sets the overall outcome and budget limits, defines the geographical, social and economic parameters within which the programme operates, and will be established for a number of years. It will be based on a general set of indicators (identified through a 'baseline' exercise) that determine the need for the initiative.

A Project is a set of activities designed to achieve a stated objective, based on an identified problem within the parameters of the Programme. A Project links the policy initiative of the Programme at the higher level with the unique problems faced by a particular group at grass roots level.

In the Toolkit, we refer to a Programme as the initiative set to deal with a particular broad set of issues within a wide geographical area, and a Project as representing the demand set by a sub-group focused on a specific set of issues and problems within a narrow geographical area.

## Why the Toolkit

Many people who are new to project management are participating either as paid staff, volunteers or advisers, but have no formal training in the necessary techniques and skills. Regeneration and development needs a methodology to create a common standard against which the sector is managed and measured and professionalism is developed. PCM has been specifically designed for participatory development and regeneration and is widely used by international agencies around the world; it has been developed by practitioners in the field who themselves have been frustrated by the inappropriate methods and development tools available.

The current lack of professional procedure in regeneration and community development in the UK means that flexibility only exists within the documentation; with PCM the documentation is structured therefore the flexibility lies within the project and how it is managed.

The Toolkit provides a set of templates for recording, analysing and measuring progress. Templates, when used consistently, will provide the foundation of the project and programme documentation. Templates are a very effective way of collecting data at the time and place of its creation, such as in meetings, workshops, team working, interviews, etc., and the standard formats enable data to be compared and analysed across a sector or a cluster of projects. Using standard templates makes it easy for all stakeholders to learn the format and be able to read, contribute to and analyse information. See Annex 3. for a list of Templates.

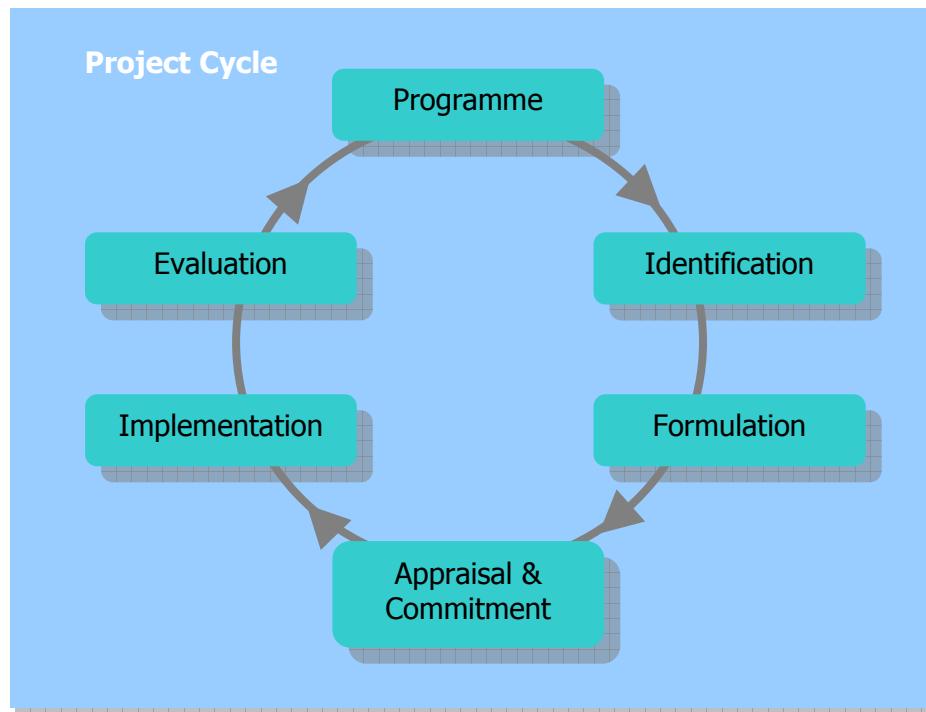
## 1.2 Project Cycle Management

Project Cycle Management is a cycle of six stages through which projects are processed from the programme framework to the final evaluation. PCM is not a single process but a set of integrated stages, designed to make sure that issues are examined systematically; each stage links with the previous one and leads forward to the next one. This system makes the project concept, (and the context in which it operates), clear and visible and therefore enables it to be better managed.

Dividing the cycle into six stages provides the basis for effective project preparation, implementation and evaluation. At each stage information is gathered and decisions are made to either continue with, or to stop, the project. If a project ceases to be relevant, it should be fundamentally changed or stopped. Stopping a project if it is not going to achieve its objectives, at any time during the cycle, is not failure, but good management.

PCM provides a structure within which different stakeholders can participate and make decisions at each stage of the cycle. Their involvement is crucial to good project management: experience has shown that too many decisions about projects are taken

without sufficient participation by beneficiaries and other stakeholders, and without the necessary information. The structure of the project cycle ensures that the stakeholders make the decisions and that decisions are based on relevant and sufficient information.



PCM obliges practitioners in project design to focus on the real needs of the beneficiaries by requiring a detailed assessment of the existing situation. Right from the beginning, aspects assuring sustainability are included in the project design. The strength of PCM is that project documents are structured according to a standardised and stable format dealing with all relevant issues, including the assumptions on which the project is based. At each stage in the project cycle these issues are examined, and revised where necessary, and carried forward to the next stage. This system makes the project concept and the context in which it operates clear and visible and enables better monitoring and evaluation during implementation.

#### **The project cycle provides a structure that ensures:**

- problem analysis is thorough
- objectives are relevant to problems and clearly stated and linked
- outputs and objectives are logical and measurable
- organisations' strengths and weaknesses have been identified
- assumptions are taken into account
- monitoring concentrates on verifiable targets and identifies problems and solutions
- evaluations are an integral part of the process and 'lessons learnt' are easier to incorporate in future programmes and projects.
- sustainability is defined, not essentially by 'organisational continuity', but primarily by the continuous 'flow of benefits' that beneficiaries gain

## 1.3 Management of PCM

The project cycle - from Programme stage to the final Evaluation stage - can take a number of years and involve many different individuals and organisations (stakeholders). This means that there is often no overall management of all six stages from beginning to end; at each stage different stakeholders are involved.

Within an area based regeneration organisation, for example, there will be a project management team, this is often divided into two sub-teams: a project design and development team, which operates during the Identification and Formulation stages; and a monitoring and mentoring team which operates during the Implementation and Evaluation stages. The Programme and Appraisal stages are usually managed by the programme management. The small teams will be made up of staff and relevant stakeholders. The job of these teams is to guide and develop projects and assist in the monitoring and evaluation. They will also be responsible for engaging with other stakeholders to involve them at appropriate times during the project cycle.

### The Role of the Project Manager

Regeneration is very much concerned with people and their social, physical and natural surroundings. People have to look after their surroundings, the surroundings don't look after people: therefore regeneration projects have to work with people in deciding about, developing and maintaining their surroundings; consequently the role of the project manager is to work with people. The easy bit of regeneration and development is to build buildings and smarten up the environment. It is harder to facilitate people in gaining the confidence and the ability to look after their surroundings.

The role of the project manager is not only about getting things done on time, it is about getting it done within a context of participative decision making: acting as a facilitator. This is what makes regeneration and development so complex. Their role is to manage much of the process of developing projects, but it is also to facilitate others to get involved, make decisions and take responsibility. The project manager has to shift their position of power from feeling good about directing things to a position of feeling good about assisting others to direct things. This means stepping back from making decisions and allowing others to make decisions. The following matrix gives an example of the management process for a typical project, but it is likely that each organisation will prepare their own Management Process to integrate with existing procedures and documentation.

At each stage, good management depends on engaging with the right stakeholders in a participative way. Management should be focused on one stage at a time with a clear path to the next stage. This includes undertaking exercises, gathering information, analysing the findings and making decisions, before deciding whether to do more work, abandon the project or move to the next stage.

PCM Management Process			
PCM Stages	Who's involved	What happens	Decisions made
<b>Programme</b>	National, Regional & Local Government, beneficiaries and other stakeholders and partners. Programme Management	Assessment of regional and local socio-economic conditions, policies and an analysis of other initiatives.	The policies, sectoral themes and geographical areas to be included; strategic programme and project decisions.
<b>Identification</b>	Beneficiaries and other relevant stakeholders, partners and external facilitator.	Identify target group and other relevant stakeholders, problems, objectives and strategy options.	Relevance of objectives to problems and capacity of participation by potential beneficiaries.
	Design and Development Team	Analyse the local situation.	
<b>Formulation</b>	Beneficiaries, other stakeholders, partners and technical advisors. Design and Development Team	Project is designed using the Logical Framework and the proposal is prepared and checked.	That the project is feasible and a sustainable flow of benefits will continue.
<b>Appraisal and Commitment</b>	Funders and their authorised agents, and others contributing to the project. Programme Management /Appraisal Team	The project proposal is appraised in relation to achieving the Project Purpose and best value.	To finance and commit resources and labour to the project.
<b>Implementation</b>	Implementation agents, beneficiaries and those involved in monitoring. Monitoring and Mentoring Team	The project is carried out and monitored using the indicators & assumptions designed in the Logical Framework.	Based on project monitoring decisions made about continuation, amending or stopping the project.
<b>Evaluation</b>	Evaluator, beneficiaries and other supporters. Monitoring and Mentoring Team	Assessment of what and how the project was carried out and if it achieved its Project Purpose.	To support similar projects based on lessons learnt.

Management of the overall cycle will happen through recording clearly and concisely the result of the process at each stage. PCM uses standardised and stable document formats throughout the life of a project to enhance communication between each stage and each group of stakeholders involved: PCM will provide the tools for project managers to carry out their work in a facilitative way.

## 1.4 Good Practice

PCM has been informed by evaluations that have identified good practice in regeneration and development. PCM contains a number of principles which are designed to put best practice at the centre of regeneration and development. By applying the principles of good practice as well as learning the PCM techniques, a robust and effective way of managing complex regeneration and development interventions is created.

### Involving stakeholders in analysis and decision-making

Designing and implementing projects requires the active support of stakeholders. PCM ensures that stakeholders are involved in decision-making, and that decisions are based on relevant and sufficient information.

### Standardised documentation

During the life of a project many documents will be generated, from the original problem analysis through to the proposal, monitoring reports and the final evaluation. The documents are the major link as the project progresses from one stage to the next and communicate what has previously been done, who was involved and what was decided. If these documents are inconsistent in style, content and emphasis they become exclusive and inaccessible to beneficiaries and many other stakeholders. PCM has a standard set of 15 templates that can be added to, amended to fit with existing procedures or removed if unnecessary.

### Facilitation

The process of PCM facilitates people to get involved, make decisions and act upon them; building skills and confidence to be more in control of their own affairs.

### Sustainability as the way to measure and appraise success

A project can be said to be sustainable when the beneficiaries continue to experience benefits beyond the period of project funding. This means that planned benefits should be sustainable beyond the life of the delivery of the project services. PCM puts the focus on how to create sustainable benefits rather than how to provide and deliver a service.

### Quality Assurance

Quality Assurance is the term used to describe the 'process checks' which ensure quality control. Quality Assurance is the process of checking best practice has been followed at the time of carrying out the actions of project design. There are four sets of Quality Assurance checks used at particular stages of the project cycle and/or as part of the project appraisal. These are based on the criteria of eligibility, relevance, feasibility and sustainability.

## 1.5 Good Governance for Partnership Working

Most projects involve working closely with partners. Good Governance is increasingly being referred to in terms of its importance to the successful management of partnership working. Good Governance relates to the way partnerships structure their working relations: the term Good Governance is likely to supersede other descriptions of partnership good practice.

**Good governance can be understood as a set of 8 major characteristics:**

- Equity and inclusiveness
- Responsiveness
- Participation
- Consensus oriented
- Effectiveness and efficiency
- Transparency
- Rule of law
- Accountability

**Good Governance for partnership working should include the following, most of which are incorporated within the PCM methodology:**

- **Statement of the Purpose of the Partnership:** a statement that will reflect the purpose of the Partnership and may well include a broader statement of Partners' interests. **Equity and inclusiveness**
- **Stakeholder Mapping and Analysis:** to identify the potential beneficiaries, partners and mainstreaming providers, and clarify how the partnership will work together and develop successful projects. **Responsiveness** and **Participation**
- **Partnership Roles and Tasks:** to clarify the responsibilities and actions of partners and inform the Terms of Reference for each partners' involvement. **Consensus oriented**
- A set of relevant reference documents relating to the legal and legislative requirements for the Partnership **Effectiveness and efficiency**
- **Standard procedures for recording the proceedings of the Partnership:** covering decisions made, communication methods, regular reviews and planning. **Transparency**
- **A recruitment and withdrawal procedure for members of the Partnership:** including a Terms of Reference for members, clear procedures for identifying and selecting new members and how members leave. **Rule of law**
- **Quality Assurance Checks:** to maintain and build quality in project objectives, as well as in project management. **Accountability**

## Partnership Roles and Tasks

Partnership Roles and Tasks is an exercise which enables a partnership to design how its internal structure should operate and analyse how project work should be shared between partner members, assigning tasks and allocating roles. It can be used to identify areas of responsibility, and hence, specific actions that need to be undertaken. A partnership may have been formed for the purpose of developing projects: during a partnership's lifetime there will be changes both to the partners and the roles and tasks, this exercise can be used to review the partnership at any time and make changes to the structure.

A matrix, as below, is used for this exercise. All the Roles to be performed by partners, or the actual partners, are listed in the top horizontal row. All the Tasks are listed in the vertical left-hand column: a task is defined as a particular action that needs to be done.

Partnership Roles and Tasks										
Partner Roles →	Lead partner	Transnational Partner(s)	Partner 1	Partner 2	Partner 3	Partner 4	Partner 5	Partner 6	Etc.	
Tasks ↓										
Partnership co-ordination	X	O								
Administration	X	O	O		O					
Strategic Planning	O	O	X	O	O	O	O	O	O	O
Financial management	O	O		X						
Financial control	X	O		X		O				
Transnational working	O	X					O			
Project design/preparation	O	O	O	O	O	O	O	O	O	O
Project monitoring	O	O	O	O	X	O	O	O	O	O
Mainstreaming	O			O				X		
Dissemination	O	O	O	O	O	X	O	O	O	O

It is useful to distinguish between a lead role i.e. decision-making, and a support role i.e. being instructed to do the work. This can be done by marking the Lead Roles with an X and Support Roles with an O. Once the matrix has been completed, the vertical column under each Partner's name can be used as the basis for drawing up a Partnership contract or letter of agreement specifying the roles, tasks and responsibilities for each partner. This exercise can also be used to develop and plan the structure of organisations and teams.

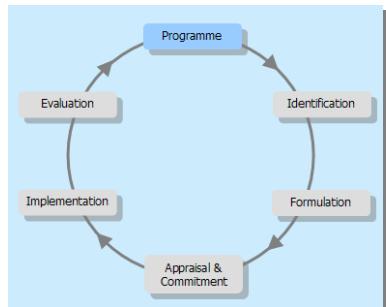
# The Six Stages of the Project Cycle

## Stage 1. Programme

A Programme is a set of priorities based on indices of deprivation, a defined geographical area, a time period, sometimes a specific target group and an overall budget in which individual projects can be developed. The Programme stage is the first in the PCM cycle and establishes the strategy framework in which projects can be initiated, funded and implemented: the task is to set broad strategic priorities for a given period (3-10 years). Lessons learnt from similar previous projects' evaluations will be reviewed to inform the programme strategy. If for example, it is a neighbourhood renewal programme where the community has an important role in directing the programme then it is important to establish a community based strategic plan to complement the funders' priorities.

At the end of this stage there should be a set of funding priorities and operational criteria clearly established, and a programme strategy or, if appropriate a community strategy, with criteria in place to support project design, appraisal, monitoring and evaluation.

### Sequence of Activities in the Programme Stage:



- review of local social and economic conditions
- review of relevant central, regional and local government policies and initiatives
- review of other agency and local government initiatives in the same area
- programme strategy planning

**Who should be involved?** – Funders, local and regional government authorities and support agencies. Residents of the defined areas should be involved if a community strategy is being developed.

Exercises	Records
1. Read background information 2. Undertake review of local programmes 3. Carry out programme strategy planning	Template 1. Programme Strategy and Project Criteria Record

## 1.1 Programme

The main funder, the regional administration and local organisations/groups, usually establish the Programme. The Programme will be based on national, regional and local measures of deprivation. In addition to the general measures, baseline studies will also be used to identify specific issues facing individual neighbourhoods. A Programme may comprise a geographical area, a particular group of people, a number of sectors and themes, a total fund allocation and a time period. Within a Programme there will be projects that are developed to overcome specific areas of deprivation.

Programmes based on geographical areas are the most common, though sometimes special interest groups can warrant a Programme. Themes and sectors will divide the programme into project areas, such as health, education, work, housing, etc. Programmes tend to be between 3 – 10 years. Within Programmes, there are sometimes short-term funding cycles - for example, you might find three 3 year funding cycles within a 10 year Programme.

Designing and implementing individual projects is the main way Programmes are carried out. They can be run by Local Authorities, development agencies, partnerships, or community-based organisations. The specific arrangements for each Programme will differ in relation to the circumstances in which it is to take place. This will include the specific project foci, arrangements for overall management, appraisal and monitoring procedures, delivery of individual projects and budget control.

PCM develops a programme strategy and a set of criteria to provide an operational framework that is specific to local conditions, and to complement the contribution made by funders. This creates the framework within which operational decisions and actions are taken to meet the objectives of the Programme; the projects are the method for solving specific problems and managing specific initiatives that contribute to the Programme. The contribution towards strategy from each project is strengthened once all projects are aligned with the programme strategy. The exercise of developing the programme strategy can become part of annual planning or it can be an independent exercise.

## 1.2 Developing the Programme Strategy

The process of designing appropriate projects and managing the decision making process is made easier by having a clear strategy against which criteria can be developed to assist the design, appraisal and measurement process. The following method is a way to undertake strategy planning that is participative and can be used to guide the development and implementation of individual projects. Undertaking programme strategy planning can be an important method of engaging a wide cross

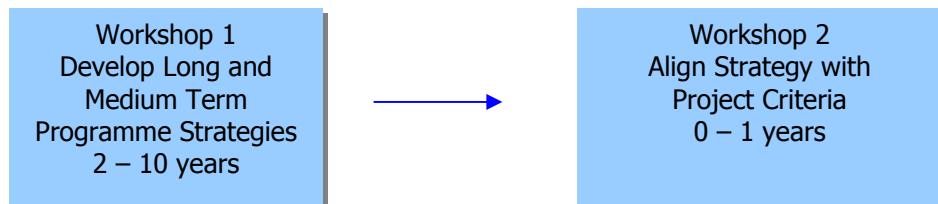
section of stakeholders in making the big decisions while leaving the details of managing individual projects to smaller groups of stakeholders.

To start the process, form a small strategy team made up of a reasonable mix of stakeholders, such as staff, board members, residents, local agency staff, council officers, etc. The team will need to manage the process of developing the programme strategy and they will need to bring in other stakeholders when required. The strategy team has to be representative of the range of positions and interests locally and be open and transparent to other stakeholders. The team should keep records of all meetings and workshops, for open inspection by other stakeholders.

The strategy team will have to arrange and facilitate two workshops, of not more than half a day in length each, and invite a wide and representative group of other stakeholders. In subsequent years the same process can be used but it will take less time.

**To establish the programme strategy two steps are used:**

- first to develop the long and medium term programme strategies; and
- secondly to align the strategic objectives with the project criteria



**Before Workshop 1 – explore the current situation**

Before running the strategy workshops it is important to be as prepared as possible: set the framework in which the strategy planning will take place. The team should spend some time investigating and gathering relevant information. This will involve information about the Programme themes and funding criteria, the regeneration area, external influences from government and non-government bodies, and internal strengths and weaknesses of the delivery agencies. The strategy team should prepare a short strategy framework document. This should be distributed to participants prior to attending the workshop. The strategy team will also have to identify and invite stakeholders as part of the workshop preparation.

**Below is a list of the type of information the strategy team should try to gather:**

**The Programme:**

- Funding priorities/themes?
- Cross cutting issues?
- Length of time?
- Partner requirements?
- Mainstreaming requirements?

**The Regeneration area:**

- Who are the beneficiaries?
- Physical conditions of the area?
- Social and economic conditions of the area?
- Main regeneration organisations operating in the area?
- Existing baseline data?

**External influences:**

- Policies affecting the area?
- Political policies towards regeneration locally?
- Other main influences on the regeneration area?

**Internal strengths and weaknesses:**

- Potential delivery agencies?
- Local experience of regeneration?
- Lessons learned from previous regeneration programmes and projects?

**Develop the Long Term Programme Strategy – Workshop 1**

Workshop 1  
Develop Long and  
Medium Term  
Programme Strategies

The long term strategy establishes a picture of the future. The picture of the future then acts as the focus of what an organisation, or a community, is striving for, a signpost to where it is going and a vision of what it might be like once it gets there. The long term strategy creates a context in which individual projects, or groups of projects, can be developed, and subsequently measured.

The first workshop is an opportunity for groups of people to come together and discuss the big issues facing their organisation, or their community. It will also allow people to explore new ideas and be ambitious about their future. Discussions about the future should be broad and provide direction rather than be specific or try to answer questions. We cannot accurately describe the future, but what we can do is build the capacity to discuss and visualise the future. This is done through a participative process resulting in a programme strategy with alignment criteria, and the experience for those participating of being part of the planning team; making decisions which will lead to a sense of ownership and responsibility for the outcome.

### Workshop 1 activities:

- a) **Brainstorm** around the key factors and/or undertake a strategic problems and objective assessment  
(see Identification Stage for details on how to conduct a Problem and Objective Assessment; this is an alternative method for starting the programme strategy planning)
- b) **Cluster and Model** the Aims around the key themes/local areas/other categories into Thematic Groups

#### a) Brainstorm around the key factors

At the start of the workshop participants should discuss what the problems faced by the organisation, or the community, are and what their aims are for up to 10 years time. The aims may include, for example, services that should be delivered, how they should be managed, physical facilities that should be based in the programme area, businesses based in the area and/or renovation of buildings and landscape, etc.

The rules of brainstorming are simple: each participant can speak, don't interrupt, don't analyse or criticise, write their ideas on cards or post it notes and display around the room. During the workshop, lots of ideas and aims for the future will be generated. The important thing is to think of how the key factors should be organised, not today, but in the long term. These are a suggested set of factors that you can amend to suit your situation; you may choose key themes for the Programme, for example.

#### Key Factors:

##### 1. Facilities

What are they? How are they managed and maintained? Who owns them? Where does the finance come from? Who can use them? How do people use the facilities? Do they pay or are they free? Etc.

## 2. Leaders and Teams

Who are they? Have they grown up within the programme area? What are their experiences? What are the key characteristics? Who are the key stakeholders? Etc.

## 3. Structure of Organisation

How should the organisation be structured and managed? Who owns the organisation? Who should be involved? What should the organisation do (cover)? Who is it accountable to? Etc.

## 4. People Process

How are people involved? How do you reward people? How are people recruited? How will you measure performance? What are the key aspects of career development? How do people participate?

## 5. Culture and Values

What is the operating style of the organisation? How do people in the organisation operate and interact with each other? What are the norms of behaviour? What are the core beliefs? How are the culture and values identified and agreed?

