

Training in

# Project Management and TOR Development

in the framework of the project

**EU-China Social Security Reform Co-operation**



Michael Gericke, November 2006

# Project Background

- Title: Project Management Training and TOR Development
- Supported by the European Union
- Conducted by Rambøll Management
- First part of a Training Programme that involves local training and ToR development in the provinces



# Training Objectives

- Develop capacity at the Ministry of Labour and Social Security (MoLSS) and the provinces in order for them to be able to design, develop, and implement successful pilot projects
- Elaborate ToR outlines with the aim of being developed in detail during the following ToR Workshop.



# Expected training results

- 25-30 trained staff from the MoLSS and the provinces in Strategic Project Cycle Management and TOR development.



# Training schedule and methodology

- Three days of training based on classroom interventions and group work:
  - Day 1: Project Identification
  - Day 2: Logframe development
  - Day 3: Project organisation and ToR drafting (generic)
- Two days of ToR writing based on own concrete ideas for a better social security

We wish you a  
successful training.



# What is a project?

- A concrete action within a specific sector/area
- Planned and performed by people in organisations
- Constrained by limited resources (time, finance, people)
- Has a concrete description of objectives and priorities
- Has a concrete budget and timetable
- Planned, executed and controlled



# What is Project Cycle Management?

In relation to EU programmes the Project Cycle Management (PCM) approach is very popular. PCM brings together:

- aid management principles,
- analytical tools and techniques,
- a structured decision-making process



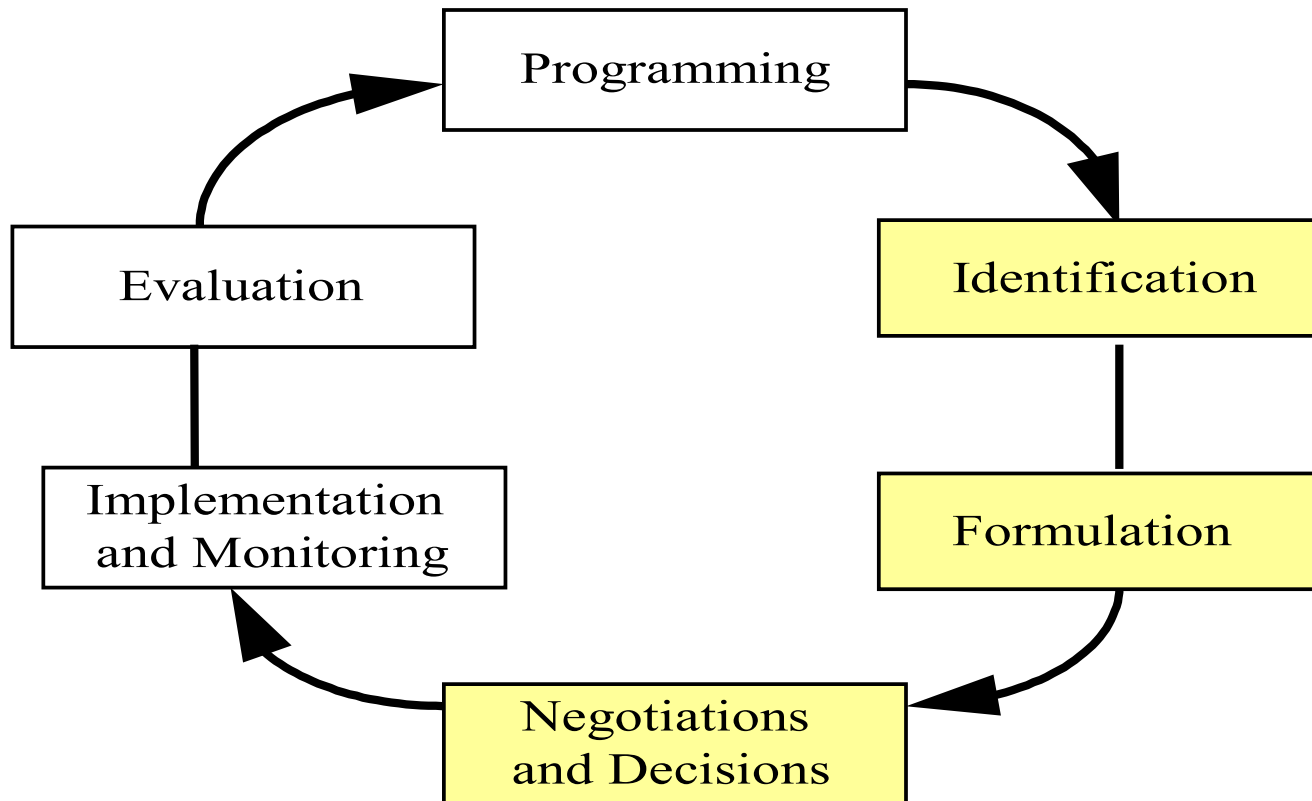
# Project Cycle Management ensures:

- projects respect and contribute to EU and national policy objectives
- projects are relevant to the agreed strategy and the real problems
- projects are feasible and sustainable



# The Project Cycle

## The Full Project Cycle



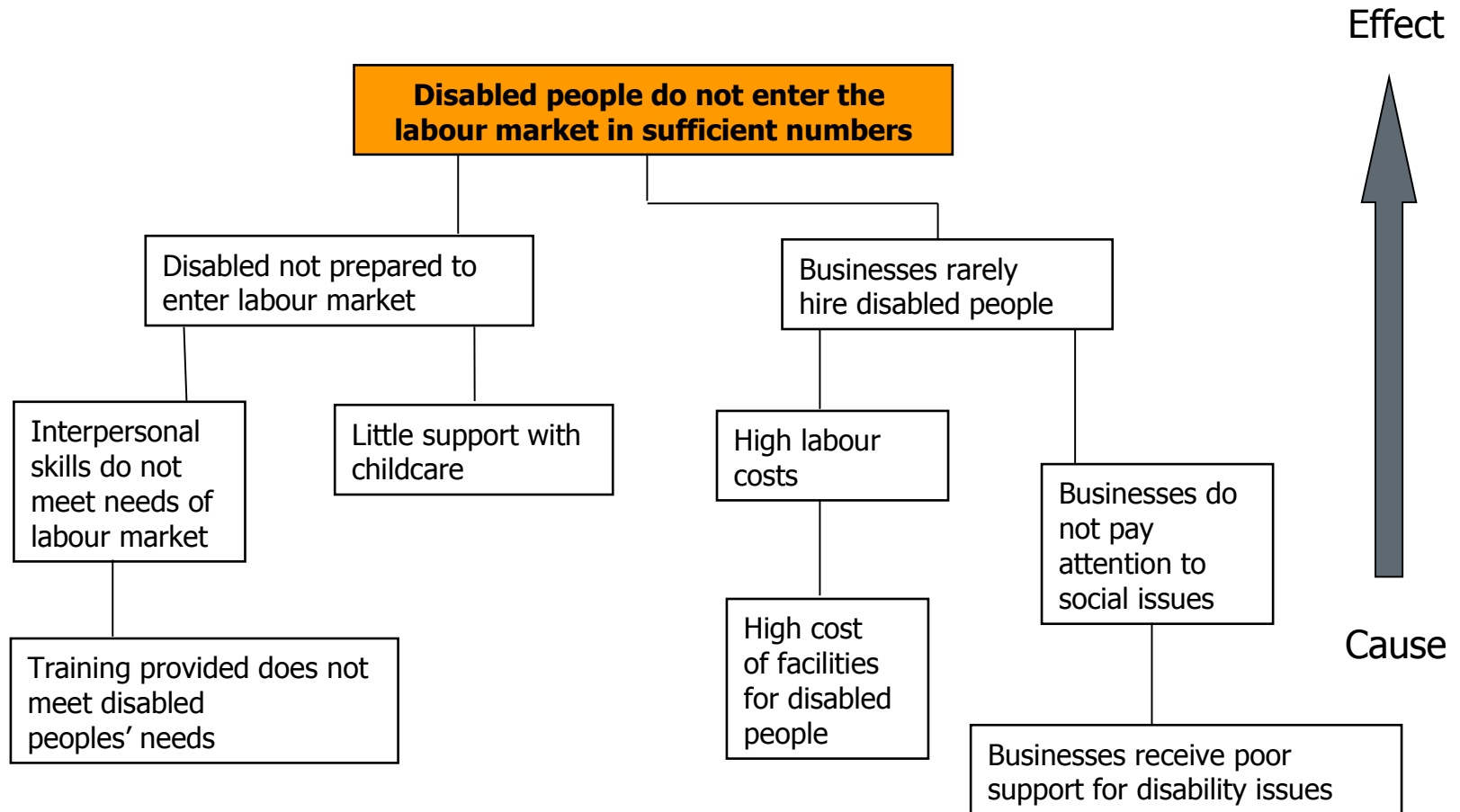
# The Project Cycle – Identification phase