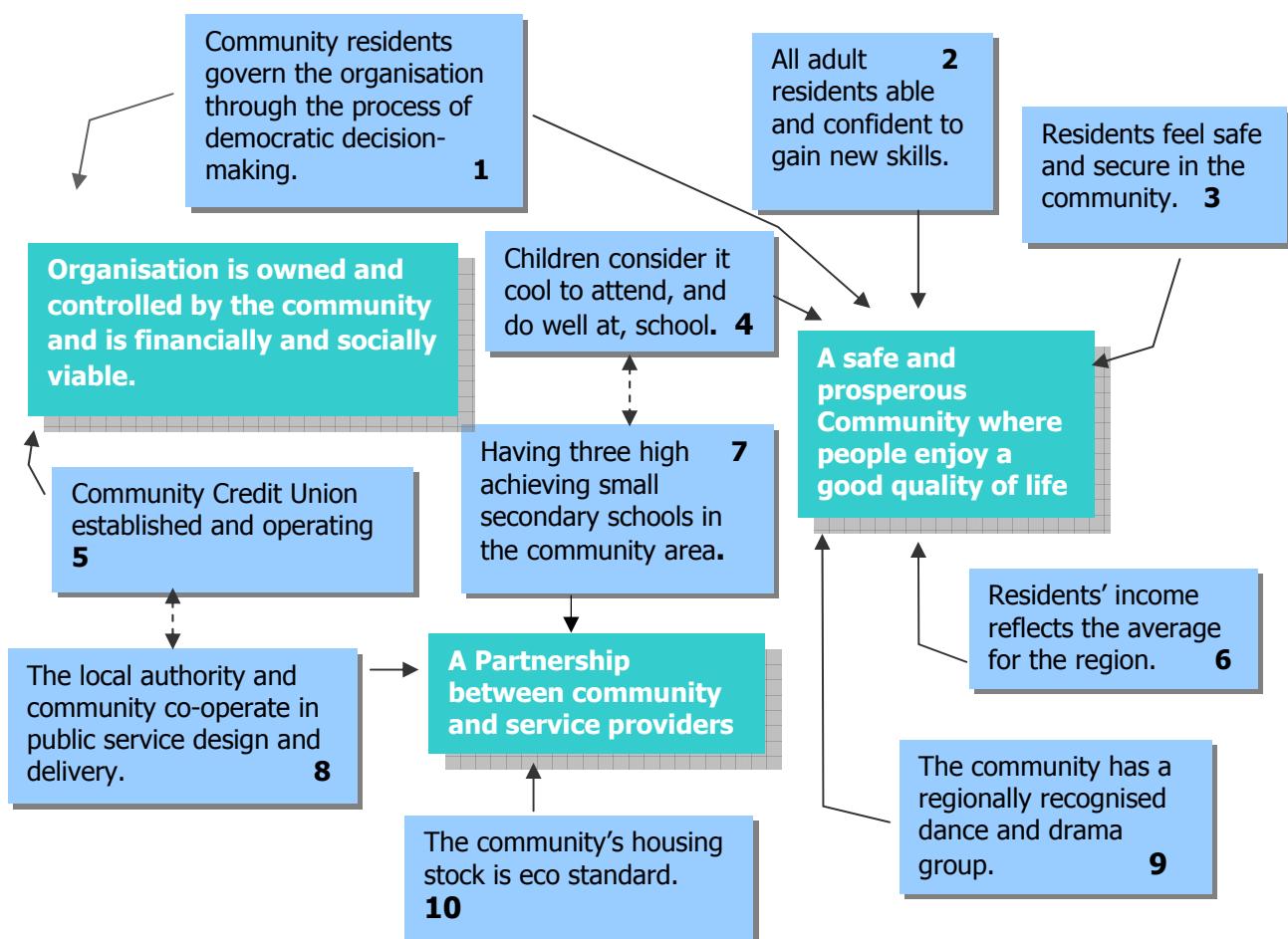
### b) Cluster and Model the Aims

After brainstorming there will be lots of aims for the future written down. The next step is to cluster these aims for the future; this can be done through discussion or through placing the cards into groups of similar areas. A way to do this is to identify whether the aims are technical or stakeholder based. Technical aims will be to do with physical facilities, skills, education, etc. and stakeholder aims will be to do with young people, unemployed, and people without certain facilities such as transport, etc. Within each of these categories there will be a number of subgroups that you can create. Once you have clustered the cards into similar groups try to merge a number of statements into single statements to make them more comprehensible and strategic. For example, you may have a number of cards with statements such as: strong organisation, organisation owned by community, organisation financially viable, and so on. These could be combined into a single statement as follows:

**"Organisation is owned and controlled by the community  
and is financially and socially viable."**

You will end up with fewer statements of aims but clearer and more comprehensive ones. Next prioritise those considered most important in each group and try to reach a consensus. Narrow the field of aims down to a manageable number; the intention is to create a broad agreement about the aims that are really important.

Identify those aims that are broad and long term (4 – 10 years) and those that are more focused and medium term (1 – 3 years). Place the broad long term aims on the wall and then identify and place the focused and medium term aims that relate to the broad long term aims around them as the diagram below shows. Those medium term aims that do not relate, but which you want to include, will have to stand alone as a medium term strategy. If the exercise is based on funders' priorities you may need to model the aims around their themes, such as health or crime etc. For area based regeneration programmes these might be: the organisation, the community, and the partners.



The workshop will now have a model which shows the key thematic areas of interest for the future and a number of specific priorities. This is the Programme Strategy. Specific projects can be developed to address these themes.

As you examine the model more carefully you can identify which of the strategies can be achieved in the medium term, i.e. 0 to 4 years, and which will take between 5 to 10 years to achieve. When you look at the aims you have selected you will see that some of them will be long term; it might take up to 10 years to achieve them, and some will be medium term; they might be achieved within 2 to 4 years.

**Example of a long term aim:**

"Organisation is owned and controlled by the community  
and is financially and socially viable."

**Example of a medium term aim:**

"Community residents govern the organisation  
through the process of democratic decision-making."

Use Template 1 to record your strategies, the Long Term Strategies are transferred to the left hand column of Template 1 and the Medium Term Strategies are recorded in the middle column. You may need to elaborate on the aims to make them clearer, see example below. Now look at the strategies and think about how long they will take to implement, what dependencies there are, if any, between them and put them in order of implementation, either now or before the second workshop. The long term strategies may not be in any order as they may all need to start at the same time, but the medium term strategies can be put in order of implementation. This will make it easier to analyse any gaps. Indeed some medium term strategies could become projects.

Use the template to feedback to participants and as the agenda for the next workshop. Expect some comments and modifications and prepare for the second workshop.

Template 1: Programme Strategy and Project Criteria Record		
Statement of Purpose (if there is an overall aim write it here)		
Long Term Strategy	Medium Term Strategies	Short Term Project Criteria
1. Organisation is owned and controlled by the community and is financially and socially viable. By year 8.	1.1 Community residents govern the organisation through the process of democratic decision-making. By year 4. 1.2 Community Credit Union established and operating. By year 5.	
2. Partners	2.1 The community's housing stock is eco standard. By year 6. 2.2 etc.	

## Align Strategy with Project Criteria – Workshop 2

Workshop 2  
Align Strategy with Project  
Criteria  
0 – 1 year

The same participants should be invited to attend the second workshop. Prior to the workshop they should have looked at the Template 1 and fed back their comments.

The workshop should start with a review of the last workshop and a confirmation of the long and medium term strategies agreed. These may need amending and comments incorporated, if so this should be done at the beginning of the workshop. Try to put the medium term strategies into an order of implementation and checked for any gaps i.e. will one strategy lead to the next or is there a gap in which another strategic plan needs to be included. Sometimes you will find that a medium term strategy is unnecessary and if so you can delete it at this time. Try to make the hierarchy of strategy tight and logical. Each Medium Term Strategic Objective is then subjected to a Forcefield Analysis.

### Forcefield Analysis

Forcefield Analysis is a tool for exploring the Medium Term Strategies in detail and identifying ways of aligning projects to make a contribution to them. The alignment of individual projects with the strategy is the crucial link between the Programme strategy and the individual projects. To achieve strategic success each project has got to make a contribution to the strategy or at the very least, projects should not contradict the strategy. Forcefield Analysis is a tool for identifying and strengthening those links.

A Forcefield Analysis will help the team understand what has got to change and what the barriers to change are. Forcefield Analysis is used to analyse the driving forces that will support the Medium Term Strategies and the restraining forces that hinder them. For each Medium Term Strategy analyse the forces for and against achieving the strategy. There are three phases to Forcefield Analysis:

1. Define the Medium Term Strategies. For each one ask, 'how would you know when you have achieved the position?' The emphasis is on clarity and measurability. Unless the Medium Term Strategies are clear the subsequent discussion and analysis is less useful. If you find this difficult to answer try to re-phrase the strategy so that it will be clear when it is achieved.
2. Each medium term strategy is then written down on a flipchart, as in the diagram below. The headings 'Driving Forces' and 'Restraining Forces' are written underneath. Brainstorm the Driving and Restraining forces. Against each Strategy, brainstorm ideas that will drive the Strategy and all those that will restrain it: the discussion should try to include all areas, such as local

politics, social framework of the community, physical resources, skills, etc. Ask participant to write their views on cards or post-it notes and place them under the correct heading. This is often done in small groups so if you have, say 20 participants, you could break them down into 4 or 5 small groups each with one or two strategies to deal with.

3. Now cluster similar forces together to make statements and try to match a driving force with a restraining force as in the example below.

#### **Example of a Forcefield Analysis:**



#### **Establishing Project Criteria**

At this point you are likely to have many driving forces and restraining forces; it may well be necessary to narrow them down to a more manageable number. This is done through discussion, merging some of the statements and deleting those that are not so important; it is often possible to combine a number of similar forces when doing this exercise to produce one statement.

Once the numbers of forces have been narrowed down then the team goes through each one exploring how to use the Driving Forces to overcome the Restraining Forces. The statement you come up with can then be used; either as it is, or developed into criteria that the project must try to contribute to in some way. Criteria are 'standards' and should be written as clear statements of how something should be done, and in the present tense. Sometimes it will be necessary for the programme to support the use of a criterion by establishing actions. As these actions are usually about capacity building they are, in themselves, good practice and have a wider benefit. On occasion you

might find that an action is in fact a project, or project activity, such as research or the design and writing of a guide. If the actions are not done there is a danger that the strategy will cease to be aligned to projects and fail.

### **Example of establishing project criteria:**

▶ Appropriate legal structure in place	◀ Legal structure not widely understood or known by community
▶ Willingness by residents to participate	◀ Image of residents being unable to work together
▶ Support by local agencies	◀ Small groups and key stakeholder currently hold power

↓

#### **Project Criteria:**

Projects practice democratic decision making.

#### **Actions:**

A simple guide to the constitution and how it affects projects should be drawn up and made widely available.

Projects should be supported by the local agencies in applying democratic practices.

Some of the Project Criteria will apply to all projects and some only to specific ones where it is appropriate. The short term Project Criteria are recorded in the right hand column of Template 1. The Project Criteria should be used to connect each project to the Medium Term Strategies and to guide the design of the project; and the appraisal team can use the criteria to assess a projects' eligibility for funding.

Each year the Project Criteria will have to be assessed and updated. The Medium Term Strategies will also need assessing but over a longer-term duration, these will not change so often. Template 1, Programme Strategy and Project Criteria should become part of the initial information sent out to potential project developers and other interested stakeholders. It can also be sent to residents and other stakeholders not directly involved in projects but who are involved in the programme.

Template 1: **Programme Strategy and Project Criteria Record**

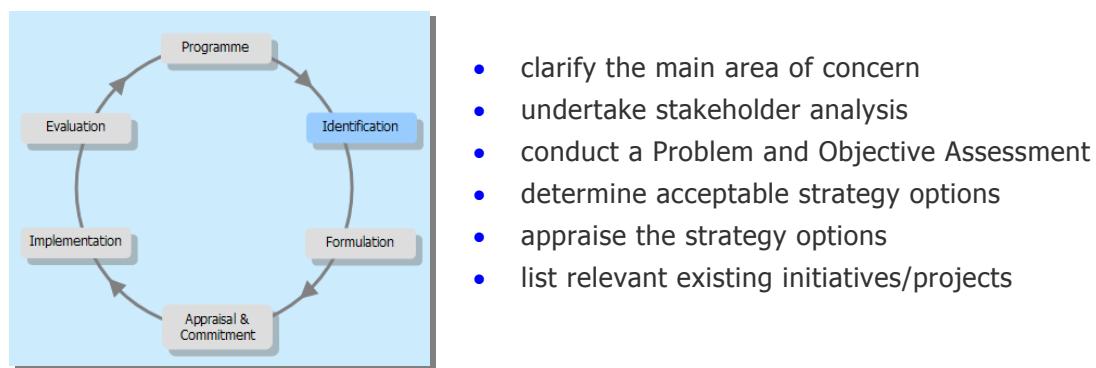
**Statement of Purpose (if there is an overarching aim write it here)**

Long Term Strategy	Medium Term Strategic Objectives	Short Term Project Criteria
1. Organisation is owned and controlled by the community and is financially and socially viable by year 8.	1.1 Community residents govern the organisation through the process of democratic decision-making. By year 4.	1.1.1 Projects practice democratic decision making.
	1.2 Community Credit Union established and operating as part of the community organisation. By year 5.	1.2.1 etc. 1.2.2 etc.
2. Partners	2.1 The community's housing stock is eco standard. By year 6. 2.2 etc.	

## Stage 2. Identification

The Identification stage defines who the stakeholders are, defines the problem(s), and identifies a number of possible solutions. Those involved should include both stakeholders who experience, and stakeholders who cause the problem, relevant technical officers and consultants and others who are involved in the particular technical area. This stage is undertaken as a workshop; it can be helpful to engage an independent facilitator to run the workshop. At the end of this stage, there should be a clear list of stakeholders, an understanding of the problems to be addressed and a set of strategic objectives that are appraised, with the appropriate options transferred to the following Formulation stage.

### Sequence of Activities:



**Who should be involved?** – organisations, people who experience the problem, and those organisations and people that perhaps cause the problem, relevant theme specialists and local support agencies who work in the area.

Exercises	Records
1. Stakeholder Analysis 2. Problem and Objective Assessment 3. Strategy Options 4. Quality Assurance Check - Relevance	Template 2. Stakeholder Record Template 3. Problems and Objectives Record Template 4. Quality Assurance Check - Relevance

## 2.1 Stakeholders

Groups of people, individuals, institutions, enterprises or government bodies that may have a relationship with a project are defined as stakeholders. A properly planned project, addressing the real needs of those whom it is intended to benefit (the 'beneficiaries') cannot be achieved without a full and accurate assessment of the existing situation and in order to do that it is essential to know who the stakeholders are. As a general rule a stakeholder is:

**"any person, group or organisation who can affect and/or be affected by the process of the project"**

Furthermore, there are differences in the roles and responsibilities of women and men, young and old people, ethnic groups, people with disabilities and their access to, and control over resources, and their participation in decision making. In order to arrive at a true assessment both statistical evidence and individual or group perception, while they maybe different, should be combined into a single image of reality. The differences and inequalities must be analysed and taken into account when developing a project. Inequalities hinder growth and harm development, failure to adequately address these issues can damage the effectiveness and sustainability of projects. It is evident from project evaluations that stakeholders' participation is vital to the successful design and implementation of a project.

The design team should undertake a stakeholder analysis around the focal problem that has been identified. After the session the team should record the stakeholders on Template 2 and distribute this to all known stakeholders for their comments and suggestions. The stakeholder record should be looked at regularly by the team to make sure that all stakeholders are invited to participate at appropriate times. A Stakeholder Analysis can be undertaken for the whole programme as well as for each project. The information gathered by these exercises will enable a more thorough analysis, when undertaking the evaluation, of how the programmes engaged with stakeholders, who they were and how they responded to the various initiatives.

### **A typical agenda for the stakeholder exercise is as follows:**

Initial discussion about the focal problem	approx.10 mins.
Map all relevant stakeholders	30 to 45 mins.
Analyse their relationship to the problem	30 to 45 mins.
Fill in the Stakeholder Record	30 to 45 mins.

## Stakeholder Mapping

All the stakeholders related to the focal problem should be identified and then categorised in a hierarchy of primary, secondary and tertiary. By categorising stakeholders in this way it becomes easy to see who they are, how they should be involved and when. Different categorisations can be used, which will be necessary in some cases in order to adequately describe stakeholders.

- **Primary Stakeholders** include those whose interests lie at the heart of the project, the 'beneficiaries': they experience the problem that the project is aiming to solve and are usually users of services. Primary stakeholders will also be those who cause the problem, in which case they must also be involved as part of the solution. Sometimes primary stakeholders include 'hard to reach' individuals and groups and mapping will ensure that reaching them is part of the project.
- **Secondary Stakeholders** include those who need to be involved if the project is to achieve its objectives, or who have a direct interest in the project. This group would include statutory agencies (such as the Local Authority), voluntary groups, private sector organisations and potential co-funders. These stakeholders are where the primary support will come from and usually where project partners can be identified.
- **Tertiary Stakeholders** are those who may not be too involved at the beginning but may be important in the long term. These may include suppliers, customers, contractors, financial institutions, legislative and policy making bodies, external consultants and trading partners. The last category may not apply to some projects, but for on-going initiatives this can be an important category, they will support the long-term sustainability of a project benefit.

## Stakeholder Analysis

Once stakeholders have been identified and categorised, an analysis of how they might behave and be involved should be undertaken. Below is a list of analytical questions which can help the team consider how and when to involve particular stakeholders and which stakeholders have the most to contribute and benefit from their involvement in the potential project.

### Stakeholder Analysis

- What are the stakeholders' **expectations** of the project?
- What **benefits** is the stakeholder likely to receive?
- What **resources** will the stakeholder commit or not commit to the project?
- What **interests** does the stakeholder have which **may conflict** with the project?
- How does a stakeholder **regard other** categories of stakeholders?
- What other things do stakeholders think the **project should do or not do**?

## Stakeholder Record

When designing, monitoring or evaluating a project, Template 2 Stakeholder Record should be revisited, as stakeholders' circumstances will change over time and their relationship to the project will also change. The Monitoring column in the Stakeholder Record is used to keep a log of how the stakeholders engaged in the project. The monitoring information will show where support is coming from, where barriers exist, who are the hard to reach groups, what method of communication works well with different groups, how different stakeholder groups have responded to different ways of working, and, in future projects, will indicate how best to design for good working relations with stakeholders.

Template 2: Stakeholder Record				
Mapping	Planned			Actual
Hierarchy of Stakeholders	Why are they involved?	How are they involved?	When are they involved?	Monitor - how were they involved?
Primary Stakeholders				
Secondary Stakeholders				
Tertiary Stakeholders				

The stakeholder analysis should be continuous throughout the life of a project as stakeholders change and their position in relation to the project stages will change. Template 2 Stakeholder Record is the on-going project document that can be monitored, up-dated and re-evaluated over the life of the project.

## 2.2 Problems and Objectives Assessment

### **A Problems and Objective Assessment will:**

- identify and analyse all the issues related to a particular focal problem
- engage different stakeholders openly and honestly
- create common ownership over the reasons for developing the project
- provide the justification and rationale for project development
- identify gaps in the build partnerships

The design team should manage the Problems and Objectives Assessment. They should decide who will facilitate the exercise and prepare the venue and material for a broader range of stakeholders that are to be invited. The exercise works best if the workshop facilitator is not involved in the issues under discussion but is there solely to facilitate the process. The Problems and Objectives Assessment is a single exercise done in three parts: a Problem Assessment, an Objective Assessment and the Strategy Options. The primary stakeholders and some secondary stakeholders, who have been previously identified using the stakeholder analysis, should be invited to participate in this exercise.

In some circumstances it is not advisable to bring all stakeholders together at the same time; for example, young people tend to take the exercise more seriously and will fully engage if no adults are around. Or, for example, it may be necessary to undertake the exercise in different locations, for example if working with prisoners. The way to do this is to always start with exactly the same focal problem for each group and then bring together the different columns at the end.

Prior to the exercise the core team might consider how to phrase the focal problem as a starting point for the exercise and be responsible for copying, printing and distributing the results of the exercise. Keep a record of the results of the Problem and Objective Assessment.

A typical agenda for the Problems and Objectives Assessment exercise is as follows:

Initial discussion about the focal problem	15 to 30 mins.
Problem Assessment	45 to 60 mins.
Objective Assessment	30 to 60 mins.
Strategy Options	30 to 60 mins.
Quality Assurance check – Relevance	10 mins.

## The Problem Assessment

The first part of the exercise, the Problem Assessment is where problems are identified and different people's perceptions are brought together into a single agreed set of related problems. No problem exists by itself; it is always part of a cause and effect chain of problems. If you identify a problem wrongly, the solution is also going to be wrong: that is why problems must be expressed in concrete and factual terms and not in general and vague terms. The benefit of starting with a problem is that it creates equality between stakeholders. A problem is an existing negative situation and should not be used to describe the absence of a desired situation.

The Problems and Objectives exercise can be used in different ways. If you start with the broad problem, say "high level of unemployment in X town" the result will be broad and strategic, if however, you start with a narrow focused problem, say "high level of

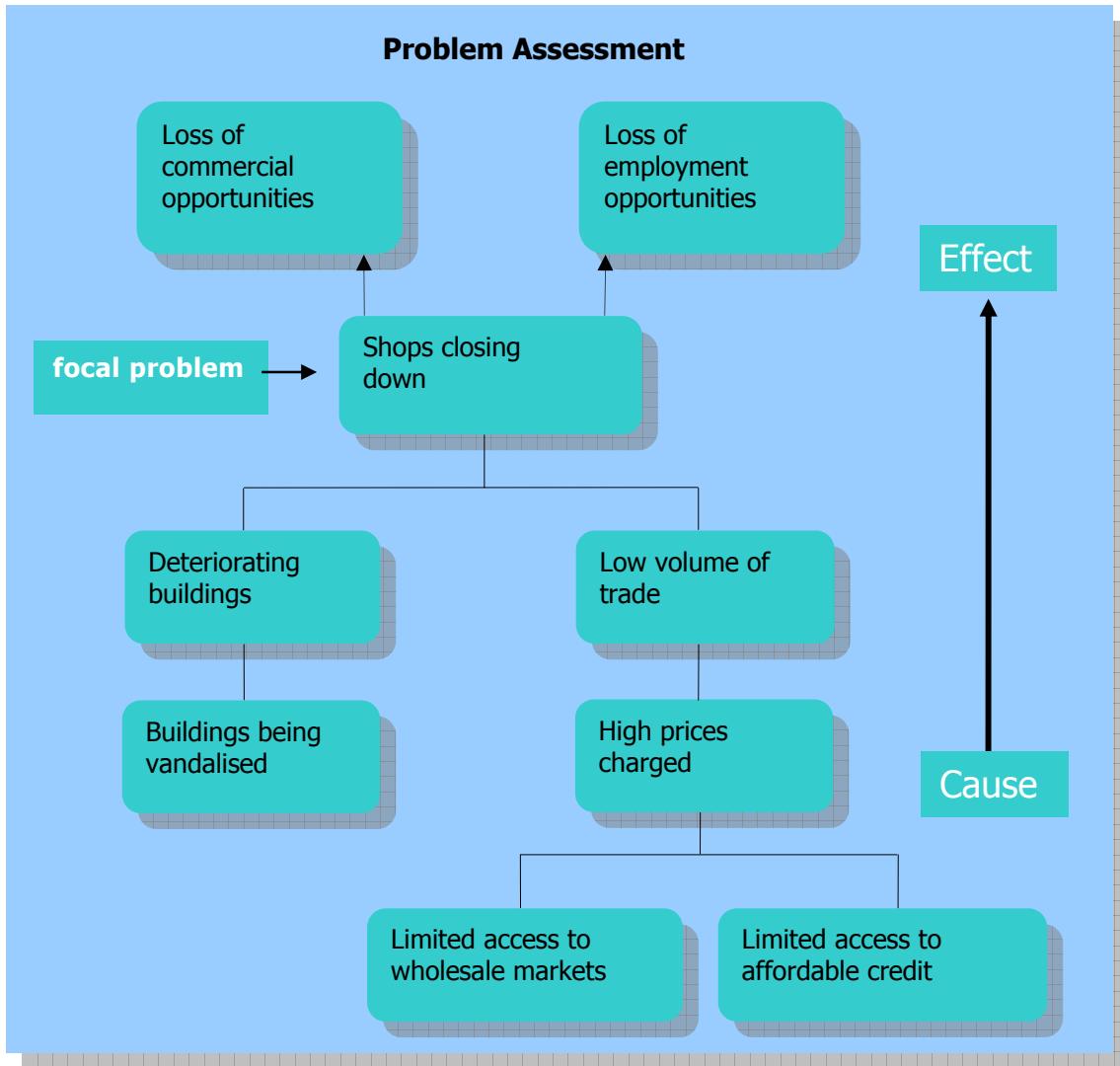
unemployment amongst 16 to 20 year old females in X neighbourhood" the result will be specific and project focused. The way you describe the focal problem determines the results thereafter. A Problem Assessment will show the effects of a problem on top and its causes underneath in a hierarchy of cause and effect.

When undertaking the Problems and Objectives Assessment, the level of detail developed needs to be balanced with the need to involve participants fully, i.e. too much detail can lead to some participants withdrawing from the exercise and ownership of the conclusions. The facilitator has to manage this balance of getting the detail and keeping participants engaged. Later on when transferring the objectives to the project design stage more detail can be developed.

## How to construct a Problem Assessment

1. Before the workshop a focal problem will have been identified, for example, "shops closing down".
2. Relevant stakeholders, in relation to the general problem, are identified using the Stakeholder Record as a reference and invited to attend a workshop to analyse the problem. The stakeholders must include Primary Stakeholders; those that experience the problem and Secondary Stakeholders; those that support the solution to the problem. Stakeholders may also include those that cause the problem.
3. At the workshop the focal problem is discussed with the participants and clarified to make it relevant to the priority, theme or programme strategy, e.g. shops closing down in the high street and a loss of local services. Sometimes there are different ways of seeing the same problem, such as "loss of jobs" or "degradation of the local environment", both are right as a matter of fact and therefore they should be combined into a single sentence to reflect the whole problem.
4. Once the focal problem has been clarified it is written on a card and placed in the middle of the wall. All the stakeholders are given cards of the same colour (yellow) on which they write their own ideas about the associated problems, which either cause the focal problem or are an effect of the focal problem. Participants can express their perceptions of problems and everyone is entitled to say what they think. Within any one group different people will perceive the same problem in different ways. The exercise captures all the different perceptions and insights which must all be included as they form the basis of understanding the whole problem. Try not to use the term "lack of..." try to describe the problem in terms of how it affects you. Use a short phrase, for example, instead of 'lack of shops' describe the problem in more detail, such as 'shops closing down due to poor range of goods'. If it is difficult to express a problem in concrete terms, try adding the specific target group of people to the problem and in that way the problem will become specific.

5. The workshop facilitator should then place all of these cards on the wall below and on top of the focal problem to create a hierarchy of cause and effect. If it is a cause, it goes on the level below; if it is an effect, it goes on the level above; if it is neither a cause nor an effect, but is related, it goes on the same level to one side and creates a new column of causes or effects. Try to make sure that there are a number of effects as well as causes.
6. The workshop facilitator should then create different vertical columns of cause and effect problems by separating them into different target groups or technical areas. For example, if the focal problem is "Shops closing down", a cause might be "Low volume of trade", and an effect might be "Loss of employment opportunities". Another problem is "Deteriorating buildings" which is neither a cause nor effect of "Low volume of trade" but is a cause of "Shops closing down" and therefore goes to one side and starts a new vertical column of problems. There can be any number of vertical columns of problems.
7. The exercise is complete when either participants run out of things to say or the top of the problem assessment could also be at the very bottom as the main cause. A continuous negative cycle of cause and effect is then revealed. At this stage you should confirm that the focal problem is still the focal problem and review the hierarchies; try to put them into clear cause and effect relationships.
8. If the Problem Assessment has many vertical hierarchies of problems then it is usually the case that the problem is quite complex. In this case, you may need to break down the exercise into smaller ones by taking some of the problems and carrying out a new problem assessment on them. Or, if you find that the vertical hierarchies contain few problems then you can assume that the group of stakeholders present is not very familiar with the problem area under discussion and you might need to re-do the exercise to include additional stakeholders. A review of the Problem Assessment may lead to the emergence of a different focal problem, but this does not affect the validity of the current assessment. Discussing the problem is important and can lead to greater understanding of the issues surrounding it.



When writing up the exercise care should be taken to preserve the words and terms used by participants and not to professionalise them into funding jargon. It will strengthen the sense of ownership by stakeholders if they can recognise the words and terms they used.

## Objective Assessment

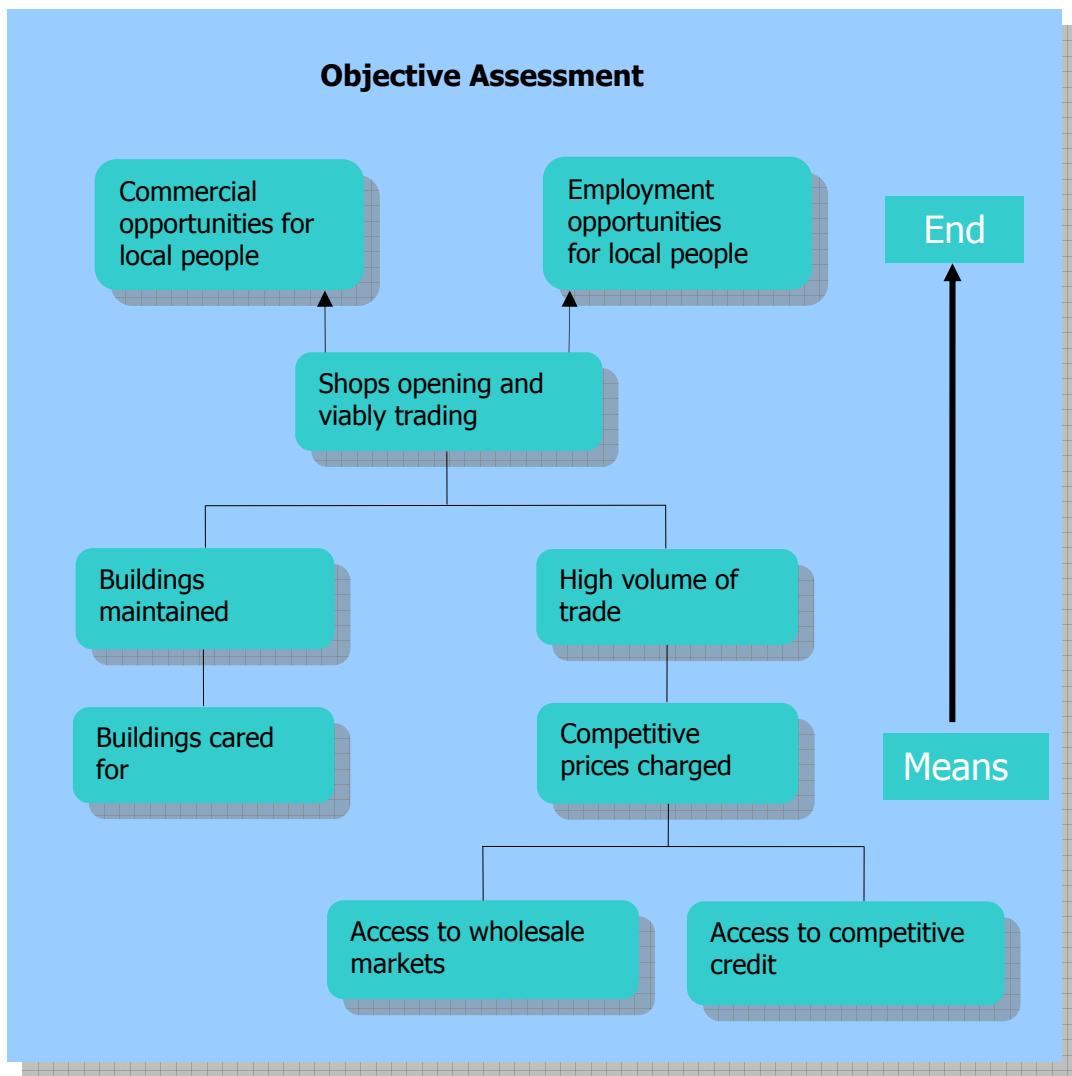
The Objective Assessment continues on from the Problem Assessment exercise, it should be done at the same time with the same people. The Objective Assessment identifies and organises objectives in direct relation to the problems: the exercise involves reformulating problems into objectives.

## How to construct an Objective Assessment

1. Participants are given different coloured cards (green)
2. For every problem card (yellow) participants are asked to write an objective on a green card (use short phrases to write objectives)
3. The green cards are then placed on top of their corresponding problem cards. This is done one problem card at a time converting each problem separately. This is a free flowing exercise: participants can write any objective for any problem. There is no limit to the number of cards they can write. Objectives are desired future situations, they are not activities. Be careful not to write an activity. An activity will use verbs such as 'to improve', 'reduce', 'construct', and so on. An objective is a description of what it will be like once something has been improved, reduced, constructed. When writing an objective it is often simply a matter of turning the problem statement around, or imagining a completely new situation as the following examples show.

Problems	→	Objectives
Loss of job opportunities		Employment opportunities for local people
Shops closing down		Shops opening and viably trading
High prices charged		Competitive prices charged

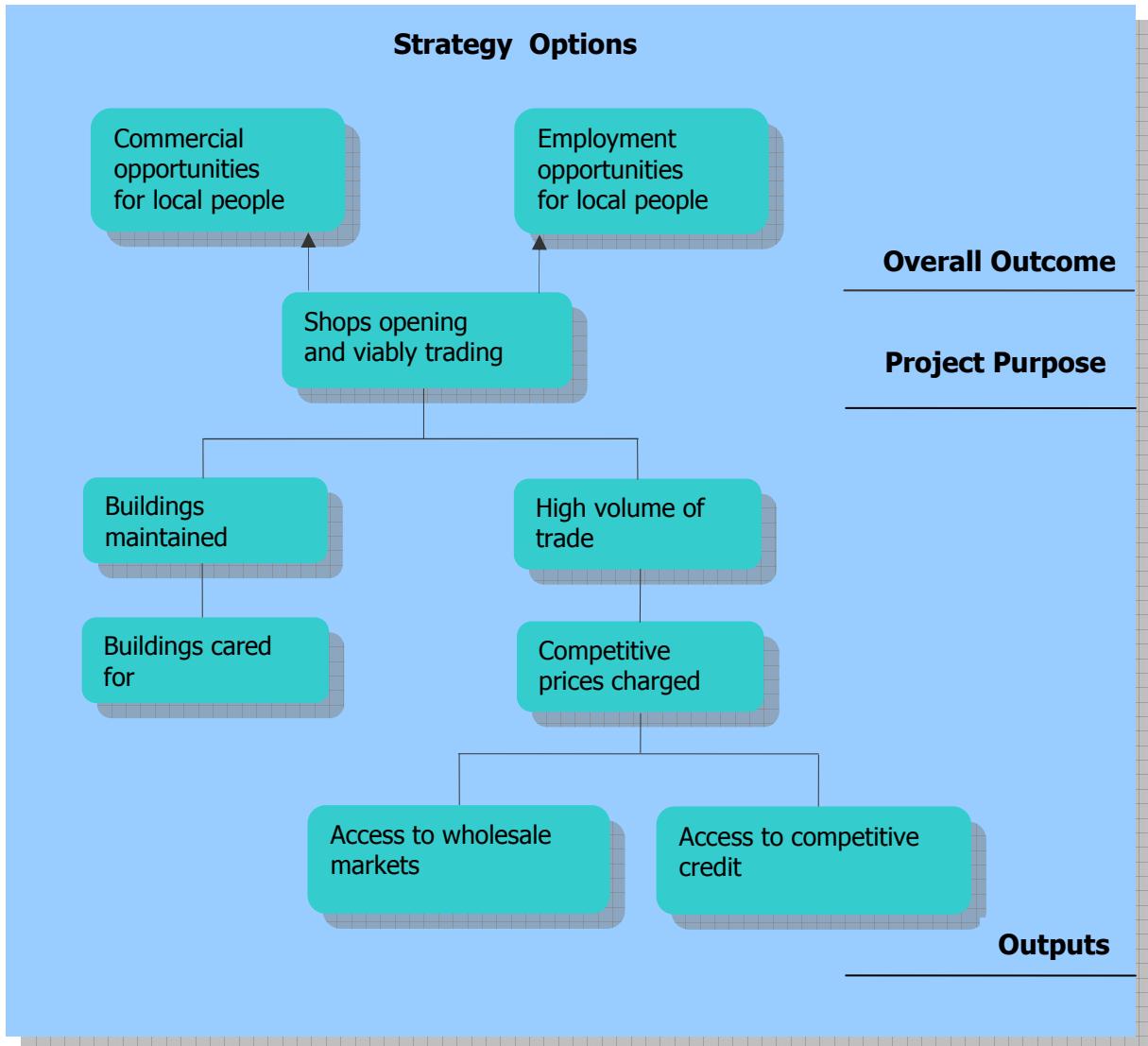
4. If there are a number of different objectives for a single problem then the workshop leader must place all of the objective cards on top of the problem.
5. Once all the problem cards are covered by objectives you should assess the hierarchy. From a cause-to-effect hierarchy it should now have changed to a means-to-an-end hierarchy.
6. At this point assess if the means-to-an-end hierarchy is practical. There may be gaps or you may need to reorganise the objectives to make the logic hierarchical. As you sort through the hierarchy, it is essential that you do not lose sight of the focal problem.
7. It is likely that the Objective Assessment will be more or less logical at the end of the exercise. If you cannot convert some problems into objectives, it is likely that the problem is too general or unclear and you will need to re-state it to clarify the issue, or it may not be important.
8. The problem cycle will have now changed into a cycle of objectives and if the very top card can also be moved to the very bottom then you will have joined the top to the bottom and created a virtuous and positive cycle of sustainability.
9. Review the hierarchies and try to put them into clear means to end relationships before moving to the next part of the exercise.



## Strategy Options

Selecting the Strategy Options is the final part of the Problems and Objectives Assessment exercise. This part of the exercise will help you to make decisions about the project. At this stage you will have formed columns of objectives: the columns represent different parts and solutions to the same problem and each column will reflect either a different target group of stakeholders or a different technical area of expertise. Each column has the potential to become a project component or even an individual project in itself.

You must assess these columns strategically in terms of the type of expertise required, length of time needed to put in place, type of budget requirement and the range of stakeholders involved. The similarity or difference will help to determine if they should be one project or more than one. It is better to err on the side of caution and develop smaller, more manageable projects rather than large and complex ones. In the diagram below a vertical strategy has been shaded.



Sometimes it becomes clear that to solve the problem all the columns must be developed into projects and that these projects will have to be carried out at the same time, as an operational strategy. Obviously, if there are existing projects that already cover the area within a column you should treat them as potential partner projects and not duplicate them.

### How to choose a Strategy Option

1. Start with the objective that covers the original focal problem and label it "Project Purpose", all objectives above this point are labelled 'Overall Outcome' and all objectives below this point are labelled 'Outputs', as in the diagram above. In broad terms the levels mean:

- Overall Outcome      The broad strategic objectives that the potential projects will make a contribution to
- Project Purpose      This is what the projects should achieve by the end of the implementation
- Outputs      Are the achievements of activities that will take place during project implementation

2. If the Project Purpose is too broad, you can move it up to the Overall Outcome level, or if it is too limited, you can move it down to the Output level. You can move the levels of objectives up and down until they seem realistic.
3. Agree that the columns are all relevant to solving the focal problem.
4. Identify columns that are already being dealt with in existing or planned projects. The group should then see these as partners in solving the focal problem.
5. Identify those columns that cannot be dealt with through the programme, such as national policy issues.
6. Assess the columns that remain to identify potential projects that can be done together, as an operational strategy, or as separate projects. You should do this through discussion.

The key questions to use when appraising the Strategy Options, and to help choose which option to follow, are:

- What is likely to solve the problem?
- Can the focal problem be solved by one or two projects or is it necessary to put in place a parallel set of projects all focusing on the focal problem?
- What is achievable?
- What is acceptable to the beneficiary environment?
- What resources are available?
- What is the capacity of potential implementing agencies?
- What other projects/initiatives are planned or being implemented?

To finalise this exercise you can use dot voting; dot voting is when people are given a marker pen and they are allowed to make 5 dots against the options they wish to vote for. The 5 dots can all be used for one vote or spread around a number of votes. The

column or objective with the highest number of dots is the priority of the participants. Further discussion will reveal the implicit criteria participants used to cast their vote. At the end of the Problems and Objectives Assessment exercise one or more Strategy Options will have been chosen to be developed as potential projects. Each chosen option is recorded on a separate Template 3 Problems and Objectives Record. Template 3 keeps a record of the Strategy Option from the Problems and Objectives Assessment exercise.

Each chosen option is taken forward to the next stage to be designed and tested in a Logical Framework.

Template 3: Problems and Objectives Record	
What are the problems?	What are the acceptable solutions?
Effect – Broad Problems	Overall Outcome
Focal Problem	Project Purpose
Causes – Detailed Problems	Outputs
Briefly describe the focal problem to be addressed in one or two sentences	
How does the Overall Outcome fit with the programme's strategy?	
Describe the other Strategy Options that were identified or included in other projects.	

## 2.3 Quality Assurance Check - Relevance

At the end of the exercises in Stage 2 check how well the process of the Stakeholder Analysis and the Problems and Objectives Assessment were carried out. This is done using the Quality Assurance Check - Relevance. Relevance relates to the problems to be addressed by the project and determines who the project is relevant for (the stakeholders). It assesses how clearly the problem has been identified and the cause and effect relationship between a number of problems.

Each participant fills in the Quality Assurance Check - Relevance, then the results are combined into a single score and appraised. If the result of the Quality Assurance Check- Relevance is mostly **Fully** or **Fairly** then transfer the Strategy Option to the Logical Framework in the Formulation Stage. If the result is mostly **Fairly** or **Hardly** then the participants should think of reviewing the process and undertaking the Problems and Objectives Assessment exercise again to improve the quality of

information and analysis. If the result is mostly **Hardly** or **Not At All** it may be decided at this stage not to continue with this particular Strategy Option.

Sometimes the Quality Assurance Check will indicate that it is necessary to carry out the Problems and Objectives Assessment again with different stakeholders. This is good practice and will help to fully understand the background and circumstances of the problem and potential solution. This should be filed in the Project file.

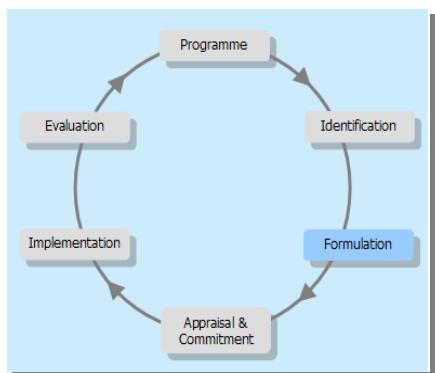
The programme criteria will come from the Programme Strategy and Project Criteria Template 2. They are transferred to the bottom of the Quality Assurance Check: the project's contribution to the programme strategy can start to be assessed at this point.

<b>Template 4: Quality Assurance Check - Relevance</b>					
Quality Assurance Check - Relevance	N/A	Fully	Fairly	Hardly	Not at all
<ul style="list-style-type: none"><li>• Are all stakeholders clearly identified?</li><li>• Are stakeholders clearly categorised?</li><li>• Are the Problems clearly identified and stated?</li><li>• Are the Objectives clearly identified and stated?</li><li>• Do the Problems and Objectives match?</li><li>• Are the Problems, Objectives and stakeholders relevant to the Programme?</li><li>• Was there clear agreement on which options to take forward to the Logical Framework?</li><li>• Has Identification been undertaken in an open and honest way?</li><li>• Were all relevant stakeholders invited to participate in the exercises?</li></ul>					
Put in relevant programme criteria from the Programmes Strategy and Project Criteria Record					
Template 1.					

## Stage 3. Formulation

The Formulation Stage is when the Logical Framework is used as the project design tool to test the feasibility of the Strategy Options. A small team will have to be appointed, comprising of relevant stakeholders, to design the project: this is referred to as the Design Team. The design team, and any invited specialists, need to bring the results of the Problems and Objectives exercise together to inform the Logical Framework. The first task is to transfer the set of objectives from the Strategy Option from the previous stage, the Identification stage, to the Logical Framework. Using the Logical Framework matrix, the objectives are structured in a hierarchy against which the assumptions are tested. Once the Logical Framework is complete, the project proposal is prepared with a budget and an activity plan.

### Sequence of Activities:



- transfer the chosen Strategy Option into the Logical Framework
- develop the objectives and assumptions
- appraise the relationship between the objectives and assumptions and amend where necessary
- prepare indicators and evidence
- complete the Logical Framework with activities, budgets and other inputs
- prepare the budget
- write the Project Proposal
- review how you will implement the project
- submit for funding appraisal

**Who should be involved?** – a smaller sub group with technical and financial support, relevant theme specialists and local support agencies who work in the area.

Exercises	Records
1. Prepare the Logical Framework 2. Carry out a Quality Assurance Check - Feasibility 3. Prepare and write the project proposal 4. Prepare the Activity Plan 5. Prepare the Budget 6. Carry out a Quality Assurance Check - Sustainability	Template 5. Logical Framework Template 6. Quality Assurance Check - Feasibility Template 7. Mainstreaming Framework Template 8. Project Proposal Record Template 9. Activity Plan Template 10. Budget Plan Template 11. Quality Assurance Check – Sustainability

### 3.1 Preparing the Logical Framework

The Logical Framework is the main tool used within the remaining project cycle stages. You will use it for designing, implementing and evaluating projects. In particular, you must see it as a dynamic tool, which you will use to re-assess and revise the project as it develops and as circumstances change during project implementation. The Logical Framework enables the design of the project to be clearly linked with the initial identification of the problem. Project design using the Logical Framework is based on a participative process of building up information and testing the links between one set of information and another.

The design team can expect to spend two half day sessions and will, most likely, need to undertake a bit of research/investigation during the development of the Logical Framework.

**A typical agenda for the Logical Framework exercise is as follows:**

Transfer objectives from the Problem and Objective	
Assessment to the Logical Framework	45 to 90 mins
Identify and write assumptions	30 to 60 mins
Identify assumptions that need further investigation	30 to 45 mins
Identify assumptions that can be converted into objectives and check the hierarchy of objectives	30 to 60 mins

TAKE A BREAK FOR A WEEK OR TWO to have time to think about the design so far and to undertake any identified investigations.

Review and amend objectives and assumptions	30 to 60 mins
Fill in the Indicators for each Output and the Project Purpose	60 to 120 mins
Fill in the Evidence column against each Indicator	30 to 60 mins
Develop activities and list them in the Logical framework	60 to 120 mins
Quality Assurance Check – Feasibility	10 mins.