## **This is the phase where you:**

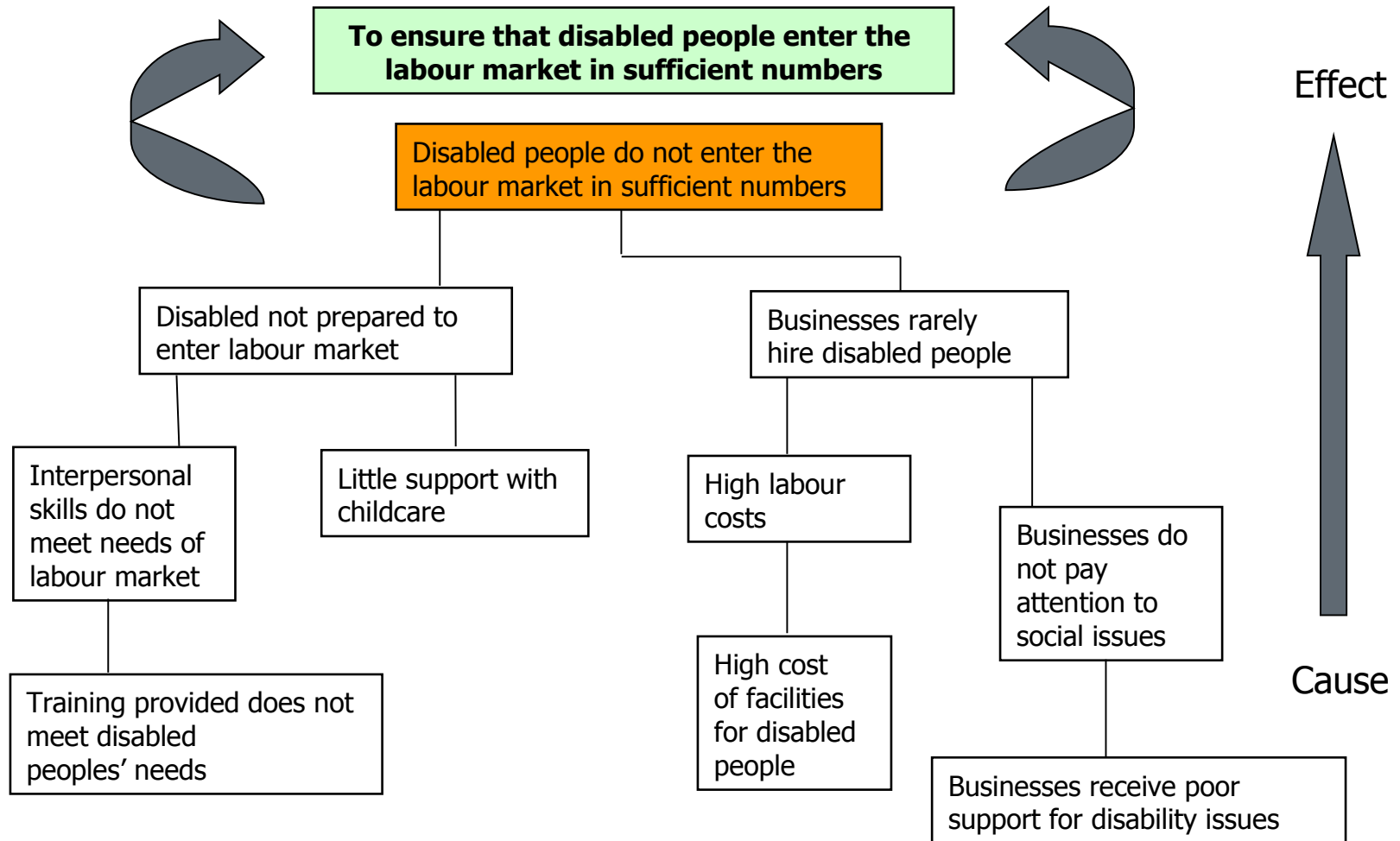
- Outline project background and problems to be solved
- Outline the corresponding overall objectives
- Identify the key policy documents (regulations etc.)
- Discuss/justify the project with key stakeholders



# Identification phase – the problem tree



# Identification phase – overall objective



# Identification phase – key policy documents

- Laws and regulations in force within the area
- Programmes and action plans in force
- Budget and financial allocations available
- International agreements and conventions



# Project Identification – justification of idea

- Discuss the project with key stake stakeholders:
  - Primary stakeholders
  - Secondary stakeholders
  - Tertiary stakeholders



# Identification phase - stakeholder mapping

- **Primary stakeholders** are those whose interests lie at the heart of the project. They include **potential beneficiaries/clients of the project** experience the problem that the projects are aiming to solve and are usually users of services.
- *NB: For social projects this group can be difficult to reach because it is not well organised.*



# Identification phase - stakeholder mapping

- **Secondary stakeholders** need to be involved if the project formulation process to achieve its objectives. This group would include:
  - Top management in own organisation (e.g. in the ministry)
  - statutory authorities (such as government departments),
  - private-sector organisations, voluntary groups, etc.
- These stakeholders are **where the main support will come from and usually where the main partners for the project can be identified.**



# Identification phase - stakeholder mapping

- **Tertiary stakeholders** may not be too involved at the beginning but may be **important in the mainstreaming**. These will include policy makers, practitioners and other organisations working with similar target groups. Tertiary stakeholders may move up the hierarchy during a project as they become more important and relevant as an initiative matures and its learning becomes mainstreamed.