The Logical Framework is a matrix with four columns and four rows which is completed in a particular order as described later on. You write brief descriptions in each box and then test the logical relationship between the statements. You may have to re-write the boxes a number of times to get the logical relationship right. It is an iterative process which may require the design team to go through the process a number of times. The benefit of using a matrix is that it is visible and helps groups of people to discuss and think through all the implications of project ideas; it is particularly suited to participative ways of planning and decision-making.

### **The structure of the Logical Framework forces the design team to:**

- identify the critical assumptions that may affect project feasibility, and eventual mainstreaming if appropriate; and
- specify the indicators and evidence of information that will be used to plan the details and monitor implementation.

The Logical Framework is technically not difficult but it can be intellectually challenging because it requires you to think vertically in a structured way when establishing the hierarchy of objectives; as well as laterally in a flexible and interactive way when trying to clarify how stakeholders will respond to different levels of objectives.

The vertical hierarchy has a direct relationship to the incremental steps of achieving the objectives, from activities at the bottom to overall outcome at the very top. The relationship is between the initiatives undertaken by the project and their impact, ultimately, on policy: the vertical column tests this means to end relationship. This part of the Logframe requires vertical thinking; this tends to be structured, it has a longer term view with a clear end position. When we are thinking vertically it is easy to communicate what is expected to happen and to make decisions in relation to that expectation. There is an element of control when planning vertical hierarchies of objectives.

The horizontal rows of the Logical Framework require lateral thinking because we are dealing with stakeholders and external influences over which we have no control. When we are thinking laterally we have to be less prescriptive of the outcome: therefore it becomes difficult to communicate what is likely to happen.

It is important to distinguish between the design of a project and the writing of the project proposal; they are very different processes. The Logical Framework is used to design the project - only when the design is complete and agreed should the proposal be written. Sufficient time and resources should be allocated to the design stage in order to enable the project to fit with the unique social, cultural and physical environment of the beneficiaries. It is important to recognise that although the problem and the solution may be common, the internal relationships, values, history and how stakeholders respond to the initiative will be unique.

When completed the Logical Framework is used as the basis for writing the project proposal; preparing a terms of reference for job descriptions and commissioning work; for monitoring planned and actual; for making changes to the project design during implementation, if required; and finally for the evaluation of the project.

The following diagram summarises how the Logical Framework is filled in, the numbers refer to the order in which it is filled in.

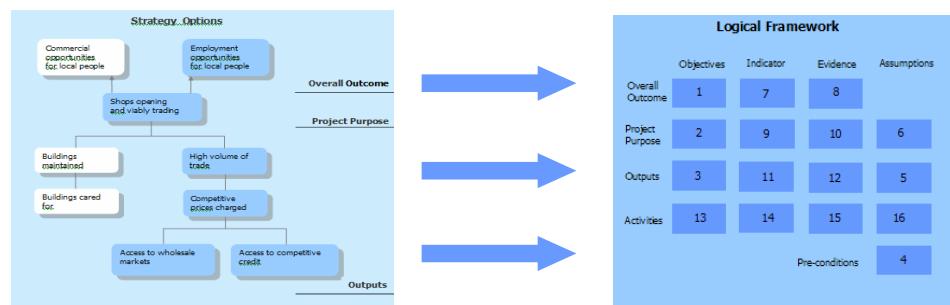
Logical Framework				
	Objectives	Indicator	Evidence	Assumptions
Overall Outcome	1	7	8	
Project Purpose	2	9	10	6
Outputs	3	11	12	5
Activities	13	14	15	16
	Pre-conditions			4

### Sequence for filling in the Logical Framework

1. The Objectives column is filled in first by working vertically from the top to the bottom filling in boxes 1, 2 and 3. This information comes from the Strategy Option chosen in Stage 2. Activities (box 13) is not filled in until the end. The logic of the Objective column is that if an Activity is delivered and an Output is received, then a Project Purpose is realised and a contribution to the Overall Outcome is assured.
2. The Assumptions column is filled in second by working vertically from the bottom (Pre-conditions) to the top (Project Purpose) filling in boxes 4, 5 and 6. The relationships between the Objectives and the Assumptions are tested for the level of risk. The Assumptions column in the matrix includes the external factors that affect the project's success, but are outside the control of the project and tests them against the logic of the objectives.
3. The second and third columns (Indicators and Evidence) then need to be filled horizontally in establishing the basis for measuring the effectiveness and clarity of the objectives. Fill in boxes 7 and 8, 9 and 10, and 11 and 12.
4. The Activity row is always filled in after all the other components have been filled in and agreed, boxes 13, 14, 15 and 16. This is to ensure that the objectives, and not the activities, lead the project. The activities should be subordinate and flexible to the objectives and are always described as ways of achieving the objectives.

## 3.2 Objectives Column

Transfer your objectives into the Logical Framework from your chosen Strategy Option. While it may be necessary to change the phrasing of the statements try to maintain the actual words used by the participants so that these are recognisable by them later in the final proposal. This is described for each level below. The objectives, once transferred, may need moving up or down the column to fit in with the levels of objectives as described below.



### Overall Outcome

This relates to the high level policies, criteria and local circumstances, set out in government plans, funders' criteria and the programme strategy to which the project will contribute. The Overall Outcome should explain why the project is important to the community, in terms of longer-term benefits to beneficiaries and the wider benefits to other groups. The project will contribute to the Overall Outcome but not achieve it alone: other inputs and initiatives will also contribute to the same level objective. The Overall Outcome will have to be assessed for its ability to provide a supportive environment for long term sustainability.

### Transferring the Overall Outcome Level Objective

To transfer the Overall Outcome objectives from the Strategy Option to the Logical Framework, identify the key objectives at the top of the objective assessment and summarise into a single objective. This might mean that some statements in the strategy option will not be used as it will be too broad. It is written as a strategic statement that the project contributes to, and when fully achieved will sustain the long term benefits of the project.

Objective Assessment	Transferring	Logical Framework
Employment opportunities for local people	→	Active commercial sector operating in the community, providing opportunities for local employment

## Project Purpose

This describes what it will be like when the solution to the problem has been achieved. In effect this statement describes the 'return on social investment' that the funder gets for their financial support. It is at the Project Purpose level that project success or failure is measured; and where you define the central objectives in terms of the sustainable flow of benefits to be experienced by beneficiaries. The Project Purpose can only be achieved by beneficiaries making use of the services provided. It should not describe the delivery of the services, but the change of behaviour as a result of the service use.

Experience has shown that if there is one Project Purpose with a clear focus, success is more achievable. Where there is more than one Project Purpose there is increased complexity and the danger of a confused, and sometimes, conflicting foci; this causes delivery difficulties and beneficiaries can feel excluded because it is harder to be informed of the project's progress.

When writing the Project Purpose, try to include three Key Points in the description, especially when describing the benefits that will have to provide sufficient incentive to affect a change of behaviour. It is written (in the future present tense) as a statement of what it will be like when the Outputs have been utilised and benefit gained by the relevant stakeholders.

### Project Purpose - Key Points

- Describe what it will be like once the services are used
- Describe the flow of benefits
- Describe the change in the beneficiary behaviour or performance

## Transfer the Project Purpose Level Objective

To transfer the Project Purpose level objective to the Logical Framework it will be necessary to clarify the Project Purpose statement, either by elaborating it and/or by including lower and higher level objectives into the statement.

Objective Assessment	Transferring	Logical Framework
Shops operating and viably trading		A range of shops operating viably in the community

## Outputs

These are the delivered services and facilities that the project provides: the Outputs describe the completed activities that the project manages. They should address the lower level of causes in the Problem Assessment and should reflect the relevance of the issues in the Objective Assessment. Each Output will be the result of a series of activities.

## Transferring the Outputs Level Objectives

To transfer the output level objectives to the Logical Framework each Output is re-written as a statement of a completed set of activities. It should describe what it will be like when the activities have been completed and clearly describe something that can be measured. These are written in the past tense as having been received. List the Outputs in order of implementation; the order goes from bottom to top. This gives a clear sequence to test that the Outputs can achieve the Project Purpose.

Objective Assessment	Transferring	Logical Framework
1. Buildings cared for and maintained 2. Competitive prices charged 3. Access to wholesale markets		1. Shops and environment renovated and let 2. Access to competitive wholesale market for retailers established

## Activities

The Activity box is not filled in until all the other columns have been completed and agreed. Activities describe the services and facilities that the project delivers. These are written as actions to be done with active verbs, such as 'prepare, construct, design...'. These are not part of the Strategy Option as they weren't developed as part of the Problems and Objectives Assessment and will be developed as a consequence of filling in the Logical Framework. Activities should support the objectives, especially the Outputs, and be flexible. Some Activities will come from the results of filling in the Assumptions, Indicators and Evidence columns. These should be written in the Activity column as notes and organised later when filling in the Activity column. Activities can also support Assumptions that are felt to be unrealisable and require support as part of the project design.

## Check the Linkages

The key to designing good projects is to make sure that each level of the objectives directly links with and achieves the higher level. Sometimes the linkage is not strong enough, in which case one or other of the objectives needs to be changed. Often higher objectives are too ambitious and the link between Outputs and Project Purpose is unrealistic, in which case you may need to add a new Output or tone down the Project Purpose statement. Before moving to the Assumptions column, test the logic of

what you have established so far: the important thing is to make it realistic and workable. As the links between levels are strengthened, through the process of discussion and review, so the project design will be improved. The Problems and Objectives Assessment should be referred to when changes are made so that the project does not move away from the original assessment and objectives still match the original problems.

### 3.3 Assumptions Column

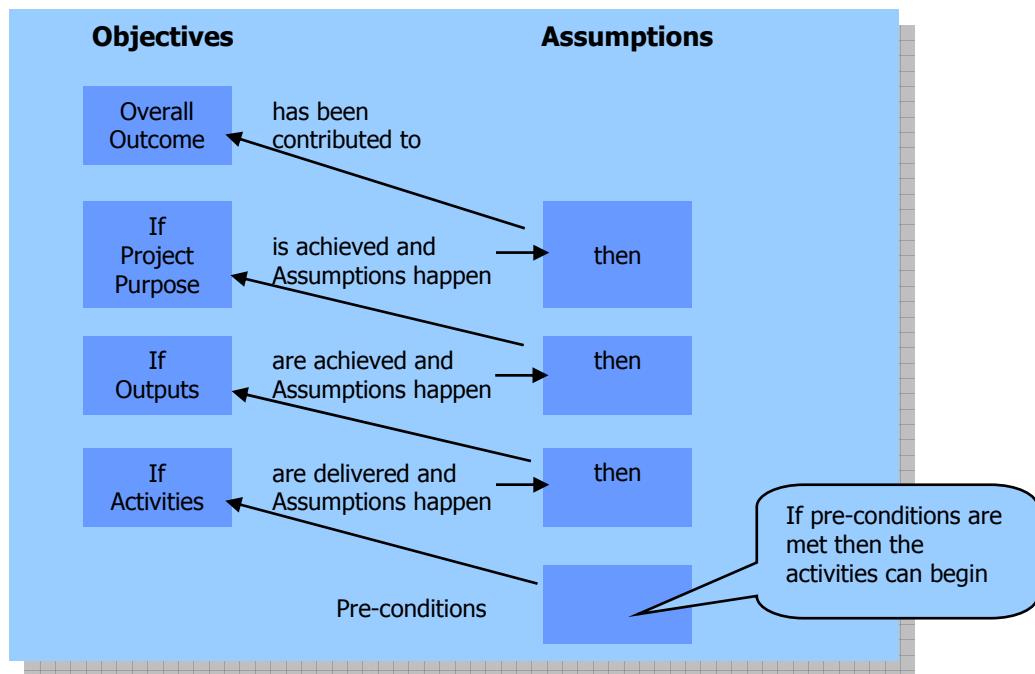
Every project is influenced and affected by external factors that represent the risks to the project. Assumptions are external factors outside of the control of the project but which have an impact on the project's performance and long term sustainability. An assumption is a prediction that something will happen and therefore contains uncertainty and risk.

Assumptions can be perceived as either positive or negative, but in the Logical Framework they should be expressed in the positive 'as a desired situation'. For example, if there is a risk of a landlord not co-operating with the project objective it is better to write it as an Assumption "the landlord will co-operate by the end of the year". This positive way to express external conditions makes it much easier to monitor their realisation when the project is carried out.

Assumptions are usually progressively identified whilst building the project justification and design. The analysis of stakeholders, problems and objectives and strategies will have highlighted a number of issues, (i.e. policy, technical, social, environmental, etc) that will impact on the project. These should be brought forward to the Assumptions column.

Assumptions are especially important at the Outputs and Project Purpose level and describe what must happen, in addition to the stated Objectives, in order to achieve the Project Purpose. They describe positive contributions such as physical resources, policy initiatives, relevance to the attitudes of beneficiaries, etc. Not all objectives have assumptions attached, but if they do they must be included in the project design; some Objectives can have more than one Assumption. You need to analyse the level of uncertainty between each level of objective and look for external conditions that need to be met in order to achieve the stated objective.

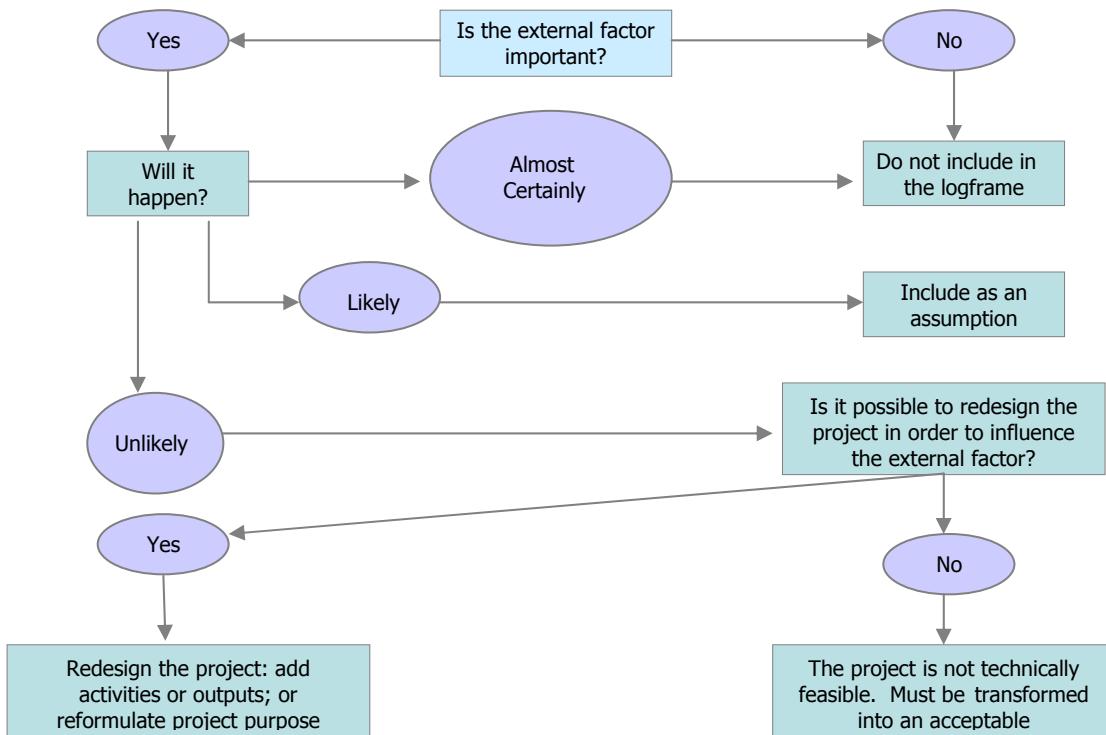
## How Assumptions affect Objectives:



## Sequence for filling in the Assumptions column:

1. Begin by making a draft of the assumptions.
2. Start from the bottom and work vertically upwards to follow the order of implementation. The Pre-condition is the first assumption you should identify, if it exists. A Pre-condition is usually a policy that needs to be in place or an agreement by a major contributor to the project. A Pre-condition may be flagged up earlier on in the activity design and if, after some investigation and negotiation, no longer be necessary - you can then remove it. If, however, the Pre-condition still remains when you have finished completing the Logical Framework then it shows a high level of risk and ideally you should not start the project until that Pre-condition has been met.
3. There are rarely assumptions against Activities because at this level the project has considerable control and can make changes to the design to easily overcome them.
4. Assumptions against each Output and Project Purpose are identified by asking 'what can go wrong?'
5. There is no Assumption against Overall Outcome
6. After writing down a number of Assumptions you need to decide which ones to include. The way to assess if an assumption is important is to ask:
  - Is the assumption important?
  - What is the likelihood of it being realised?
  - Can the project strategy be modified so as the assumption is no longer needed?

**A method for calculating which Assumptions should be included in the Logical Framework:**



Once you have identified the important Assumptions and written them in the relevant rows you will need to try to get rid of them: each assumption indicates there is risk so you need to design the risks out of the project. This you can do in the following way:

1. Do you need to carry out further investigation to answer the implied question in the Assumption? If the investigation has a positive outcome remove the assumption, if research shows a negative outcome you will have to leave the assumption in the framework or convert it to an Output or Activity.
2. Can the Assumption be converted into an Output or an Activity (or both) in order to provide a more comprehensive design and reduce how much you rely on external contributions? If you can, remove the Assumption and build in a new Output and Activity (or both). Sometimes it is possible to strengthen an Output but it is still necessary to keep the Assumption.
3. If you cannot do either of the above, you will have to leave the Assumption in place.

The remaining assumptions represent the level of risk you will have to work with during your project. Ask if the level of risk is acceptable? If so then continue, if, however, the risk is considered too high then the project should be stopped at this stage. The important point is to make sure that Assumptions are assessed early on in the project design and not left until project implementation when it is often too late to make necessary changes.

## External Assumptions Effecting Sustainability

In addition to immediate Assumptions concerning the implementation of the project there are a number of external categories that need to be addressed that will affect the sustainability of the project benefits. Each category may raise a number of issues relevant to the project design. Some of the issues will influence the Objectives and in this respect they need to be considered as Assumptions at this stage and assessed in terms of their likely impact on the continuing flow of benefits. If an external assumption cannot be removed or converted to an activity it is included in the logframe. If projects are attempting to mainstream good practice, external assumptions need to be carefully addressed at the design stage.

Some of the categories below may not be relevant to a particular project, but consideration of the issues involved may lead to changes in project design:

- **Ownership by stakeholders:** the extent of involvement by stakeholders in the design and implementation of the project. Is there a level of agreement on and commitment to the objectives of the project?
- **Policy support:** is there evidence of sufficient quality of support by the local and regional authorities to put in place the necessary policy and resources?
- **Physical conditions:** are the premises and equipment suitable and maintainable now and for planned activities?
- **Environmental protection:** to what extent do project activities affect the environment? Have measures been taken to ensure that any harmful effects are mitigated during and after project implementation?
- **Social and Cultural conditions:** have cultural, ethnic, religious, age and gender considerations been taken on board in ensuring equality of access and use of the services delivered? Will the project promote a more equitable distribution of access and benefits?
- **Organisational capacity:** once the project completes does the organisation have the ability to continue delivering the services? If capacity is weak, what measures have been incorporated to build capacity during the project implementation?
- **Economic and financial viability:** can the services be financially sustained in the long term?
- **Community cohesion:** is the locality cohesive and co-operative or does it contain historical and/or other divisions? If there are local divisions how will the project deal with them?

## 3.4 Check the Design Logic

Having established the Objectives (first column) and the Assumptions (fourth column), and before moving on to the two middle columns, Indicators and Evidence, review the two columns and their relationships, both vertically in the Objectives column and horizontally between Objectives and Assumptions. It is an important fact that many projects fail because they are too ambitious. The test here is to ask the question 'is it realistic and does the logic hold true?'

## 3.5 Indicators Column

The preparation of clear and measurable indicators is the most important part of establishing a monitoring system. The logic of the Logical Framework is based on the achievement of one level of objective leading to a higher-level objective; the indicator is one of the stepping-stones used to manage the link between the levels. The levels of Indicators must measure and match the levels of Objectives. For each Objective, from the Overall Outcome to the Outputs, there must be an Indicator. An Indicator must be objectively verifiable and define an Objective in a concrete and measurable way. This forms the basis of the project monitoring and evaluation system and will be used by project managers to measure performance as well as report to funders and other stakeholders.

### Levels of indicators:

Objectives	→	Indicators
Overall Outcome		Measure the contribution made towards higher strategic goals.
Example: Contribution to full employment		Example: Reduction of the number of unemployed
Project Purpose		Measure the utilisation of services, the flow of benefits and change of behaviour of target group.
Example: Skilled people get jobs		Example: 10 people in quality jobs by 2010
Outputs		Measure the use of the services provided
Example: People trained and skilled in work		Example: 10 people achieved Level 3 in work skills by 2008
Activities		Measure detailed targets and progress in the milestones.
Example: Provide training		Example: 10 people attended training by 2007

Activity indicators are not included in the Logical Framework; they will be included in the detailed Activity Plan. The convention is to list the cost as a budget line for each Activity in the Indicator column and the sources of funds in the Evidence column. The total of all the activity budgets will equal the total cost of the project. At this stage it is only an approximate cost but it is helpful to show the cost for the proposed project to assist in identifying possible sources of funds. Where there is likely to be more than one funder it is usual to describe the different funders against the budget in the Evidence column.

Indicators should include a measure of target group, quantity, quality, time, and sometimes location. Indicators must not be rigid; they are baseline targets and may well need changing in the light of actual implementation. Indicators must be designed in such a way as to provide information to check progress towards achieving stated objectives and to take remedial action if there is a problem.

### How to Define Indicators

- Target group - **who?**
- Quantity - **how many/much?**
- Time - **when?**
- Quality - **how good?**
- Location - **where?**

All but one of the components of an Indicator concerns the technical feasibility of achieving the stated objective. The one component that is not technical is the quality. When describing the qualitative aspect of an Indicator, it is important to incorporate the views and perceptions of beneficiaries, as quality is often a subjective value and what may be quality to one person may not be for another person.

### Good indicators should conform to the SMART test:

- **S**pecific to the objective it is supposed to measure
- **M**easurable (either quantitatively or qualitatively)
- **A**vailable at an acceptable cost
- **R**elevant to the information needs of managers
- **T**imely to know when something can be expected to be achieved

Indicators, if designed well, will give your project a high level of detail. For example, when discussing the target group, Indicators should not talk of people, but talk of men and women, young and old, ethnicity, disability, employed or unemployed, etc. In this way Indicators will design in 'hard to reach groups' and identify the type of staff required to represent the target group the project is planning to work with. The more detail that can be put in the Indicators the easier it will be to assess feasibility. Indicators will also inform the management style, staffing requirements and the overall arrangements for implementing the project. They should present evidence of good practice and be seen as part of monitoring alongside other forms such as anecdotal narratives.

## 3.6 Evidence Column

Each Indicator must be supported by Evidence. This will describe where the information will come from so you can monitor the indicator and who will be responsible for generating the information on a regular basis. It should also include when the information will be available so that management can monitor the progress of the objective at the stated time; and it should describe the method of collecting the information.

Evidence will mostly come from project management records, e.g. training attendance lists, minutes of meetings, etc. Sometimes evidence collection may add an extra activity to the project; for example, if the source of evidence is a beneficiary survey 6 months after the project is completed then the survey will need to be put into the project design as an activity with a budget. When preparing sources of Evidence the key questions to ask are:

### **Evidence Questions**

- Can the Indicator be measured at reasonable cost by existing sources or by procedures to be developed as part of the project?
- Is the responsibility for gathering data clearly assigned?
- Can the information gathered be easily used to monitor and evaluate the project progress at the planned times?
- Does the evidence information relate to the statements made in the corresponding Indicator column?
- If additional procedures are required do they include information on cost?
- If extra procedures are required is the cost acceptable?

Before you move on to the Activities column, assess the Logical Framework for the logical relationships between the vertical and horizontal boxes.

## 3.7 Activities

There are, at this stage, three sources of Activities: some from the Assumptions; some from the sources of Evidence; and most from the Outputs.

Activities that originate from analysis of the Assumptions should be entered into the Activity column of the Logical Framework and numerically linked to the relevant Output. Activities that come from the sources of Evidence, such as to undertake a household survey to collect data to monitor the use of a service, are also linked to the relevant Output. However, most of the Activities will be designed in the Logical Framework to achieve the Outputs and you should reference them to make it clear which Activities relate to which Outputs. The Activities should be written down as actions to be achieved. If, for example, the Output is to establish a 'Loan guarantee for shopkeepers', the Activities, for example, would be to '1. Define the policy of the loan, 2. Negotiate with a local bank to manage the loan, and 3. Put in place the funds and systems and provide the information on how to access the loan'.

Once all the Activities have been written down and referenced to Outputs, you should assign a draft budget to each activity, or set of activities, in the Indicator column. The total budget amount will be approximate and is just an indication of the cost of the project. In the third column (Evidence), write the potential source of funds or in-kind support that you expect to receive – and, if it is appropriate, assign dates against the activities to start building an Activity Plan (this can then be developed later on and clearly linked to the Logical Framework). This will complete the Logical Framework.

As a general rule, it is best to reference all the statements in the Logical Framework by number, starting from the Objective column across to the Assumptions column. Keep the horizontal lines level as it makes the Logical Framework much easier to read; a statement in one box will clearly relate to another statement in another box. The following example shows a completed Template 5 Logical Framework.

## Template 5: Logical Framework

	<b>Objectives</b>	<b>Indicators</b>	<b>Evidence</b>	<b>Assumptions</b>
<b>Overall Outcome</b>	Active commercial sector operating in the community, providing opportunities for local employment	Number of residents employed locally increased from X% to Y% by Dec. 2014	Local business survey undertaken by Local Authority	
<b>Project Purpose</b>	A range of shops operating viably in the community	At least 5 out of the existing 8 shops on X road operating successfully by Dec. 2012	Local business survey undertaken by Local Authority	The community actively supports the shops and attracts other investors
<b>Outputs</b>	<p>1. Shops and environment renovated and let</p> <p>2. Access to competitive wholesale market for retailers established</p> <p>3. Credit facility for shop keepers and other small businesses operational</p>	<p>1. The 8 shops fully refurbished on X road by March 2010</p> <p>1.1 At least 5 shops let by June 2011</p> <p>2. 5 Retailers selling goods at competitive prices by Dec.2010</p> <p>3. Retailers able to secure short term loans by June 2008 at bank rates</p>	<p>1. Physical inspection by Local Authority</p> <p>2. Local Authority survey customers.</p> <p>3. Local Authority survey.</p>	<p>1. Residents are willing to purchase from local shops</p> <p>1.2 Retailers trust the council to maintain area</p> <p>2. Wholesale markets are prepared to deal with small scale shops.</p>
<b>Activities</b>	<p>1.1 Rehabilitate shops in X road and undertake environmental improvements</p> <p>1.2 Let shops to existing and new clients</p> <p>2.1 Investigate wholesale market operators in the area</p> <p>2.2 Negotiate and secure competitive terms for small scale retailers</p> <p>3.1 Define the policy of the loan</p> <p>3.2 Negotiate with local bank for them to manage the loan,</p> <p>3.3 Put in place the funds and provide the information on how to access the loan.</p>	<p>OPTIONAL</p> <p>Approximate Budget</p> <p>£000</p> <p>£000</p> <p>£000</p>	<p>OPTIONAL</p> <p>Potential source of funds</p> <p>1. Project funds</p> <p>2. Community labour</p> <p>3. Project funds and X bank</p>	<p>OPTIONAL</p> <p>Approximate Timing</p> <p>1. 2010</p> <p>2. 2010</p> <p>3. 2008</p> <p>Pre-condition</p> <p>Local Authority agrees to the shops being refurbished and let for retail purposes</p>

### 3.8 Check the Logical Framework

At this point, before moving on to preparing a project proposal it is important to check the feasibility of the proposed project to date. This may require the design team to gather additional information and/or change the design. By assessing the quality of the project design, you will be able to identify inconsistencies in the logic, gaps in information and other problems with the potential project. The Logical Framework is checked in two ways, one is to check the vertical and horizontal logic and the second is to check the quality of the process. To check the logic appraise the Objectives from bottom to top in the following manner:

6. Then the project will contribute towards Overall Outcome
5. If project purpose is achieved
4. Then project purpose is achieved
3. If outputs are received
2. Then outputs will be received
1. If activities are delivered

You should then appraise the relationship between the Outputs and the Assumptions and decide if the Assumptions are likely to happen? Finally appraise the Indicators against the Project Purpose and Outputs, do they state quantity, quality, time and target group clearly and realistically? If you feel reasonably happy with this appraisal then the second check is to use the Quality Assurance Check - Feasibility to appraise the process.

### 3.9 Quality Assurance Check – Feasibility

After completing and appraising the Logical Framework and before preparing the final Project Proposal the Design Team should use the Quality Assurance Check - Feasibility to assess how the project has been developed so far.

Feasibility relates to whether the project objectives can effectively be achieved. This requires an assessment of the coherence of the project's objectives and assumptions; the capability of the organisation to efficiently mobilise the necessary resources and expertise to manage the project; and be effective and achieve its objectives on time and within budget.

## Template 6: Quality Assurance Check - Feasibility

Quality Assurance Check- Feasibility	N/A	fully	fairly	hardly	not at all
<ul style="list-style-type: none"> <li>Is the Project Purpose defined in terms of benefits to the Target Group(s)?</li> <li>Will the Project Purpose contribute to the Overall Outcome?</li> <li>Are Outputs described as clear services that will have been delivered to and received by the Target Group(s)?</li> <li>Will the Project Purpose be achieved if the Outputs are delivered and received?</li> <li>Have important external Assumptions been identified and their effect minimised?</li> <li>Is the likelihood of realisation of the Assumptions acceptable?</li> <li>Does each of the Objectives at the Project Purpose and Outputs level have clear Indicators?</li> <li>Does each Indicator have a clear description of the Evidence against it?</li> <li>Are the Activities described in sufficient detail to know how the project is to be implemented?</li> <li>Will the Activities achieve the Outputs?</li> <li>Is the cost of the project value for money?</li> <li>Is there satisfactory leverage of partner funds?</li> </ul>					
Put in relevant programme criteria from the Programme Strategy and Project Criteria Record, Template 1.					

The programme criteria will come from the Programme Strategy and Project Criteria Template 1. The project's contribution to the programme strategy can be assessed.

If the result is **Fully** or **Fairly** then the Team can proceed to write the Project Proposal to apply for funding. If the result is **Fairly** or **Hardly** on many questions then the Team should think of going back and review the exercise again to improve the quality of information and analysis. If, however, the result is **Hardly** or **Not All** then it may be decided not to continue.

## 3.10 Mainstreaming Framework

This section is additional to the standard project cycle and has been included to help programmes plan and test for opportunities to mainstream project results or best practice. There are two distinct types of mainstreaming: one is to use the results of projects to influence policy and legislation; the second is to influence practical application in using best practice. Unless mainstreaming potential is considered in the design stage there is a danger that the successful results of projects may not be applicable for mainstreaming, because they might have used working methods inconsistent with the working practices of the mainstreaming organisation. It is also possible to design a project to make it easier to mainstream if it is considered at this stage.

Analysis of the potential for mainstreaming policy need not be too comprehensive nor cover everything: effective policy change might well be quite limited in focus. To have an impact on legislation will involve a partnership that includes government. When designing mainstream targets you might consider partners who have the right connections and the time it takes to initiate and complete the passage of legislative change. Best practice can be scaled up and down to suit the environment in which the project operates and it can be applied to any organisation, within the same sector or outside it, but the size of the organisation is likely to affect the method of mainstreaming used and the type of targets that are set.

The Mainstreaming Framework is a matrix modelled on the Logical Framework, which links with the hierarchical structure of the project's objectives; it can be altered in relation to the type of project and to the type of potential mainstream partners. It allows you to test each Output and its related activities in relation to their potential mainstream application. You can design the Mainstreaming Framework alongside the Logical Framework. The Mainstreaming Framework can be used by those projects that wish to test the objectives in the Logical Framework for their suitability for mainstream use. The Mainstreaming Framework can be used to start assessing and planning for the project's likely mainstream potential at the beginning, rather than the end of the project. It will help you identify ways of testing for mainstreaming opportunities through Action Learning and monitor the potential application of the project to mainstream providers.

**This type of action research will enable project managers to:**

- identify the potential for mainstreaming early on;
- see where there are constraints and hopefully sort them out; and
- keep a monitoring log on the process so that by the end of the project there is a lot of information to use when evaluating the project's potential for mainstreaming and comparing it with other similar projects.

The design team should decide how often, and who should manage the Mainstreaming Framework during project implementation. You could employ an outside evaluator or you could manage it internally. Rather than looking at the Mainstreaming Framework on a quarterly basis, it is advisable to test much more regularly when the plans indicate. There is a direct relationship between project monitoring and the Mainstreaming Framework and these rollover evaluations should work in parallel with each other; both will contribute to the final conclusions in evaluation.

### Template 7: Mainstreaming Framework

Planned					Actual
Objectives	Who?	What?	How?	Validation	
	Potential Mainstream Partners	Process for testing transferability of project objectives to mainstream partners. Categories might include: <ul style="list-style-type: none"> <li>• Policy</li> <li>• Legislation</li> <li>• Best Practice</li> </ul>	Process for involving mainstream partners in testing good practice and policy	Actual results of the transferability of project objectives to mainstream partners as practice or policy	
Project Purpose		<ul style="list-style-type: none"> <li>• Method of application</li> <li>• Staffing – skills required</li> <li>• Cost (if any)</li> <li>• Documents required</li> </ul>		<ul style="list-style-type: none"> <li>• Did it work?</li> <li>• Strengths and weaknesses</li> <li>• Changes required</li> </ul>	
Output 1 and Activities		<ul style="list-style-type: none"> <li>• Method of application</li> <li>• Staffing – skills required</li> <li>• Cost (if any)</li> <li>• Documents required</li> </ul>		<ul style="list-style-type: none"> <li>• Did it work?</li> <li>• Strengths and weaknesses</li> <li>• Changes required</li> </ul>	
Output 2 and Activities		ETC.		ETC.	
<b>Conclusions:</b>					

## How to fill in the Mainstreaming Framework

1. Transfer the Project Purpose, Outputs and Activities from the left hand column of the Logical Framework to the left hand column of the Mainstreaming Framework.
2. In the second column identify and write in potential mainstream partners, these may be the same for all objectives or there might be different bodies for different levels of objectives.
3. In the third column categorise the type of mainstream intention. Is it to do with 'policy', 'legislation', or 'best practice'? Then identify, plan and write how the objectives, outputs and activities might be transferred to a mainstream provider. These might include methods of applying these in the mainstream body, staff and skills, costs, documents, etc. The contents of these boxes will differ in relation to the type of project.
4. In the fourth column discuss how these partners might be involved in the process of mainstreaming; it is best to include them in this discussion and write a short description in the appropriate box.
5. In the fifth column monitor what actually is happening. This should be done on a regular basis, when the plans indicate. The findings can be looped back to the Activities and Outputs in the Logical Framework and so inform change that would make the Output more applicable to mainstreaming.

Mainstreaming is one of the most effective ways of creating sustainability of project success. But projects are rarely mainstreamed because they are, by and large, developed and managed by voluntary sector organisations on a short term basis. If they are to be mainstreamed then projects will need to be fashioned to be run continuously by large statutory bodies. The difference between the approaches often makes it very difficult to see how a project, in reality, can be mainstreamed. By using the Mainstreaming Framework it is intended that the two approaches can work together. Initially to test the innovativeness of the project idea within a flexible voluntary sector approach and then bring it more into line with the large statutory organisations to test the applicability of the innovation to mainstream use.

## 3.11 Considering the Evaluation

During the design of the project, it is important to consider if and when the project should be evaluated. The best people to say what the evaluation should cover are those who designed the project and therefore the design team should decide:

- If to evaluate and what type of evaluation to have?
- When to evaluate?
- What to evaluate?
- Key areas to be included - what evidence should be investigated?
- Additional benefits to be looked for.

If there is a budget implication, a budget line for the evaluation can be generated at this point, for example, with a pre-school childcare project, it may have been designed to release parents for training or work. The evaluation should be concerned with the project purpose, not the activities which took place to achieve them. There are four types of evaluation: rollover, midterm; end of project and post project; for a fuller description of these three types of evaluation, please refer to Stage 6 Evaluation:

- **Rollover evaluations** are used as action research to more thoroughly test an innovation in a controlled way.
- **Midterm evaluations** are usually undertaken when the project is over two years in length or if it is innovative. Independent assessment of progress to date will enable project management to get a different perspective on how things are going in relation to the plans.
- **End of Project evaluations** tend to be useful in assessing the efficiency of the management and effectiveness in delivering Outputs on time.
- **Post Project evaluations** concentrate on the level of sustainable benefits being utilised by beneficiaries, this may well need to be undertaken some time after project completion.

The design team should prepare notes for the evaluation as a bullet point list of key areas to be included. This should be attached to the Project Proposal as an annex.

## 3.12 Project Proposal

Once the project has been designed using the Logical Framework and the decision to develop a proposal has been taken, the written Project Proposal can be prepared. This should follow the PCM format but with more details and added background information.

If there are a number of potential funders, you can use the Logical Framework to form the basic project design for each funding application.

Most of the information for the Project Proposal will have been generated during the previous two Stages, Stage 2 and Stage 3. It is now transferred, along with other supporting information, into the Project Proposal Record. The Project Proposal incorporates the Stakeholder Analysis, Problems and Objectives, the Logical Framework and the Activity and Budget Plans, thus maintaining the link from the initial problem identification to the final implementation strategy. It is important for monitoring and evaluation that the proposal includes all aspects of the Logical Framework and where necessary elaborates on the text. Additional information, however, will also need to be prepared for some of the headings.

The written Project Proposal should not be too long, as a general rule not more than 20 pages, plus annexes. Below is an example of the Project Proposal headings; these headings conform to the main funding bodies in the UK, Europe and internationally.

## Template 8: Project Proposal Record

### Eligibility

#### **1. Factual Information**

##### **1.1 Project Title:**

(Give your project a clear name)

##### **1.2 Contact person:**

(Give the name of the contact person)

##### **1.3 Address:**

(Make sure you provide the full postal address)

Tel/Fax:

Email:

##### **1.4 Location of project:**

(Describe where the project will take place and what physical area it will cover)

##### **1.5 Duration of Project:**

(Provide the estimated start and finish dates for the project)

##### **1.6 Delivery Agency:**

(Who is going to implement the project?)

##### **1.7 Partners:**

(Who are the main partners in terms of delivering the project?)

##### **1.8 Total cost of project:**

(Provide information on the total cost of the project, divided between capital and revenue. If the project is over one year estimate the annual requirements. Are you applying for the total cost or is part of the cost being provided from elsewhere? If so, can you indicate the amounts provided from other sources and who they are.)

**2. Project Description**

(Provide a brief summary of the project to include what is to be delivered and what is the planned Project Purpose and Overall Outcome)

**3. Relevant Policy Fit and Linkage**

(What Programme strategies or project criteria are met by this project, or what strategic objectives are met? Refer to Template 2.)

**Relevance****4. Problems to be addressed**

(Summarise the actual problem(s) the project aims to overcome, from Template 2 Problems and Objectives Record and include the Template as an annex)

**5. Stakeholders**

(Summarise who the Target Group(s) is and who the other Stakeholders are, from Template 2 Stakeholder Record and include the Template as an annex)

**6. Local Setting**

(Describes the relevant physical, social and economic environment of the geographical area with specific reference to the Target Group's situation and linkages to other initiatives and policy.)

**Feasibility****7. Objectives and Outputs**

(Elaborate on the Logical Framework in the same hierarchical order, but where necessary, in more detail, especially the Outputs, Assumptions and Indicators.)

## 7.1 Overall Outcome

## 7.2 Project Purpose

## 7.3 Outputs

(Include here all the information on assumptions – especially in relation to each Output, Project Purpose, Indicators, Evidence and Activities; do not include the financial information.)

**8. Implementation Arrangements**

(Describe the management and reporting systems, how the work will be organised, other inputs required, and where from, and assign responsibility. Also, describe any legal and technical information concerned with implementation. If Activity Plans are available refer the reader to them as an Annex.)

## 8.1 Management structure

## 8.2 Accountability and decision making

## 8.3 Project and financial monitoring system and schedule, provide milestones and targets

## 8.4 Partnership relations

## 8.5 Evaluation requirements

## 8.6 CVs of proposed key staff members

**9. Finance**

(Describe the cost of the project using the Budget Plan and the sources of finance. Use ratios to compare costs.)

9.1 Budget Plan

9.2 Financial Ratio Assessment (if any)

**Sustainability****10. Origin and Preparation of the Project**

(Describe how the problems were identified, who was involved and how the people involved developed the initial ideas for the project.)

**11. Sustainability**

(Identify the sustainable flow of benefits that the Target Group(s) will experience and how this contributes to the Overall Outcome. If financial and/or technical support is required beyond the life of the funded project explain where it will come from. If possible show clear evidence of commitment for continuing support)

**12. Certification**

I certify that if this application is approved all monies provided in relation to this application will be used for the purposes set out. I also certify that all the information given is correct and complete, and where appropriate this application has been approved by the management or executive committee and duly recorded in the minutes of that meeting.

Name:

Signature:

Date:

Please send this application to:

Address                    Tel                    Email

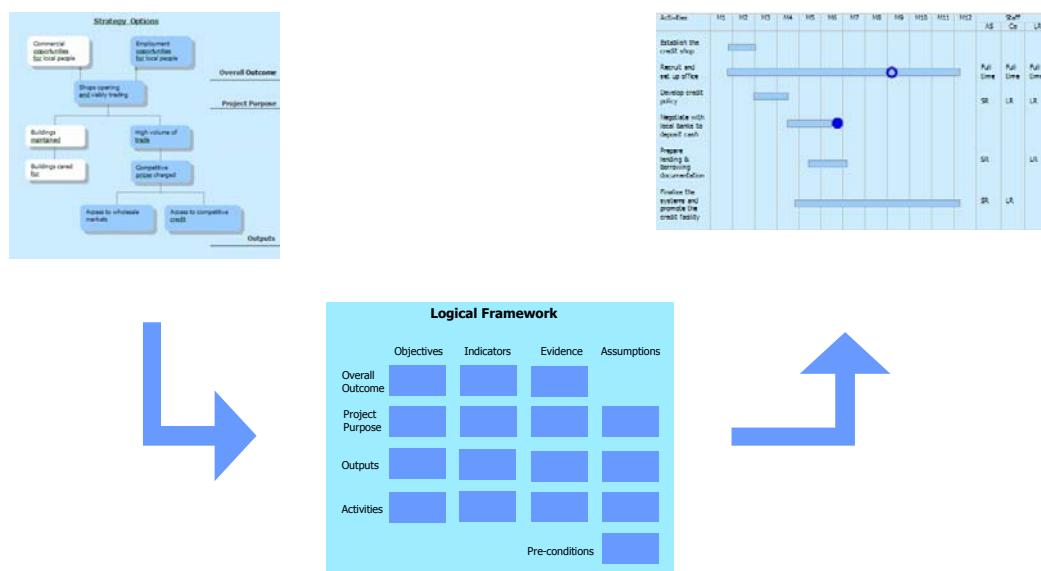
**Annex:**

1. Problems and Objectives Assessment Record
2. Stakeholder Record
3. Logical Framework
4. Activity Plan (if required at this stage)
5. Budget Plan
6. Notes for the Evaluation
7. Evidence of commitment from partners

## 3.13 Activity Plan

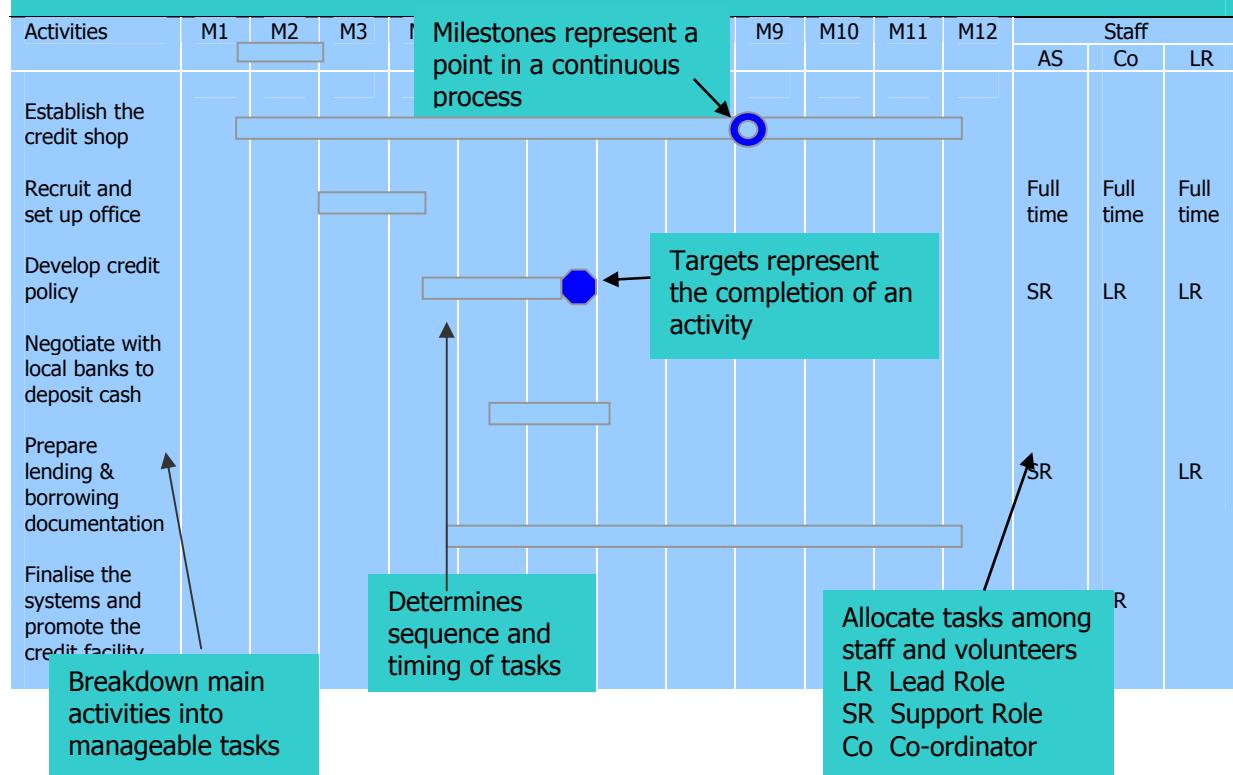
An Activity Plan is a detailed month-by-month plan of the activities and the sequence they should follow. They can be prepared on large sheets of paper and pinned to the wall or they can be generated electronically using simple software. Each Activity from the Logical Framework is transferred to the Activity Plan and then a list of detailed tasks is drawn up, each having a start and finish time and a named person assigned to the task. Each activity is likely to have a number of tasks. If a project runs for longer than a year, the activities described for the first year should have more detail than in following years. The Activity Plan format can be adapted to fit with the duration of the project.