# Identification phase - stakeholder analysis

- What are the stakeholders' **expectations** of the project (perception of the problem and its solution) ?
- What **benefits** are the stakeholders likely to receive?
- What **resources** can the stakeholder commit to the project?
- What is its **mandate**?
- What **interests** does the stakeholder have which **may conflict** with the project?
- How does a stakeholder **regard other** categories of stakeholders? (for example, is there a history of animosity between particular stakeholders?)

# Identification phase - stakeholder analysis

Planned				Actual
Who	Expectations and benefits	Expectations and benefits	Expectations and benefits	Expectations and benefits
Primary Stakeholders				
Secondary Stakeholders				
Tertiary Stakeholders				



# The Project Cycle – formulation phase

**This is the phase where you (in an EU context):**

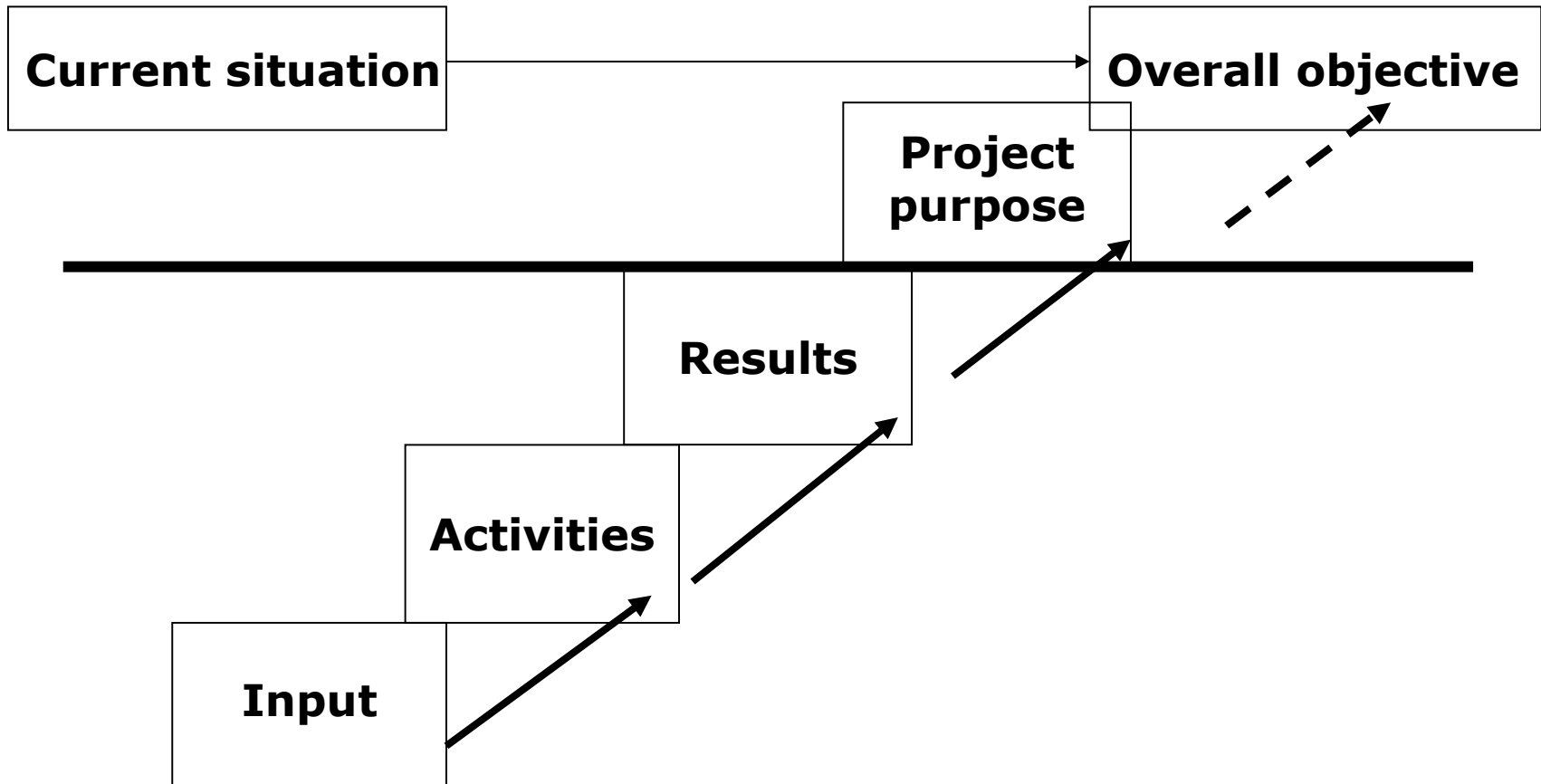
- Develop objectives and expected results in a “logframe”
- Describe the project in a technical document (“fiche”)
- Develop your Terms of Reference for tendering (“ToR”)