### Linking:



The Activity Plan is used to plan the actions using targets to indicate the completion of an activity and to place milestones at a point during an on-going activity to indicate when a progression has taken place. Targets and milestones are then used to measure progress against the planned activities. Activity Plans, when used in this way, provide an excellent means of communicating to stakeholders what is actually happening. The results of the planned and actual from the Activity Plan will feed into and support the Outputs that need monitoring on a less regular basis.

## Template 9: Activity Plan



Once the activities have been planned it is just a matter of drawing the actual progress in different colour pens for coding, at regular intervals on the horizontal lines. Not only will this easily show if the activities are on course, it will also be very useful when undertaking evaluations to track back and see, overall, how it all worked. The Activity Plan is one of the basic sources of information for the evaluation.

### 3.14 Budget Plan Guide

The Budget Plan is a tool for planning expenditure over time; it is related to the activities in the logical framework, includes information on the funding sources and conditions of funding and will provide information on project expenditure. Large organisations will already have their own financial systems in place, but for new organisations that are adopting the PCM methodology then the following budget design will be useful.

## Template 10: Budget Plan

Step 1 Fill in budget headings	Step 2 Specify No of Units	Step 3 Specify Unit cost	Step 4 Specify cost per quarter	Step 5 Specify the totals	Step 6 Identify funding sources				
Budget Headings	Unit	Cost Per Unit	Quantity and cost per quarter				Project Totals	Funding Sources	Re- current Costs
			Year 1						
E.g. Revenue Office costs/Admin Salaries Overheads Professional fees Other (specify)									
Total Revenue									
E.g. Capital Building costs Furniture/fittings Land Other (specify)									
Total Capital									
Total Revenue And Capital									
			Step 7 Funds payment schedule		Step 8 Annual budget		Step 9 Annual recurrent cost		

The Budget Plan is divided into revenue costs, capital costs and costs in-kind. Revenue costs are all costs that relate to the running of the project, capital costs relate to the purchase of any items that will have a resale value longer than one year and in-kind costs are those that the community or Local Government may contribute but not charge money for. The Budget Plan should cover the life of the project, and for each year be broken down into quarters. How the expenditure headings are listed will depend on the type and complexity of the project. You may wish to break down the headings into key activities for larger projects or put all the costs for a number of activities together. The Budget Plan is attached to the project proposal as an annex.

### Filling in the Budget Plan

1. Fill in the Budget Headings and make sure they relate to the activities specified in the Activity Plan.
2. Specify number of Units, describe how you have decided upon the unit, this can be an item such as a computer, a lump sum such as stationery purchased in a one-quarter period, or a number of days worked in one month, such as 20 days equals a labour unit of one month.

3. Specify cost of each Unit, under the Budget Headings fill in any detailed expenditure items. This might, for example, specify types of salary, or capital goods purchased.
4. Specify costs for each quarter by multiplying the number of Units required per quarter by the cost per Unit.
5. Total each row; this will give you the total expenditure for each heading for the year.
6. Explain who is to provide the resources to pay for each expenditure line. This information can be used to allow the allocation of costs between different funding sources so that each funder is clear about their contribution.
7. These figures are the quarterly expenditure schedules which should be matched by a flow of funds.
8. Specify the totals against each Budget heading and total Revenue and Capital at the bottom of the column; this will give the total annual cost.
9. The recurrent cost relates to those costs that will have to be met on a continuous basis after the project is completed. This column will show the amount of annual recurrent costs and be coded to show where the funds came from initially. This will answer the first question on how sustainable a project is: how much will it cost to run permanently.

### 3.15 Ratio Analysis

Setting out the expenditure within a budget is just the first stage of preparing financial information for a project. The second stage is to find 'best value', both to guide project designers and to guide project appraisers. Cost benefit analysis is often suggested but it is either very complex or it is unreliable and potentially misleading. An easier method is ratio analysis to compare one figure (or cost) with another. This is easiest if expressed as a percentage.

Ratios can be used to compare one type of cost with another, such as capital and revenue costs, and/or compare costs over time, for example, between one year and another. Ratios can be used to appraise best value with similar projects; evaluate the relationship between costs at the end of the project; and to set average cost relationships as local benchmarks that can then be used in the future to compare similar projects.

Using ratios within the same region, programme or community to compare one project with another can be very useful. It can take one or two years to develop community benchmarks, but in the long term they will assist the design and appraisal of projects. For example, a ratio of salary costs to administration costs will show how efficient the

administration is in relation to the number of people employed. This can then be used as a comparison with another project and from this information organisations will be able to test value for money between similar projects.

### **Useful Ratios**

Below are three sets of suggested ratios: this is provided for information only, the design team can decide which is of use for their project. The ratios can be used to appraise the cost effectiveness of a project. It is easier to convert a ratio into a percentage as it makes financial calculations much easier. The ratios below are provided as a guide and starting point, each organisation can use ratios useful to its own accounting system.

#### **Example:**

If the administration cost of the project is A, and the total cost of the project is B we can work out how much of the project cost is being spent on administration by using the following calculation.

Multiply A by 100 and then divide by B to give a ratio (cost relationship) expressed as a percentage.

$$\frac{A \times 100}{B} =$$

Therefore, if A is 5 and B is 20, then 25% of the total project cost is being spent on administration. :-

$$\frac{5 \times 100}{20} = 25\%$$

### **Internal Ratios**

These ratios will provide information on the relative efficiency of the organisation to carry out the project.

$\frac{\text{Office/Admin} \times 100}{\text{Total cost of project}} = \%$  This ratio will show how efficient the admin support is.

$\frac{\text{Salaries} \times 100}{\text{Capital}} = \%$  This ratio will show how efficient the staff are in managing capital works.

$\frac{\text{Revenue costs} \times 100}{\text{Capital costs}} = \%$  This ratio can be used within a project to assess efficiency.

## Leverage Ratios

These ratios will provide information on the effectiveness of the project to attract additional funds and other types of support.

$\frac{\text{Other financial contributions} \times 100}{\text{Main source of funding}} = \%$	This ratio will show how effective the project is attracting in additional financial inputs.
$\frac{\text{Recurrent costs for one year} \times 100}{\text{Total cost of project}} = \%$	This ratio will show the long term financing requirements
$\frac{\text{Total voluntary contribution} \times 100}{\text{Total cost of project}} = \%$	This ratio will show the contribution made by volunteers to the project

## Best Value Ratios

These will provide information on the economics of the project and the relationship between inputs and outputs. If it is possible breakdown the project outputs into units e.g. number of places for childcare, number and level of people trained, number of hours or days of advice, etc., this will be very useful in determining value for money.

$\frac{\text{No of Unit outputs} \times 100}{\text{Total cost of project}} = \%$	If it is possible to quantify unit outputs, this ratio will show value for money.
$\frac{\text{No. of unit outputs} \times 100}{\text{Salary costs}} = \%$	This ratio will show how effective the staff is in providing the service.
$\frac{\text{No of unit outputs each year} \times 100}{\text{within Capital costs}} = \%$	This ratio will have to be fixed a time period to show the use of capital expenditure.

## 3.16 Quality Assurance Check – Sustainability

This Quality Assurance Check - Sustainability should be undertaken by the Design Team after finalising the Project Proposal and Budget and before submitting the proposal for funding appraisal. Sustainability relates to whether the project benefits will continue to flow after project completion. This requires an assessment of the external categories and their effect on the project objectives, as well as the willingness by beneficiaries to

use the services and, perhaps, be part of the delivery process. It might also include an assessment of partner support for the project outcomes once the project funding comes to an end.

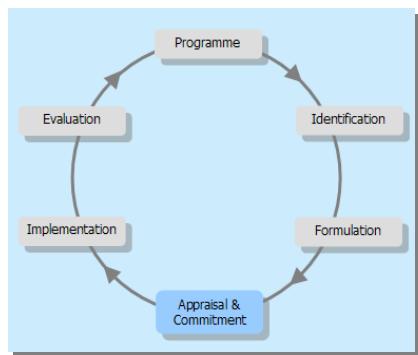
Template 11: Quality Assurance Check - Sustainability					
Quality Assurance Check - Sustainability	N/A	Fully	Fairly	Hardly	Not at all
Once the project achieves the outputs will the target group(s) use the services?					
Will there be adequate ownership of the project by the target group(s)?					
Will all potential users have adequate access to benefits and delivered services during and after the project?					
Is there a capacity building component?					
Will implementing agencies, or other bodies, be able to provide follow-up after the project completion?					
Is the staff sufficient to achieve the project objectives?					
Are the recurrent revenue costs secured?					
Is commitment from partner agencies, where necessary, formally secured?					
If sustainability is achieved will it contribute to the strategic plans?					
Put in relevant programme criteria from the Programme Strategy and Project Criteria Record, Template 1.					

The programme criteria will come from the right hand column of the Programme Strategy and Project Criteria Template 1 and transferred to the bottom of the Quality Assurance Check. The project's contribution to the programme strategy can continue to be assessed. If the result is **Fully or Fairly** then the Team can proceed to Stage 4 Formulation. If the result is **Fairly or Hardly** on many questions then the Team should think of going back and review the exercise again to improve the quality of information and analysis. If, however, the result is **Hardly or Not at All** then it may be decided not to continue.

## Stage 4. Appraisal and Commitment

Projects need independent appraisal as part of the process of deciding if funding and support should be approved. The Appraisal and Commitment stage is when the Project Proposal is appraised for its ability to achieve its stated objectives within the resources available and the necessary commitment is formally agreed. This is the single most important decision made about a project and it should be an objective and open process. The most effective way of conducting appraisals is when a small Appraisal Team that represents different interests is appointed, which then goes through project proposal using an agreed procedure.

### Sequence of Activities:



- distribute the Project Proposal to the Appraisal Team and allow time for it to be read and considered
- undertake a project proposal appraisal
- if appropriate, approve the proposal
- if appropriate, use the Logical Framework to prepare a Terms of Reference for organisations to bid to carry out the proposed project.
- if appropriate, agree schedule for disbursing funds

**Who should be involved?** – the Appraisal Team which is made up of relevant stakeholders.

Exercises	Records
1. Appraise the project proposal 2. Appraise the organisational arrangements and best value	Template 12. Appraisal Scoring Template 13. Appraisal Report

## 4.1 Appraising a Project Proposal

The appraisal process should be standardised and clearly linked to the way the project proposal is structured. In this toolkit the Appraisal follows the structure of the project proposal using the four PCM parameters by which project proposals are appraised: Eligibility, Relevance, Feasibility and Sustainability.

### Once a project proposal is submitted for appraisal it should follow a process:

- Each member of the Appraisal Team should receive a copy of the project proposal and allocate sufficient time to read it, familiarise themselves with it and make comments.
- The Appraisal Team meet and appraise the proposal in a structured way, they should allocate about 1 hour for each project proposal. The Appraisal sequence should follow the order Eligibility, Relevance, Feasibility and Sustainability, as in the project proposal.
- Project components are appraised and the project is scored using Template 12. Appraisal Scoring.
- The Appraisal Team can use the suggested format of Template 13. Appraisal Record to record their notes and conclusions on the appraisal.
- A decision is reached to either recommend funding the project; to make changes to the project proposal; or to reject the proposal.

The Appraisal Team should be supplied with the project document file to use as a reference. This will contain all records of the processes used to design and prepare the Project Proposal, minutes of all the meetings and workshops, the results of the Quality Assurance Checks, the completed Logical Framework, the Project Proposal and the Budget Plan. The Team should also have access to the evaluations and lessons learnt from other similar projects in the same theme or programme.

### Appraisal Sequence:

- **Eligibility**  
Does the project fit with Programme Strategy and Criteria?
- **Relevance**  
Do the Objectives solve the Problems?  
Are Stakeholders clearly identified?
- **Feasibility**  
Is the Logical Framework well designed?  
Is Best Value likely to be achieved?  
Will the project be efficient in how it uses its resources?  
Will the project be effective in meeting its targets?  
Will the Management Arrangements achieve the above?
- **Sustainability**  
Is Commitment by other bodies guaranteed?
- **Quality of Project Proposal**

Each member of the Appraisal Team should complete the Appraisal Scoring and then the results should be combined and analysed. If the result is mostly **Fully or Fairly** then the Team can conclude that it is a good quality project proposal. If the result is mostly **Fairly or Hardly** then the Team can consider referring the proposal back to the proposer with comments on the strengths and weaknesses. If the result is mostly **Hardly or Not At All** the Team should consider recommending not funding the project.

Template 12: Appraisal Scoring		N/A	fully	fairly	hardly	Not at all
Eligibility						
<ul style="list-style-type: none"> <li>• Is the project eligible for financial support?</li> <li>• Does the project contribute to programme strategy?</li> <li>• Has the development of the project been carried out in accordance with procedure?</li> </ul>						
Relevance						
<ul style="list-style-type: none"> <li>• Are all stakeholders clearly identified?</li> <li>• Are stakeholders clearly categorised?</li> <li>• Are the Problems clearly identified and stated?</li> <li>• Are the Objectives clearly identified and stated?</li> <li>• Do the Problems and Objectives match?</li> <li>• Are the Problems, Objectives and stakeholders relevant to the programme?</li> <li>• Was there clear agreement on which options to take forward to the Logical Framework?</li> <li>• Has Identification been undertaken in an open and honest way?</li> <li>• Were all relevant stakeholders invited to participate in the exercises?</li> </ul>						
Feasibility						
<ul style="list-style-type: none"> <li>• Is the Project Purpose defined in terms of benefits to the Target Group(s)?</li> <li>• Will the Project Purpose contribute to the Overall Outcome?</li> <li>• Are Outputs described as clear services that will have been delivered to and received by the Target Group(s)?</li> <li>• Will the Project Purpose be achieved if the Outputs are delivered and received?</li> <li>• Have important external Assumptions been identified and their effect minimised?</li> </ul>						

• Is the likelihood of realisation of the Assumptions acceptable?				
• Does each of the Objectives in the Project Purpose and Output level have clear and measurable Indicators?				
• Does each Indicator have a clear description of the Evidence against it?				
• Are the Activities described in sufficient detail to know how the project is to be implemented?				
• Will the Activities achieve the Outputs?				
• Is the cost of the project value for money?				
• Is there satisfactory leverage of partner funds?				

## Sustainability

- Once the project achieves the objectives will the target group(s) use the services?
- Will there be adequate ownership of the project by the target group(s)?
- Will all potential users have adequate access to benefits and delivered services during and after the project?
- Is there a capacity building component?
- Will implementing agencies, or other bodies, be able to provide follow-up after the project completion?
- Is the staff sufficient to achieve the project objectives?
- Are the recurrent revenue costs secured?
- Is commitment from partner agencies, where necessary, formally secured?
- If sustainability is achieved will it contribute to the strategic plans?

## Quality of Project Design

- Overall, does the proposal cover all the necessary components for the stated objective to be achieved?
- Is the project design consistent and fully coherent?
- Are all the project design components, in your experience, necessary?
- Do you feel confident that this project can achieve its stated objectives on time and within budget?

## Funding Decision

Fund the Project

Refer the Project Proposal back to the proposer

Reject the Project Proposal

The Appraisal Team are usually required to write a short report on the project proposal; below is a suggested format to guide the report.

<b>Template 13: Appraisal Report</b>	
<b>Factual Information</b>	
Project Title:	
Contact Person:	
Date of Submission:	
Names of Appraisers:	
Theme/Measure:	
Budget Amount:	
Project Duration:	
<b>Summary Comments of Project Appraisal</b>	
<b>Eligibility</b>	
Does the project fit with the funding criteria?	
Does the project fit with the programme strategy?	
<b>Relevance</b>	
Are the objectives able to solve the problem?	
Are stakeholders clearly defined?	
<b>Feasibility</b>	
In the Logical Framework is the project design comprehensive?	
Can the project be measured and managed?	
Are management arrangements adequate for the tasks?	
Has best value been demonstrated?	
<b>Sustainability</b>	
Is there commitment from partners to support the project during implementation and after project completion?	
Is there evidence of potential continued use of the services and facilities?	

## 4.2 Project Eligibility

The proposed project needs to be appraised for its eligibility for funding support. Fundamental eligibility should have been appraised much earlier, but in cases where an application has come forward for appraisal and is fundamentally ineligible the process should stop and the project proposer should be notified. All projects have to be compliant with programme and funding criteria to be eligible for financial support and each funder will have its own criteria against which project applications have to be checked.

### **Eligibility is checked in four ways:**

- For legal and statutory compliance
- Against Funders' criteria
- Against the Programme Strategy and Project Criteria
- Against commitment for on-going support from mainstream service providers once the initial project funding has ceased, if appropriate.

## 4.3 Project Relevance

The proposal should be appraised for its relevance to the problem and the degree to which it affects stakeholders, the cause of the problem and whether the proposed solutions are acceptable to stakeholders.

### **Appraise the relevance of the objectives to solve the problems**

The appraisal should make sure that the project objectives are justified by the problems.

- Go through all the problems and objectives and make a judgement about how realistically they match each other.
- Use the hierarchy to test the means to end to relationships
- Refer to Template 3 Problems and Objectives Record in the project file and Template 5 Logical Framework for evidence.

If there is a slight mismatch between problems and objectives, such as the wording being unclear, then the Appraisal Team can make recommendations on improving the proposal, but if there is a clear difference when matching problems with objectives the proposal should be referred back to the proposer with a brief comment on why it has been returned and clarification should be requested.

### Appraise the Stakeholders

The project proposal should be clear about who the stakeholders are and how they relate to the Problems and Objectives. This is done in the following way:

- Refer to the Stakeholder Record
- Are the stakeholders clear?
- Are stakeholders who suffer from the problem clearly defined as Primary Stakeholders and are those who cause the problem, also clear? Sometimes they are the same group of people.
- Secondary Stakeholders should be identified in terms of who they are and how they will be involved, and also, who is likely to support the results of the project once the project has completed.
- Tertiary Stakeholders may be identified and they should be appraised in terms of their long term involvement with the project results.

Evidence should be sought that the benefits of the project will be accessible to all relevant stakeholders and that it has taken on board the local; social, cultural, ethnic, religious and gender issues. The Appraisal Team might want to refer to Template 4 Quality Assurance Check – Relevance that will have been completed by the group of stakeholders involved in developing this part of the project design.

## 4.4 Project Feasibility

The proposal should be appraised for technical, financial and management feasibility. Feasibility includes efficiency, effectiveness and impact. This covers the ability to achieve the stated objectives and targets, in terms of users' acceptance and ability to gain benefit, the identification and assessment of external factors described as assumptions, the technical ability to deliver outputs and financial best value. The level of commitment from partners and the capacity of the implementing agent to achieve project results on target and within budget is also relevant to project feasibility.

### Appraise the Logical Framework

Refer to Template 5 Logical Framework Record. The feasibility of the project will lie in the logic of the relationships between the different statements made in the Logical Framework. First appraise the logic of the Objectives – if the Activities are delivered will their use achieve the Outputs? If the Outputs are received will the Project Purpose happen? If the Project Purpose is achieved will it contribute to the Overall Outcome?

Once the objectives have been assessed in this way, they then need to be assessed again for the likelihood that they can be achieved given the stated assumptions. The key question to ask is, are the assumptions likely to happen and do they pose

unacceptable risks to the proposed project? If they are not likely to happen, will this prevent the project from achieving its project purpose? If there is a concern can some of the assumptions be included in the activities or outputs as part of the project design and under the project control. Finally, do the Indicators clearly describe quantity, quality, time, target group and location? Do they adequately describe how to measure the Outputs and Project Purpose? Are the Indicators clearly assigned a source of Evidence and are they realistic? And, are the sources of Evidence accessible to the project management at the time specified in the Indicator?

### **Appraise for Best Value**

The Appraisal Team should analyse the Budget Plan to test for best value and financial viability in relation to the technical aspects of the proposal. Best Value analyses the cost of the benefit derived by working out a unit of benefit and dividing the number of units by the cost of the project, or a similar fixed cost sum. It is not always possible, however, to determine a unit of benefit and therefore comparisons with similar projects in the locality can be used to determine value for money.

#### **In looking at best value the following procedures can be used:**

- Ratios - analyse the budget to measure the balance of costs and, if possible, compare this project with similar projects. The ratios are described in the previous section Budget Plan Guide.
- Leverage - the balance and amount of additional funding attracted by the project can be an important indicator of the value of the project as seen by other funders.
- Recurrent Costs - test the costs the project will incur once the funding period is completed. This information is in the Budget Plan and is important to determine the potential sustainability of the project benefits.
- Cost Benefit Analysis - if optional project strategies and costs are required, then undertake a cost benefit analysis for each option. In some current programmes this is only required for projects of over £1 million, the calculations for how to do this are not included in this Toolkit.

### **Appraise for Efficiency and Effectiveness**

The project should be appraised for its efficient use of resources and labour. The ratio between cost and measurable results is a simple way of determining efficiency; however, this is not always possible and in such cases comparison with similar projects is preferred. As mentioned earlier, if internal ratios have been analysed in similar projects then there will be benchmarks against which to compare this proposed project, otherwise the Appraisal Team will have to make a judgement as to the use of resources and labour based on their own experience.

The project should be appraised for its potential effectiveness in meeting its targets. The Appraisal Team should focus on the detail of the activities, targets and milestones

to determine how realistic they are in terms of inputs and outputs, timing, personnel and skills, and management ability to make decisions and implement change.

### **Appraise the Management Arrangements**

The Appraisal Team should examine the management arrangements as stated in the project proposal in terms of technical skills, ability to engage with stakeholders, the management structure, the ability to plan activities to achieve outputs, monitor progress, reporting procedures and how they are accountable.

The Appraisal Team might want to refer to Template 6 Quality Assurance Check – Feasibility that will have been completed by the group of stakeholders involved in developing this part of the project design.

## **4.5 Sustainability of Project Benefits**

Sustainability relates to whether a continuous flow of benefits will continue to be felt by the beneficiaries for a number of years after the project has been completed and external assistance has ended. This is not the same as the project continuing, sustainability only relates to the benefits, this may need the project to continue or it may not. Prospects for sustainability can be assessed by determining the extent to which mechanisms to cover on-going financial requirements have been established; sector and policy support is in place; sufficient capacity is available and any other issues relevant to long term sustainability have been incorporated into the project design.

### **Appraise the Level of Commitment**

The appraisal should test the level of commitment by partners and other external bodies – both for implementation and on an on-going basis. Evidence of commitment by partners to support the project during implementation, and on a sustainable basis, should have been provided as an annex to the Project Proposal and assessed for authenticity by the Appraisal Team.

### **Appraise the Mainstreaming Framework (if appropriate)**

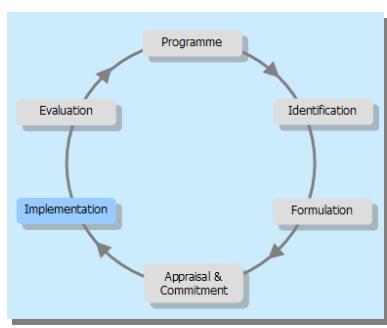
When appraising Template 8 Mainstreaming Framework the Appraisal Team should check that there are potential mainstream bodies against each objective and that the application is realistic and feasible.

The Appraisal Team might want to refer to Template 12 the Quality Assurance Check – Sustainability that will have been completed by the group of stakeholders involved in developing this part of the project design.

# Stage 5. Implementation

The Implementation Stage is when the work of the project is carried out. This is preceded by the appointment of the organisation that will carry out the work, if appropriate, and a work plan and time period for the project will be developed. At the very beginning, an Inception Review should be undertaken to make sure the initial project design is still valid and the external conditions are still the same. Throughout the Implementation stage regular and planned monitoring reviews will be required. The monitoring will use the Indicators defined in the Logical Framework and must include the Activities, Outputs and Assumptions, and the budget.

## Sequence of Activities:



- develop Terms of Reference for implementing agency, if appropriate
- carry out an Inception Review of the project preparation and conditions, suggest changes, if any
- set up management and monitoring systems using the Logical Framework
- carry out the Activities and achieve the Outputs and finally the Project Purpose
- keep of progress against plans

**Who should be involved?** – implementing organisation, project manager, beneficiaries, funders, other bodies supporting the project.

Exercises	Records
1. Carry out Inception Review 2. Establish and carry out project monitoring 3. Establish and carry out budget monitoring	Template 14. Quarterly Monitoring Record Template 15. Budget and Actual Variance Record Template 16. Quarterly Monitoring Report

## 5.1 Developing a Terms of Reference

In some circumstances an agency will be contracted to implement and manage the project or the funding body may employ staff to manage the project. If this is the case a Terms of Reference can be developed for inviting bids to tender for the work or as part of the job descriptions of employees.

The top section of the Logical Framework covering Overall Objectives, Project Purpose and Outputs rows provides a very clear description of the project intentions. Below are the general headings for what should be included in a Terms of Reference for a Tender bid:

<b>Terms of Reference</b>	
1. Background to the project	
2. Procedure	The way in which the terms of reference will be operated; timings; confidentiality etc.
3. Objectives	Include a description of the project's objectives
4. Project Detail	The planned activities and budget
5. Work Plan	How the agency will carry out the project
6. Expertise Required	
7. Reporting Procedures	
8. Further Information	
Annexes:	Problems to be addressed Background Information Project Logical Framework

## 5.2 Inception Review

When a project starts it is a good idea for the new manager to undertake an inception review. An inception review is an opportunity to check that the project proposal and its plans are still valid. Some time will have lapsed between the initial project design and the current implementation.

Circumstances may have changed and if so the project design needs to be adjusted. An inception review will also give the new manager an opportunity to familiarise him/her self with the background of the project, meet and acquaint themselves with stakeholders, and prepare job descriptions for other staff, as required.

An inception review follows a standard set of checks which are designed to ask relevant questions. By working through the following PCM headings a relationship with the design process is maintained.

## Inception Review

### **Stage 1**    Programme

Check the programme strategy and criteria, or the community strategy as appropriate, and how the project contributes to these.

### **Stage 2**    Identification

Check the Stakeholders and how they are involved

Check the Problems and the Strategy Option

### **Stage 3**    Formulation

Check the Logical Framework and the Activity Plan

Check the Budget

Check the management arrangement and staff skills

### **Stage 4**    Appraisal and Commitment

Check the Project Proposal

Check the Quality Assurance Checks – Relevance – Feasibility -

Sustainability

### **Stage 5**    Implementation

Are changes needed?

Check the monitoring procedures against the Logical Framework and

Activity Plan

### **Stage 6**    Evaluation

Check the agreement on the project evaluation

Check that all the necessary systems are in place to evaluate the

project, as required

## Recommendations

If, as a consequence of the review, changes are needed the manager should be careful about any changes that affect the overall budget and any changes to the project purpose. Otherwise, changes will usually affect the Activities and to a less extent the Outputs.

## 5.3 Establish and Carry out Project Monitoring

Monitoring is the way in which projects are measured, managed and kept on track: it is an internal management responsibility. Monitoring involves the collection, recording, analysis, communication and use of information about the project's progress, using a planned and actual format with explanations on why any variance between the two occurred and what action project management took to bring the plans back on track, or adjust the plans. Monitoring is not a check to keep funders happy but a mechanism to help managers keep plans on track or change them to match changing realities.

The results of monitoring are also used to report progress to stakeholders. Template 2 Stakeholder Record can be reviewed to decide who should receive monitoring reports and in what style and at what level of detail.

### **The key points to monitoring are:**

- It is an internal management responsibility
- It is to measure progress in relation to the planned Budget, Activities, Assumptions and Outputs
- It focuses on resource allocation, expenditure and activities, planned outputs, people involvement and organisational capacity
- It is to find problems and identify solutions to be implemented
- It takes place at all levels of project implementation
- To use both formal and informal data gathering methods
- It is a key source of data for evaluation

During the project design stages a range of objectives, targets and plans will have been established and recorded in the relevant Templates. These targets will have been reviewed at the very beginning of the implementation stage and planned in more detail for the first year. There are four templates which provide the basis of information for the project monitoring; the Budget is monitored separately:

- Template 5. Logical Framework
- Template 9. Activity Plan
- Template 2. Stakeholder Record
- Template 7. Mainstreaming Framework

The different Templates enable project managers to record actual information on a regular basis as a daily, weekly or monthly log, after which the data can be transferred to the Quarterly Monitoring Record, like the one described over the page, or one that the funder may require you to use.

## Template 14: Quarterly Monitoring Record

Areas for Monitoring	Planned	Actual	Variance
1. Outputs (from the Logical Framework)	Describe what is planned to be achieved during this quarter.	Targets are compared with the actual achievements at the end of the quarter date.	If the Planned and Actual match then the project is on target. If there is a variance, either positive or negative, then briefly explain why and what is to be done about it.
2. Assumptions relevant to the Outputs			
3. Activities (from the Activity Plan)			
4. Stakeholders behaviour (from the Stakeholder Record)			
5. Action Research from the Mainstreaming Framework (if used)			

### How to create the Quarterly Monitoring Record to monitor the project:

1. Transfer the relevant Outputs from the Logical Framework to the Planned column in the Quarterly Monitoring Record (these should already have a broad time against them in the Indicator column and you will therefore be able to determine if they should be undertaken during the current quarterly period). Use the Indicators column in the Logical Framework to obtain qualitative information as well as quantitative to plan out in some detail. The evidence will verify the indicator. Monitoring will take place at irregular intervals as specified by the timing of the Indicators, though reporting will be on a regular quarterly basis.
2. In the Assumptions column from the Logical Framework there will be information about the Assumptions against particular Outputs; what it is assumed will happen, outside of the control of the project, in order for the output to be achieved. This information needs to be transferred to the Planned column. The impact of the Assumptions is monitored in order to anticipate future issues and, if necessary, make changes to the Activity Plan and Outputs. The Indicators linked to Outputs in the Logical Framework determine the time when Assumptions should have happened.

3. The Activities to support the Outputs are already in the Activity Plan: it is recommended that they are transferred in summary form rather than in detail.
4. A summary of Planned and Actual information from the Stakeholder Record should be transferred to record how stakeholders actually behaved and how they responded to the various activities during the period. Detail can be recorded in the Stakeholder Record.
5. The Mainstreaming Framework, if it is used, also has its own Planned and Actual columns in which data and analysis can take place. Summaries are transferred to the Quarterly Monitoring Record.

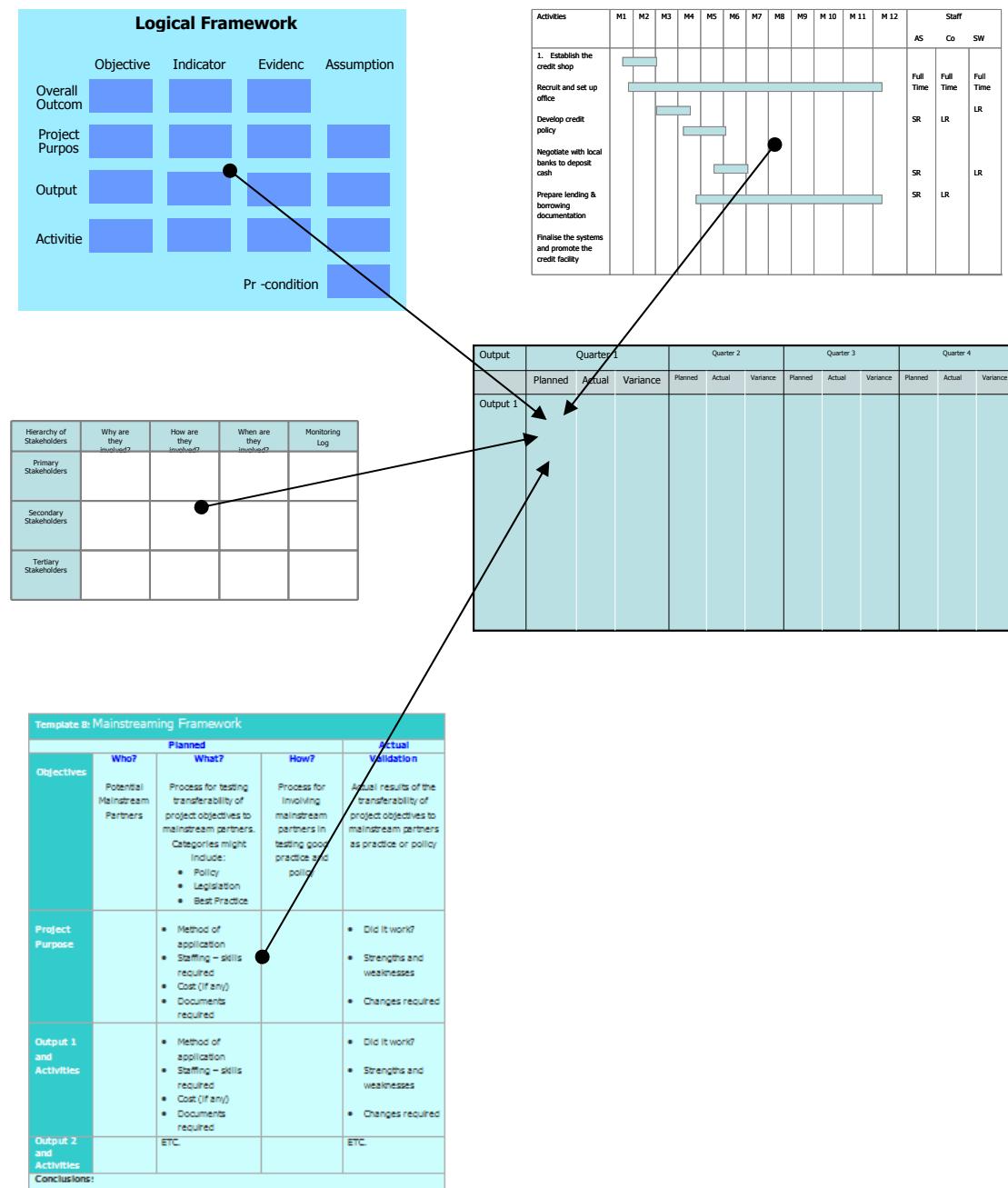
### Recording the Monitoring

The results of the monitoring are recorded under the Actual column; if the Actual is less or more than planned the reasons why and what is to be done about it during the next quarter is recorded in the Variance column. If the Planned and Actual are equal, there is no variance and the project can be recorded as being on target. Explanations on why any variance occurred and what action management took to bring the plans back on track should be recorded. Sometimes it is not possible to bring plans back on track and the results of your project will be delayed. Knowing this in advance is part of good management and changes to the plans must be made at this point.

### **Project management must keep focused on all areas at all times and keep asking if:**

- the funds have been disbursed on schedule;
- this activity will lead to the planned Output;
- any important Assumptions need attention;
- stakeholders are behaving as expected;
- the Outputs will lead to achieving Project Purpose; and
- the mainstream testing is being researched (if appropriate).

## Creating the Quarterly Monitoring Record:

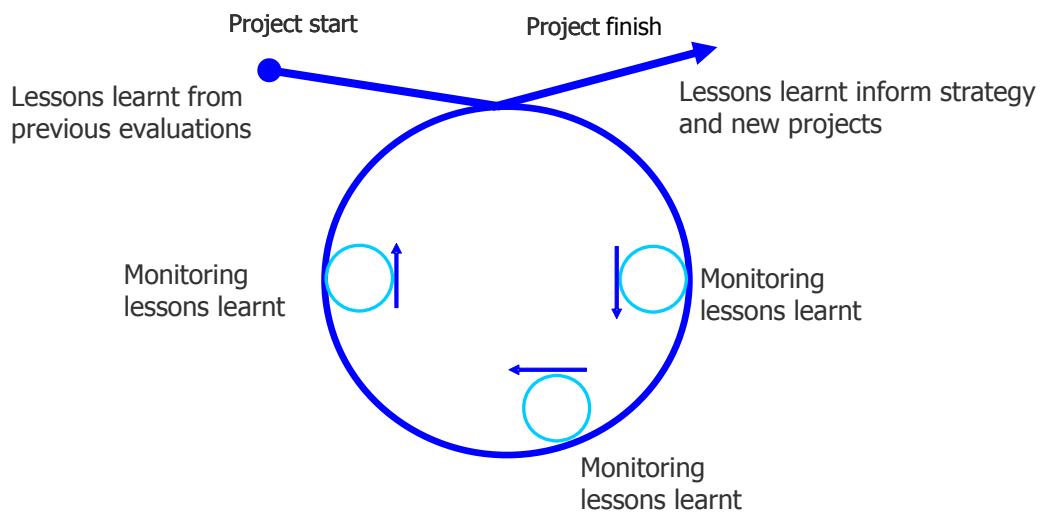


## Monitoring for lessons learnt

In order for monitoring to be of use to the project manager there has to be an internal learning loop that focuses on changing activities and, in some cases, Outputs. Lessons learnt about good practice and how stakeholders responded to different types and styles of initiatives will come from the monitoring of Activities and Outputs.

The following diagram illustrates the two levels of learning that happen within the project cycle. There is one project cycle and many monitoring cycles. Each cycle has potential for learning lessons regardless of the length of time it takes.

### The Learning Loops within a project cycle:



Monitoring lessons learnt will come from assessing the efficiency of using inputs such as cost and value for money, volunteer time, physical resources, partner commitment, organisational systems and staff working practices. They will also come from how effectively the inputs have been used in delivering services and facilities and how stakeholders have responded and made use of what they have received. Lessons learnt at this level are focused on 'best practice', and consequently about changing activities and/or altering outputs to achieve it.

Once a lesson has been learnt during monitoring it will need to be applied to the next quarter's set of activities. First it is necessary to decide how it affects the project:

#### Questions to ask when evaluating Monitoring Lessons Learnt are:

- Is it to do with a policy or a rule governing the way a project operates?
- Is it to do with the way the staff manages certain actions of the project?
- Is it to do with the way stakeholders use the facilities of the project?
- Is it to do with external influences (Assumptions) that affect the activities, but are outside the control of the project?
- Is it to do with commitment from partners or other agencies?

Once the above have been answered in relation to the lesson learnt then it will become clear who will be responsible for making change and where change needs to take place. Therefore, while monitoring reports are drawn together and disseminated quarterly it is suggested that actual management monitoring is undertaken more regularly. In the following table a typical management monitoring schedule is provided:

• activities -	weekly to monthly
• contribution to Output(s) -	monthly
• assumptions and risks –	monthly
• stakeholder involvement -	monthly
• finance -	daily to monthly
• mainstreaming -	monthly to quarterly
• contribution to Project Purpose –	quarterly
• reporting -	quarterly

## Stakeholder Monitoring using Template 2

Template 2 - Stakeholder Record will have specified who the stakeholders are, why they are involved and how and when they are to be involved with the project. Monitoring the stakeholders is concerned with how they were involved during the project life and, as a consequence of this, how they may be involved over a longer period of time.

The monitoring column of Template 2 – Stakeholder Record is filled in to record how stakeholders behaved and what affect that has had on the project, as well as the likelihood of continuing support and involvement over time and once the project comes to an end. Management can also monitor whether the hard to reach groups of stakeholders are being reached.

Through having a standard method of monitoring stakeholders, information can be analysed to show what is happening with the stakeholders across a range of projects, both within a sector and across all sectors. The result of this information will help design future projects to better manage stakeholder involvement.

## Monitoring the Mainstreaming Framework using Template 7

Monitoring should focus on testing the applicability of the project actions and outputs to the potential mainstream bodies. The Mainstreaming Framework is referred to, in collaboration with the potential mainstream bodies; this can be done by asking:

- are the activities effective and efficient and do they support a greater level of inclusion of different stakeholders?
- are the outputs being disseminated and how do the mainstream bodies respond?
- is it likely that the mainstream bodies are going to adopt the new practice/policy/legislation? Is it possible to identify barriers to mainstream bodies using the new methods, and if so, can the project make adjustments to overcome those barriers?

## Monitoring the Budget

Different organisations have different accounting systems, but there is likely to be a form of day book where actual expenditure is recorded, either as a paper or electronic system, which is brought together as a monthly record so that bank reconciliation can be undertaken to verify actual expenditure. From this information quarterly Planned and Actual statements can be prepared and issued to funders as part of the regular quarterly monitoring report.

The activities have been entered in the Activity Plan: the resources necessary to undertake the activities have been specified in the Budget Plan. The Budget and Actual Variance Record records the receipts and expenditure against planned. Below is a budget planned and actual variance record which brings together all financial expenditure data that is used to balance the books and inform funders.

### Template 15: Budget and Actual Variance Record

Headings	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	Planned	Actual	Variance									
<b>Revenue</b> Office Costs/Admin Salaries Overheads Professional fees Other (specify)												
<b>Total Revenue</b>												
<b>Capital</b> Building costs Furniture/fittings Land Other (specify)												
<b>Total Capital</b>												
<b>Total Revenue and Capital</b>												

## Quarterly Monitoring Report

In addition to the Quarterly Monitoring Record and the Budget and Actual Variance Record, projects are required to provide Quarterly Monitoring Reports in which all other changes are recorded and analysed. General changes that have occurred during the quarterly period are analysed to determine their affect on the project. The Quarterly Monitoring Report has the same headings as the Project Proposal and maintains an on-going narrative of project progress and changes to the project environment (both internal and external) that took place during the period. As it is cumulative there is no need to fill in sections where no change has occurred, other than to refer back to the last time a change was noted and written up. Anyone looking at the Quarterly Monitoring Report will be able to quickly and clearly see where change has taken place during a particular period and where no change has occurred. The amount of documentation is reduced and a clear statement of what happened during the period is provided.

While the reporting has to be undertaken quarterly, it is suggested that managers keep an on-going log of events, as they happen, that will inform the actual monitoring that takes place regularly and the quarterly monitoring report.

## **Template 16: Quarterly Monitoring Report**

This follows the structure of Template 6 the Project Proposal Record

### **1. Factual Information**

- 1.1 Project Title:
- 1.2 Contact person:
- 1.3 Address:
- 1.4 Location of project:
- 1.5 Duration of Project:
- 1.6 Delivery Agency:
- 1.7 Partners:
- 1.8 Total cost of project:

### **2. Project Description**

### **3. Relevant Policy Fit and Linkage**

### **4. Problems to be addressed**

### **5. Stakeholders**

### **6. Local Setting**

### **7. Objectives and Outputs**

- 7.1 Overall Outcome
- 7.2 Project Purpose
- 7.3 Outputs

### **8. Implementation Arrangements**

- 8.1 Management structure
- 8.2 Accountability and decision making
- 8.3 Project and financial monitoring system and schedule, provide milestones and targets
- 8.4 Partnership relations
- 8.5 Evaluation requirements
- 8.6 CVs of key proposed staff members

### **9. Finance**

- 9.1 Budget Plan
- 9.2 Financial Ratio Assessment (if any)

### **10. Origin and Preparation of the Project**

### **11. Sustainability**

### **12. Certification**

Name:

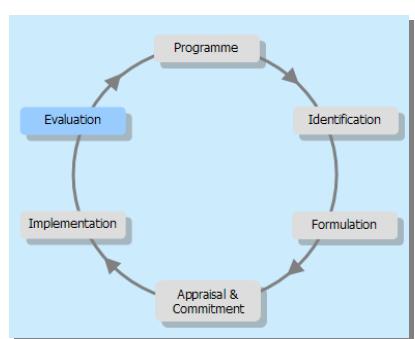
Signature:

Date:

# Stage 6. Evaluation

Evaluation is the final stage in the project life and should be undertaken by an independent evaluator. The Evaluation stage is the time when the assessment of the project is undertaken and any lessons learnt can be identified and disseminated widely. Not all projects will need a full evaluation, it will depend on the size, the length of time and the innovative nature i.e. is there something new to learn? A decision about the type and timing of the Evaluation should have been taken at the Formulation stage and the initial points to be included should have been drafted by the project design team. The Evaluation should be undertaken at an appropriate time when the flow of benefits should start to be gained and lessons can be learnt. The Evaluation conclusions, recommendations and lessons learnt should be clearly presented and disseminated widely to other agencies and the programme co-ordinators. In some programmes there is a strong emphasis on mainstreaming which guides the determination of project success.

## Sequence of Activities:



- be clear about the purpose of the project as stated in the project proposal
- focus on the flow of benefits and the overall outcome of the project
- review the monitoring reports and Logical Framework
- prepare statement of actual achievements against planned targets
- identify lessons learnt and disseminate the findings widely to influence future projects and policy

**Who should be involved?** – independent evaluator, beneficiaries and project supporters.

Exercises	Records
1. Undertake a document review 2. Undertake the evaluation 3. Prepare a report and identify lessons learnt 4. Disseminate findings	Template 17: Evaluation Report

## 6.1 Preparing the Evaluation

The primary purpose of evaluation is to learn lessons, both positive (what worked well and why) and negative (what went wrong and why). Evaluations should be clearly focused on trying to understand how the project operated and how successful it was in achieving its stated objectives, the concern being Outputs, Project Purpose and Overall Outcome. Lots of technical and financial information will have been generated during the project, and recorded and analysed in the Quarterly Monitoring Records and Quarterly Monitoring Reports. Some conclusions will already have been reached on how effective and efficient management was in achieving the Outputs. The Evaluation does not need to repeat all this information but should reference it and provide summaries where necessary. The Evaluation should be clear about its intended audience; while it will contain technical information it is important to isolate the key points and Lessons Learnt that can be detached as a stand-alone very short document for wider circulation and discussion.

In order to be consistent with all the other PCM stages, the Evaluation should use the same standard headings as in the Project Proposal and Quarterly Monitoring Report.

### What type of Evaluation?

There are two main approaches to evaluation: summative or formative. A summative evaluation is undertaken to measure the result of a project. It is a verdict on whether or not the project succeeded and it focuses on capturing data, drawing conclusions and presenting a final report. A summative evaluation is often used as an audit to inspect and check that everything has been done right and in accordance with the terms of reference.

A formative evaluation is on-going and starts much earlier in the life of a project, it is often allied to monitoring and provides the feedback loop to guide project change during its implementation. It collects data and offers options based on the analysis of the required data and focuses more on understanding and learning by providing various short reports at appropriate times. Formative evaluation is integral to the action learning process.

### When to Evaluate?

When choosing and deciding upon evaluation, be clear which approach is best for the type and situation of the project? Not all projects need to be evaluated. There are four points at which evaluation may takes place: rolling; midterm; end of project; and/or post project.

**Rolling Evaluations (formative)** tend to be used when there is a clear aim to test the innovative nature of a project for its ability to be mainstreamed; the ability to be mainstreamed is the ultimate test of a project's sustainability.

Rolling evaluations concentrate on in-depth monitoring and drawing regular conclusions. The lessons learnt from this should then inform and, if necessary, recommend change to certain practices.