# Logical Framework Approach (logframe)

- The Logical Framework Method (logframe) is a management tool which was originally developed in the early 70's for the USAID and which consists of a set of inter linked concepts.
- The approach:
  - Facilitates the formulation of consistent project design
  - Functions as a guide for project implementation
  - Lays the foundation for monitoring and assessment

# Logical Framework Approach (logframe)



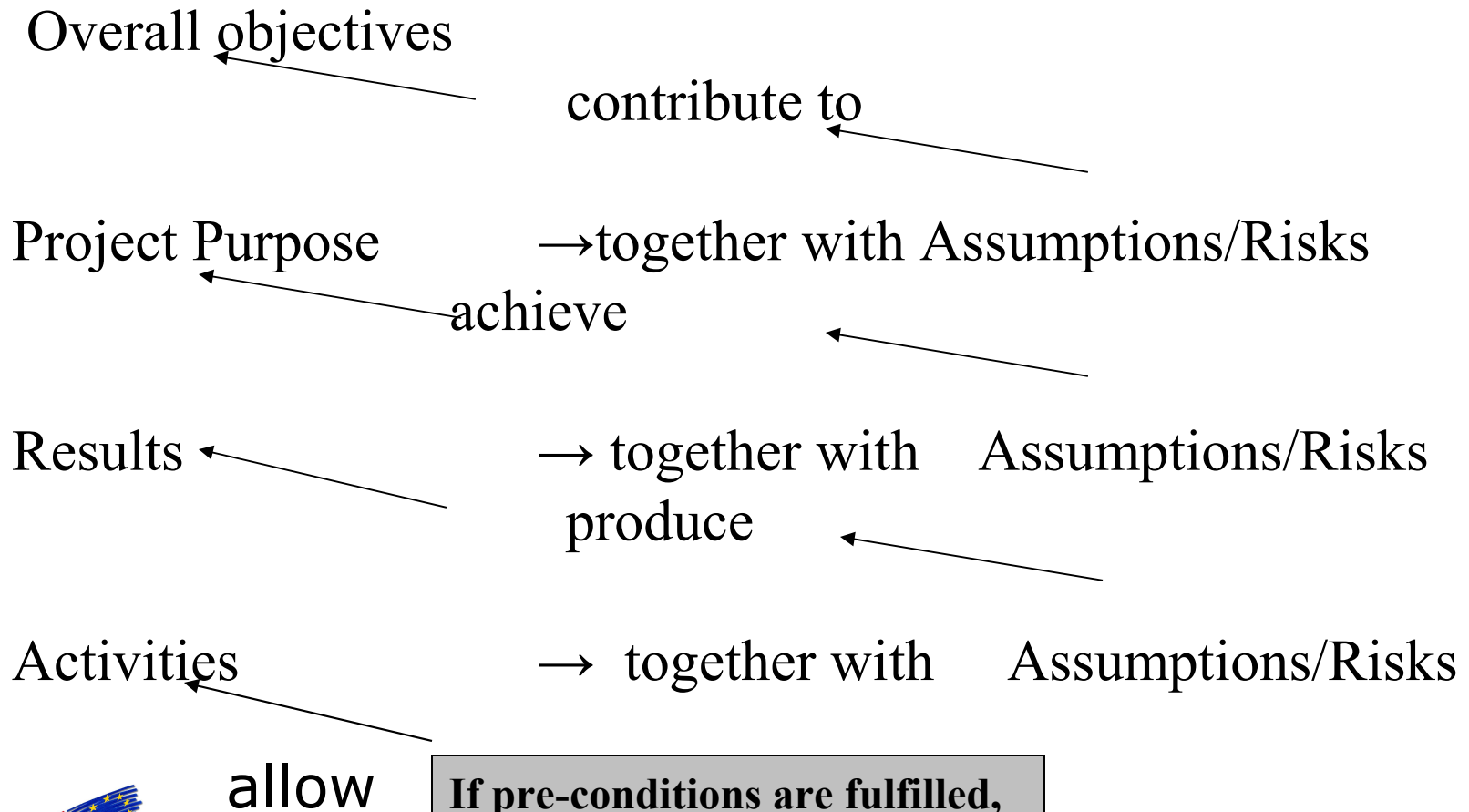
# The Logical Framework Matrix

HORIZONTAL LOGIC →		VERTICAL LOGIC ↓		
<b>Project Aims Hierarchy</b>		<b>Objectively verifiable indicators of achievement</b>	<b>Sources and means of verification</b>	<b>Assumptions and Risks</b>
Overall objectives				
Project purpose				
Expected results				
<b>Activities</b>		<b>Means:</b>	<b>Costs:</b>	<b>Preconditions:</b>



# The Logical Framework Matrix - reading

**Vertical Logic:** The logical framework should be read:



# The Vertical and Horizontal Logic

- The Vertical Logic:
  - Identifies what the project intends to do
  - Clarifies the causal relationships
  - Specifies the important assumptions and risks beyond the project manager's control
- The Horizontal Logic:
  - Relates to the measurement of effects of, and resources used by, the project through the specification of key indicators; and
  - The sources where they will be identified



# First Column: Intervention Logic

## **Overall objective:**

The broad development impact to which the project contributes – at a national or sectoral level (provides the link to the policy and/or sector programme context)

## **Purpose:**

The development outcome at the end of the project – more specifically the expected benefits to the target group(s)



# First Column: Intervention Logic

## **Results:**

The direct/tangible results (good and services) that the project delivers, and which are largely under project management's control

## **Activities:**

The tasks (work programme) that need to be carried out to deliver the planned results (optional within the matrix itself)



# Second Column: Objectively Verifiable Indicators (OVIs) and Means

**OVIs** are the operational description of:

- The overall objective indicators: Measures the extent to which a contribution to the overall objective has been made. Used during evaluation. However, it is often not appropriate for the project itself to try and collect this information as it relates to the overall programme
- The project purpose indicators: Helps answer the question 'How will we know if the purpose has been achieved'? Should include appropriate details of quantity, quality and time.
- The result indicators: Helps answer the question 'How will we know if the results have been delivered'? Should include appropriate details of quantity, quality and time.

## Means

- Physical and non-physical inputs; Rough estimation of necessary resources



# Indicators

- Precondition for monitoring and evaluation
- Clear objectives
- Clear formulation of expected outputs and results
- Clear indicators of achievements (if possible quantified)
- *NB: Logical Framework is an attempt to give such preconditions*



# Indicators should be *SMART* and *QQTTP*

<b>Measurable (QQTTP)</b>	<b>SMART:</b>
<b>Quantity:</b> how much?	<b>Specific</b>
<b>Quality:</b> how well?	<b>Measurable</b>
<b>Target group:</b> for whom?	<b>Available/Achievable</b>
<b>Time:</b> when?	<b>Relevant</b>
<b>Place:</b> where?	<b>Timely</b>

# Output Indicators

- Output Indicators (within the project directly) - activity
  - Describe in numbers the concrete activities (physical infrastructure, training, social service, advice) that are proposed
  - Examples: number of individuals/clients trained, length road, m2 industrial park, no. of assistances, etc.



# Result Indicators and impact indicators

- Outcome indicators - Immediate achievements - Results
  - Describe the direct results of the outputs that the participants (training & advice) or users (infrastructure) obtain
  - Examples: no. of education certificates, labour market placements, client satisfaction
- Impact indicators – Long-term achievements – Objective/Purpose
  - Describe the contribution to the overall objectives of the measure, priority or programme
  - Examples: no. of jobs (net) created, number of individuals ensured, growth in GDP
  - Long term achievements (impact) is often put under project purpose in the logframe as indicators

# Examples of Indicators

<b>Example of Indicators</b>	<b>Training of the long-term unemployment</b>	<b>Creation of new training courses for a new emerging industry</b>
<b>Resources</b>	Budget spent on training	Budget spent
<b>Outputs</b>	Number of days of training financed	Number of places offered on the new training courses
<b>Outcomes</b>	Number of trainees who have gained a qualification	Percentage of places offered on training courses in growth sectors
<b>Impacts</b>	Number of trainees who found work within a year	Number of trainees recruited into the new industry within a year



# Third Column: Sources of Verification

- Sources of information and methods used to collect and report it (including who and when/how frequently).
- Examples
  - Progress reports (internal or external)
  - Monitoring reports; End-of-activity reports
  - National statistics
- **Costs** and sources of financing are placed in bottom row



# Fourth Column: Assumptions

- **Assumptions:** factors outside project management's control that may impact on the purpose-objective linkage (e.g. change in Government policy; change in client attitude; change in labour market situation)
- **Pre-conditions:** Things that have to be met before the project can start (e.g. Government financing; new regulation)