**Midterm Evaluations (formative)** are undertaken to enable management to obtain an independent assessment of the progress so far when the project is usually over two years in length. Midterm evaluations concentrate mainly on the Outputs and their contribution to achieving the Project Purpose. They also include an assessment of the budget and actual expenditure and the management's capacity to keep to the planned targets. The results of midterm evaluations should be used to assist the manager in understanding what is going on and what needs to be done in the future.

**End of Project Evaluations (summative)** tend to be useful in assessing the efficiency of the management and effectiveness in delivering Outputs on time and within budget. They are also used to audit the finance; end-of-project financial information can help mainstream funders make decisions as to whether they provide on-going support. End of Project evaluations are also able to gauge the level of project success and identify lessons learnt for future actions.

**Post Project Evaluations (summative)** concentrate on the level of sustainable benefits being utilised by beneficiaries and can also be very useful in evaluating the sustainability of project benefits. Particularly in projects to do with areas such as health, education and crime the benefits of a project may take some time to be realised and it is important not to undertake the evaluation too early. The evaluation should be planned to coincide with the time the benefits are expected to be realised, sometimes a year or more after the project is completed.

## Evaluation content

Evaluations will focus on Outputs and Project Purpose and will therefore report on the utilisation of the services provided and the flow of benefits beneficiaries receive. Criteria for an evaluation are based on the following areas:

- **Relevance** – did the project objectives deal with the problems that were supposed to be addressed, and were they appropriate to the physical and policy environment within which the project operated?
- **Feasibility** – did the project planning and logic work? Was the design feasible and did the organisation have sufficient capabilities to manage the project? Were Activities delivered, were Outputs received and did Outputs achieve Project Purpose? Did the project contribute to the Overall Outcome?

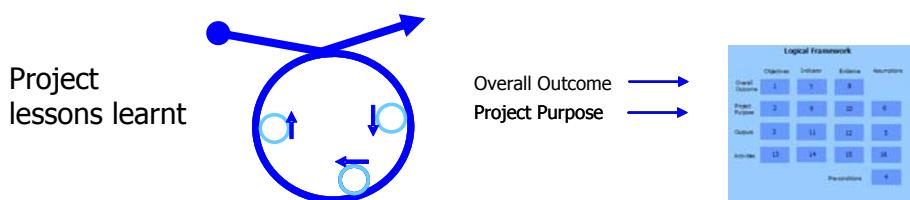
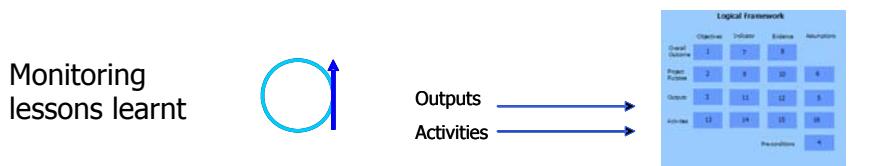
- **Sustainability** – did the take up of the services happen and the flow of benefits continue once the project finished? Was the analysis of the wider environment correct in terms of policy, socio-cultural aspects, technology and institutional capacity? Did stakeholders change their behaviour and re-fix the changes permanently?
- **Best Value** – did the project provide the units at the budgeted cost and how did this compare with similar projects?
- **Strategy Support** – did the project support and/or enhance the programme strategy or the strategic visions of the community?
- **Management** – were decisions made punctually and accurately? Was information available and accessible to stakeholders? Did reporting take place as specified in the original plans? Did the project stick to the budget? Were employees managed well? Did they have the right skills?
- **Appraisal and Monitoring** – through the audit trail of the project documents the Evaluation should try to assess how correct the appraisal and monitoring was, for example, by referring back to the Quality Assurance Checks.

## 6.2 Lessons Learnt to Inform Strategy

Ultimately the lessons learned from the evaluation should inform and influence strategy and policy. Evaluation achieves its purpose through changing practice as a consequence of learning lessons; just learning lessons without making change often only leads to poor practice being repeated.

Lessons are learnt in two ways throughout the project cycle; one as a consequence of the end of project evaluation, and the other as a consequence of the regular and limited monitoring conclusions. Lessons learnt from previous projects inform the programme strategy and the design of new projects, and the internal monitoring loops inform management, on an on-going basis, of where things are going wrong and where changes are needed. This was also discussed in the section on Monitoring.

Lessons learnt about good practice and how stakeholders responded to different types and styles of initiatives will come from the monitoring of activities and outputs; while lessons learnt about policy and strategy will come from evaluating the achievement of the project purpose and outcome level objectives.



Project lessons learnt will come from the Evaluation of the project purpose; are beneficiaries able to make use of what they received and what level of benefit they experienced. Lessons learnt will also come from understanding the way service providers operated and the degree to which they could use existing operational methods to deliver different services, or deliver the same services in different ways. Lesson learnt at this level are focused on impact and sustainability and inform strategy.

#### Questions to ask when evaluating Project Lessons Learnt are:

- Is it to do with the way the programme has been structured?
- Is it to do with the original design of the project?
- Is it to do with existing policy of partners/mainstream bodies?
- Is it to do with attitude of stakeholders?
- Is it to do with legislation that in turn affects policy?

#### Lessons Learnt that Impact on Mainstreaming Strategy

If a project is being evaluated regularly to inform mainstreaming, changes to activities may be necessary to fit in with certain operational practices of the potential mainstream body. These will be different from those changes that have to be made to keep the project on track.

In order to achieve mainstreaming, it may be necessary to change activities, policy and/or legislation to build a broader base of partner commitment to support this level of change. Lessons learnt at this level are not influenced by a single project but require a broader evidence base.

## 6.3 Reporting on the Evaluation

The Evaluation report should be structured in a similar way to the project proposal and have the same headings, this will ensure that the evaluator covers all the aspects of what was planned for the project.

When reporting on the evaluation some assessment should be made about whom the report is for and how it might be used. At this point it is possible to refer back to one of the original documents, the Stakeholder Record, to see who they were and to identify new stakeholders who participated later on in the project. It is possible that there are a number of audiences for the evaluation: funding agencies; primary stakeholders; partners; mainstream bodies etc. Funders rely on detailed reports to inform them of activities, outputs and the overall impact the project achieved. The stakeholders, on the other hand, already know about the activities and outputs because they were involved, but are keen to gain an understanding of the broader impact and the continuous flow of benefits received. The evaluation should focus very clearly on learning both positive and negative lessons from the project.

**Below is a list of areas that should be included in an evaluation:**

<b>Template 17: Evaluation Report</b>	
<b>Project Proposal Headings</b>	<b>Evaluation Areas</b>
Factual Information	All areas under this heading should be checked to see if they have changed.
Problems to be addressed	Has the problem been eliminated? If it has, describe how. If not, why not?
Primary and Secondary Stakeholders	Are they the same? How have they found the process and the way it was managed?
Local Setting	What changes have taken place and how did it affect the project? Has the project benefited the local setting?
Objectives and Outputs	Against all the Outputs, Indicators, Assumptions and Plans, prepare a Planned and Actual Variance Analysis.
Implementation and Management Arrangements	Describe the management reporting, control and relationship to stakeholders.
Finance	Has the finance been kept up to date? Were the monitoring returns correct? Have the accounts been finalised and audited?
Sustainability	Has support continued after project completion? Is the environment supportive of the project? Are beneficiaries experiencing benefit? Can any project results be mainstreamed?
Origin and Preparation of the Project	Describe how the project was initiated and developed and was it negative or positive?
Annexes: Logical Framework Activity and Budget Plans	All Annexes need evaluation based largely on a Planned and Actual Variance Analysis

# Annex 1. PCM Training Programme

## **Introduction**

The complete programme will be run over a six month to one-year period; depending on the requirements of participants. The programme comprises 7 Modules. Each module has a number of units and each unit has a number of credit values (known as learning outcomes and learning criteria). The accreditation is based on the number of credit values each participant achieves. Each unit will stand alone in terms of the credit achieved.

In total there are 19 units, all to be achieved at either level 2 or level 3. Some are one 10-hour credit units, and others are two 10-hour credit units. This amounts to 230 guided learning hours, made up of classroom training, project work (carrying out Project Cycle Management in the participants' organisations), and private study.

The successful completion of the whole programme will enable the learner to gain accreditation at Level 2 or Level 3. This reflects the learner's ability to apply the whole project management cycle, as well as having acquired the understanding of the required underpinning knowledge in relation to all the units.

## **Module Contents**

- Module 1      The Project Context. PCM Overview and Exploring the Purpose of Regeneration/Development Programmes and Projects
- Module 2      Stage One- The Programme Stage and Stage Two - The Identification stage
- Module 3      Stage Three- The Formulation stage
- Module 4      Stage 4: Appraisal and Commitment
- Module 5      Stage Five: Implementation and Stage Six Project Evaluation
- Module 6      Project Management
- Module 7      Working with the Stakeholders

## **For further information please contact:**

Local Livelihoods Ltd. St Oswalds Barn, Herefordshire, HR3 5HB, England

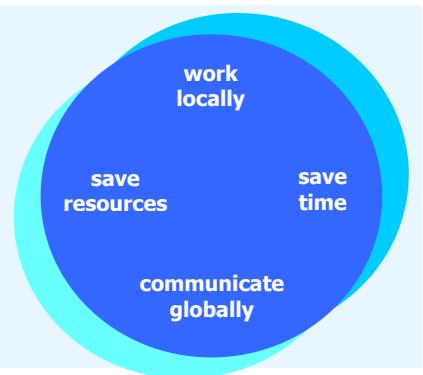
Tel: + 44 (0)1497831770, Email: [info@locallivelihoods.com](mailto:info@locallivelihoods.com)

Website: [www.locallivelihoods.com](http://www.locallivelihoods.com)

## Annex 2. Project Facilitator software

# Project Facilitator

Live Application Technology



Project Facilitator Live Application Technology is an online software system for managing development and regeneration programmes and projects. It enables colleagues and stakeholders from around the world to work together simultaneously and interactively. It can be used by any size of organisation: from those with large development programmes with hundreds of projects in different countries to those with small regeneration projects in local communities.

The application provides administrative procedures which help to establish programme strategy, design projects and write proposals; appraise the quality of a proposal and a project's potential to be mainstreamed; manage and monitor implementation; and finally evaluate.

Project Facilitator Live Application Technology consists of a set of data capture forms modelled on standard Result Based Project Management templates, together with comprehensive administrative facilities. Data captured using the system is securely stored and aggregated into project and programme reports. All of this can be customised to suit your programme's needs.

### Project Facilitator Live Application Technology provides...

- Result Based Programme and Project Design, Management, Monitoring and Evaluation
- The rich features and speed expected of normal desktop application
- The online connectivity and convenience of a website
- Live forms and documents which allow users, anywhere online across the world, to work together at the same time
- Analysis of one project's results, or the aggregation and analysis of the results from all the projects within a programme
- Reports generated as Word documents, allowing for easy interface with other applications
- Stakeholder engagement and participation through secure and controlled password access
- Quality assurance checks on the process of project development
- Automated audit trails – all changes, and who made them, are recorded
- Custom applications generated according to client needs
- Optional integrated audio/visual conferencing provided free from Skype
- An online workshop facility supported by the interactive and live documents – hold a meeting, train a group, or mentor individuals

Each data capture form contains space for detailed data, which is distributed to the annexes of reports, and summarised data, that is distributed to the body of the reports. In common with all databases, each piece of information is only entered once and becomes visible in any other forms in the application which contain the same field. For example, data captured for project design will be forwarded to other relevant stages such as monitoring and evaluation. Data from all the projects within a programme can be aggregated; enabling the creation of programme monitoring and final reports.

Captured data is stored on a server, which can be run by the client organisation at a site of their choosing, or managed by Local Livelihoods. The server can be accessed by anyone anywhere in the world, with a broadband connection, who has been authorised and allocated a password by the client organisation. There are various levels of site access profile, enabling different user groups to be provided with varying levels of access to the system and its facilities.

All programmes are slightly different: they use different terminology and have differing data capture, monitoring and reporting needs. In view of this Project Facilitator has been designed and built to be flexible to suit clients' needs. Clients can customise Project Facilitator in areas of terms and phrases; language; budget headings; accounting codes; template structure; aggregation links; and with optional reporting interfaces. All reports are produced in Word format. The software can be supported, where required, with free audio-visual communication facilities from Skype.

## Technical Information

The Project Facilitator software application is based on our cross platform technical framework and capable of being run on any version of Windows from '98 onwards, Linux, Unix and Mac operating systems. It was designed using full object oriented analysis techniques and has been implemented with C++. The framework infrastructure is capable of supporting several other commonly used programming languages.

Created with rapid fully distributed custom application development in mind, the technical framework provides an easily learned method of generating powerful, small footprint, structured database systems which can be easily distributed to users, have no dependencies on external software and allow globally accessible, real-time shared GUI systems to be produced. We are therefore able to offer bespoke and client developed customisation of Project Facilitator or the generation of completely new products according to requirements.

## Licensing

Project Facilitator is licensed on an annual basis for each project; this refers to a stand alone project or project(s) within a programme. Price varies according to the number of projects required. A single project licence in the UK is £150+VAT, overseas the cost is (€200) per year and the cost for multiple licences reduces with quantity. Please contact us for a quote if software customisation is required. Local Livelihoods is constantly upgrading the application with new facilities and increased functionality.

## Local Livelihoods

## Annex 3. PCM Templates

Throughout the Toolkit we have referred to the Templates as tools for setting the agenda of workshop sessions, to guide the process of the workshops, to record the results of the workshops, and as a way of communicating the outcome of the event to other stakeholders. Below is a list of the 17 Templates referred to in the Toolkit that can be found in the accompanying CD-ROM. These are also found in the Project Facilitator software and can be customised to suit the particular needs of programmes and projects.

- [\*\*Template 1.\*\*](#) Programme Strategy and Project Criteria
- [\*\*Template 2.\*\*](#) Stakeholder Record
- [\*\*Template 3.\*\*](#) Problems and Objectives Record
- [\*\*Template 4.\*\*](#) Quality Assurance Check – Relevance
- [\*\*Template 5.\*\*](#) Logical Framework
- [\*\*Template 6.\*\*](#) Quality Assurance Check – Feasibility
- [\*\*Template 7.\*\*](#) Mainstreaming Framework
- [\*\*Template 8.\*\*](#) Project Proposal Record
- [\*\*Template 9.\*\*](#) Activity Plan
- [\*\*Template 10.\*\*](#) Budget Plan
- [\*\*Template 11.\*\*](#) Quality Assurance Check – Sustainability
- [\*\*Template 12.\*\*](#) Appraisal Scoring
- [\*\*Template 13.\*\*](#) Appraisal Report
- [\*\*Template 14.\*\*](#) Quarterly Monitoring Record
- [\*\*Template 15.\*\*](#) Budget and Actual Variance Record
- [\*\*Template 16.\*\*](#) Quarterly Monitoring Report
- [\*\*Template 17.\*\*](#) Evaluation Report

## Annex 4. Glossary

**Activities:** The specific tasks to be undertaken during a project's life in order to obtain outputs.

**Analysis of Objectives:** Checking that there is a clear means to end relationship between the objectives.

**Activity Plan:** A graphic representation, similar to a gantt chart, setting out the timing, sequence and duration of project activities. It can also be used to identify milestones for monitoring progress, and to assign responsibility for achievement of milestones.

**Appraisal:** Analysis of a proposed project to determine its merit and acceptability in accordance with established criteria. This is the final step before a project is agreed for financing.

**Appraisal and Commitment Stage:** The fourth stage of the project cycle during which projects are approved for financing.

**Assumptions:** External factors which could affect the progress or success of the project, but over which the project manager has no direct control.

**Budget Plan:** The project expenses are described as an annual project cost, divided into twelve months.

**Commitment:** A commitment is a formal decision taken by funders, and other contributors, who agree to provide resources to a project.

**Cultural Diversity:** What is often meant by this is cultural mutual respect and coexistence; but a more concise way might be to use the word interdependence. Cultural interdependence might be more appropriate than cultural diversity.

**Evaluation:** A periodic assessment of the relevance, performance, efficiency and impact of a project in the context of stated objectives. It is undertaken as an independent objective examination, with a view to learning lessons that may be more widely applicable.

**Evidence:** The means by which the indicators or milestones will be verified.

**Factors Ensuring Sustainability:** Factors that are known to have had a significant impact on the sustainability of benefits generated by projects in the past, and which should be taken into account in the design of future projects.

**Feasibility Study:** A feasibility study, conducted during the formulation stage, verifies whether the proposed project is well-founded, and is likely to meet the needs of its intended users. The study should design the project in full operational detail, taking account of all technical, economic, financial, institutional, management, environmental and social and cultural aspects.

**Financing Agreement:** The document signed between the funder and the partner organisation. It includes a description of the particular project or programme to be funded.

**Financing Proposal:** Financing proposals are draft documents, submitted by the implementing organisation to the relevant funders for opinion and decision. They describe the general background, nature, scope and objectives and modalities of measures proposed and indicate the funding foreseen.

**Formulation Stage:** The third stage in the project cycle. It involves the establishment of the details of the project on the basis of a feasibility study, followed by an examination by funders to assess the project's merits and consistency with policies.

**Hierarchy of Objectives:** Activities, Outputs, Project Purpose, Overall Outcome as specified in the Objectives column. The Overall Objective is at the top of the hierarchy and the Activities are at the bottom.

**Identification Stage:** The second stage of the project cycle, where stakeholders, problems and objectives are identified and assessed.

**Indicators:** Indicators are established in the Logical Framework. Indicators provide the basis for designing an appropriate monitoring system. Measurable indicators will show whether or not targets have been achieved at each level of the objective hierarchy.

**Implementation Stage:** The fifth stage of the project cycle during which the project is implemented, and progress towards achieving objectives is monitored.

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

**Logical Framework:** The matrix in which a project's objectives, assumptions, indicators and sources of evidence are presented.

**Mainstreaming:** To transfer policy and good practice lessons learnt from individual projects or groups of projects, into the policy process, or to a public or private sector body that will replicate the good practice as part of its existing services.

**Means:** The inputs required in order to do the work (such as personnel, equipment and materials).

**Milestones:** Milestones are points in the progress of a planned set of activities.

**Monitoring:** The systematic and continuous collection, analysis and use of information for the purpose of management control and decision-making.

**Objectives:** Description of how the aim of a project or programme is to be achieved. In its generic sense it refers to activities, outputs, project purpose, and overall outcome.

**Objectives Column:** The set of objectives established in hierarchy which describes the things the project will achieve.

**Objective Assessment:** A diagrammatic representation of the proposed project interventions planned logically, following a problem analysis, showing proposed means, resources and ends.

**Overall Outcome:** A wider objective to which the project is designed to contribute. It is focused on programme priorities and themes.

**Outputs:** The outputs are what the project will have achieved by its completion date. The outputs are produced by delivering a series of activities.

**Partnership:** A consortium of a number of organisations who have signed up to being a partner of a formalised group.

**Pre-Conditions:** Pre-conditions (if any) are external issues which must be taken into account and/or dealt with prior to project commencement.

**Pre-feasibility Study:** The pre-feasibility study, conducted during the identification stage, ensures that all problems are identified and alternative solutions are appraised.

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

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

**Project Cycle Management:** A methodology for the preparation, implementation and evaluation of projects and programmes.

**Project Purpose:** The central objective of the project in terms of sustainable benefits to be delivered to the project users. It does not refer to the services provided by the project (these are outputs), but to the benefits which project users will derive.

**Strategic Vision:** The Strategic Vision describes what it will be like once the programme has successfully been completed. It will provide guiding principles when designing and appraising individual projects.

**Stakeholder:** Individuals or institutions with a financial or intellectual interest in the outputs of a project.

**Strategy Options:** Critical assessment of the alternative ways of achieving objectives, and selection of one or more for inclusion in the proposed project.

**Sustainability:** Sustainability is the ability to generate outputs after external support has been discontinued. While a project is limited by time, the benefits should continue and the activities should be developed long after the project has ended, without the need for external inputs. A key requirement for a successful project.

**SWOT Analysis:** Analysis of an organisation's Strengths and Weaknesses, and the Opportunities and Threats that it faces. A tool used for project appraisal.

**Terms of Reference:** Terms of Reference define the tasks required; and indicates project background and objectives, planned activities, expected inputs and outputs, budget, timetables and job descriptions.

**Transnational:** Across a number of countries within the European Union

**Transnational Co-operation:** A document outline the method and decision making Agreement approach adopted by a group of agencies working across a number of European countries.

## Annex 5. Reference material

Project Cycle Management: Integrated Approach and Logical Framework  
European Commission, DGVIII, Evaluation Unit, 1993

Project Cycle Management and Objective-Oriented Project Planning (ZOPP) – Guidelines  
Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) 1996

Project Cycle Management - Training Handbook  
European Commission, DGVIII, Evaluation Unit, 1999.  
Prepared by ITAD Ltd. UK.

Launching the Project Cycle 1999  
Office Instruction Volume 11, Department For International Development, UK

Social Audit Toolkit – third edition 2000  
Local Livelihoods Ltd. UK

Living Strategy – putting people at the heart of corporate purpose  
By Lynda Gratton  
Pearson Education 2000

Project Cycle Management and Logical Framework Training Handbook for New Deal for  
Communities  
Prepared by Local Livelihoods Ltd. For DETR 2002

[www.evaluate-europe.net](http://www.evaluate-europe.net) One source of guidance on how to manage evaluation can  
be found in a new independent web-site on European evaluation called: A tool called  
Evaluation Mentor can be used by organisations to create a specification for an external  
evaluator.

Below is a list of websites where information can be found about how these  
organisations use PCM in their projects, or develop and research the use of PCM.

[www.europa.eu.int/comm/europaid/evaluationmethods](http://www.europa.eu.int/comm/europaid/evaluationmethods) Information on the use of PCM  
within European Union funded projects.

[www.bond.org.uk](http://www.bond.org.uk) BOND is the network of more than 280 UK based voluntary  
organisations working in international development and development education.

[www.pcm-group.com/pcm](http://www.pcm-group.com/pcm) A Belgium based training and consultancy company.

[www.worldbank.org](http://www.worldbank.org) (search PCM) Information about how PCM is used in the projects  
funded by the World Bank.

[www.haznet.org.uk](http://www.haznet.org.uk) Health Action Zones are partnerships between the NHS, local authorities, community groups and the voluntary and business sectors.

[www.undp.org](http://www.undp.org) (search PCM) The United Nations Development Programme

[www.mdf.nl/en/training](http://www.mdf.nl/en/training) MDF Training & Consultancy is a worldwide operating management training and consultancy bureau registered and located in the Netherlands

[www.mande.co.uk](http://www.mande.co.uk) A news service focusing on developments in monitoring and evaluation methods relevant to development projects and programmes with social development objectives.

[www.ingenta.com](http://www.ingenta.com) (search PCM) The most comprehensive collection of academic and professional publications available for online, fax and Ariel delivery.

[www.dfid.gov.uk](http://www.dfid.gov.uk) The UK Government Department for International Development.

[www.livelihoods.org](http://www.livelihoods.org) A DFID website with information resources, and lessons and experience from the use of sustainable livelihoods approaches.

[www.ifad.org](http://www.ifad.org) (search PCM) The International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations.

[www.wlv.ac.uk/cidt](http://www.wlv.ac.uk/cidt) The Centre for International Development at Wolverhampton University is a leading international centre that provides consultancy, training, research, and project/programme management services in international development.

[www.gtz.de/english](http://www.gtz.de/english) (search pcm) The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is an international cooperation enterprise for sustainable development with worldwide operations. In more than 130 partner countries, GTZ is supporting c. 2,700 development projects and programmes, chiefly under commissions from the German Federal Government.