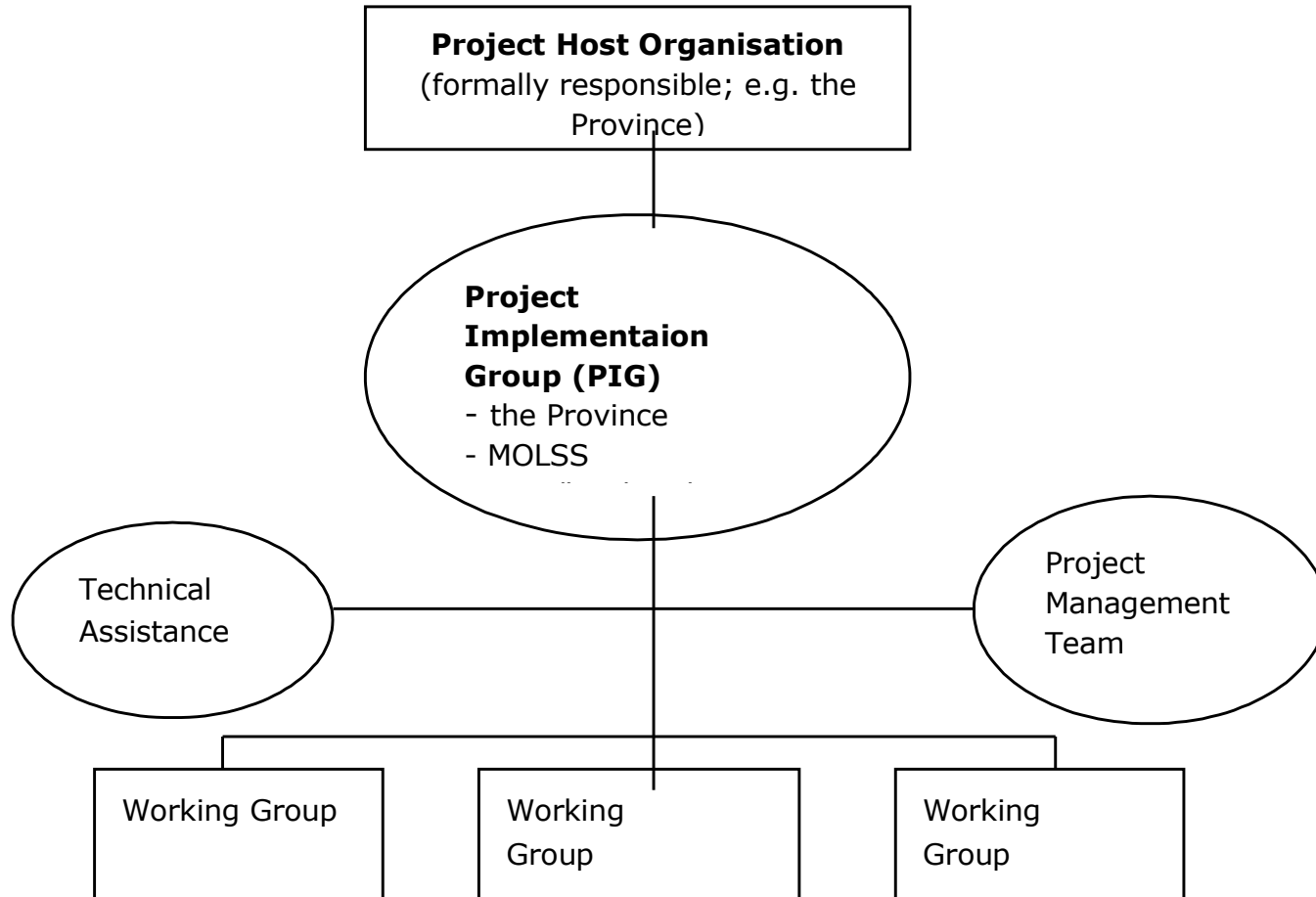


# Strengths & Weaknesses of LFA

- The Logical Framework Approach is naturally not the only management tool for Project Management/Engraftation
- The strengths of the Logical Framework are:
  - The logic from Programme to project to sub-project
  - The focus on monitoring and assumptions/risks
- The weaknesses of the Logical Framework:
  - Lack of organisational approach
  - The lack of human resource approach



# 1.1 Project organisation



# Organising the project

## **Project Manager:**

- Responsible for achieving the aims of the project
- Normally recruited during the project generation
- Handles the day to day management of the project, including its human resources and external contracting
- Communicates relevant information to Steering Committee and external partners/stake holders



# Organising the project

## **Project Team Members:**

- Assess and complete tasks agreed with Project Manager
- Identify problems and proposes solutions
- Co-operate with colleagues for best possible result
- Co-responsible for success of the project



# Organising the project

## **The Project Manager needs:**

- a clear view of what constitutes 'a project'
- to be able to present the case for or against a project idea
- to understand techniques assisting project development
- to be able to identify stakeholders
- a good understanding of the challenges facing the area/region
- a clear understanding of the existing resources in the area
- a good grasp of the strategic and policy context and priorities
- accepted and respected in the project organisation
- able to work in teams



# Organising the project

## **In general a good Project Manager contains 4 roles:**

- The producer: The manager must produce results. He must act as the necessary drive-power.
- The Administrator: The manager must plan, co-ordinate, formulate/set norms and regulations – and produce results
- The Entrepreneur: The manager must be a kick-starter/self motivator and able to make strategy and actions
- The Integrator: The manager must be able to make the team work and include others in the work.



# Organising the project

## **Project Staff: Must have needed professional skills:**

- Writing and drafting skills
- Skills in technical disciplines
- Skills in economy and account
- Skills in administration



# Organising the project

## **Project Staff: Also consider the personalities:**

- A person to be the integrator in the team (creates spirit)
- A person to secure results on scheduled time
- A person to be deal with practical, administrative matters
- A person to be the critical person observing the process
- A person to report to the host organisation / stakeholders



# The Project Cycle – formulation phase

## **This is the phase where you (in an EU context):**

- Develop objectives and expected results in a “logframe”
- Describe the project in a technical document (“Fiche”)
  - *NB: For the pilot projects the Social Security Reform Project functions as a Fiche*
- Develop your Terms of Reference for tendering (“ToR) of the project



# The formulation phase – Project Fiche

- The “Project Fiche” is a standard document used by the EU to provide a comprehensive description of a project to be financed
- The Project Fiche is based on a number of standard points that should be address
- To develop a Fiche can take between 1 and 12 months depending on the complexity of the project



# Standard content of the Project Fiche

- **Basic information**
- **Objectives**
- **Description**
- **Institutional Framework**
- **Overall budget**
- **Implementation arrangements**
- **Implementation schedule**
- **Equal Opportunity**
- **Environment**
- **Rates of return**
- **Investment criteria (investment projects only)**
- **Conditionality and sequencing**
- **Annexes**

# Annexes to the Project Fiche

- Logical framework matrix in standard format
- Detailed budget and implementation chart
- Contracting and disbursement schedule by quarter for full duration of program (including disbursement period)
- Reference to feasibility / pre-feasibility studies
- List of relevant Laws and Regulations
- Reference to relevant Government Strategic plans and studies



# The development phase – the ToR and the Fiche

- The Terms of Reference (ToR) is a standard document used by the EU to provide a detailed description of a project to be tendered
- The ToR is based on the Project Fiche, but aims specifically at describing the assistance to be found via tendering (in terms of services or supplies or works contracts)
- There can be more than one ToR based on the same Project Fiche (e.g. two service contracts and one supply contract)
- In special cases the ToR can be made without a Fiche if the background situation is well known. In this case the ToR must be more comprehensive than normal.



# Types of contracts for which a ToR is made

- **Service contracts** cover technical and economic support in the course of co-operation policy involving recourse outside know-how. Most of them for studies or technical assistance.
- **Supply contracts** concern the design, manufacture, delivery, assembly and commissioning of goods together with any other tasks specified in the contract, e.g. maintenance, repairs, installation, training and after-sales services.
- **Works contracts** cover the execution of works or the building of a structure. “Contractor” describes any natural or legal person carrying out the works. A contractor submitting a tender is known as a “tenderer” and one invited to take part in a restricted tender procedure or simplified procedure as a “candidate”. The Contracting Authority, which is always specified in the procurement notice, is the authority empowered to conclude the contract.



# Standard content of the ToR – (1)

## **1. BACKGROUND INFORMATION**

- 1.1 Beneficiary country
- 1.2. Contracting Authority
- 1.3. Relevant country background
- 1.4. Current state of affairs in the relevant sector
- 1.5. Related programmes and other donor activities:

## **2. CONTRACT PURPOSE & EXPECTED RESULTS**

- 2.1. Overall objective
- 2.2. Purpose
- 2.3. Results to be achieved by the Consultant

# Standard content of the ToR (2)

## **3. ASSUMPTIONS & RISKS**

- 3.1. Assumptions underlying the project intervention
- 3.2. Risks

## **4. SCOPE OF THE WORK**

- 4.1. General
- 4.2. Specific activities
- 4.3. Project management



# Standard content of the ToR (3)

## **5. LOGISTICS AND TIMING**

- 5.1. Location
- 5.2. Commencement date & Period of execution

## **6. REQUIREMENTS**

- 6.1. Personnel
- 6.2. Office accommodation
- 6.3. Facilities to be provided by the Consultant
- 6.4. Equipment
- 6.5. Incidental expenditure
- 6.6. Expenditure verification



# Standard content of the ToR (4)

## **7. REPORTS**

- 7.1. Reporting requirements
- 7.2. Submission & approval of progress reports

## **8. MONITORING AND EVALUATION**

- 8.1. Definition of indicators
- 8.2. Special requirements



# Summing up



# The Project Cycle - with tendering arrangements

