Development Project Management

PROJECT MANAGEMENT FOR DEVELOPMENT ORGANIZATIONS

PM4DEV®

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A methodology to manage development projects for international humanitarian assistance and relief organizations

INTRODUCTION

Project management is not a new management fad; it is a professional practice that has reached wide acceptance in many industries from government to technology. Organizations that have adopted project management as a key competency have benefited from improved project outcomes to significant competitive advantage. Unfortunately, there is very little material on project management written exclusively for the development and humanitarian assistance sector. Most of the information available to development organizations focuses on the funding and monitoring and evaluation process; but there is little information about all the management competencies, methodologies, and practices required to manage a project from beginning to end.

Development organizations are facing increasing demands to do more with less, from becoming catalysts of change in the communities they serve to deliver the project on time, under budget and in the quality not only expected but also demanded by donors and beneficiaries. To face these challenges development and humanitarian assistance organizations are in urgent need of the tools, practices methodologies that a well established project management methodology can provide, one that has been quite successful in other industries. Donors are requiring better controls and more professional managerial competences in the staff responsible for managing projects, it will not be a surprise that in the near future this competence is not only required but also demanded.

It is PM4DEV's belief in the need for a new project management methodology that responds to the current challenges development challenges face today. Gone are the days when a technical competency in a developing field was all that was needed to run a project. Today's development projects are more complex and require the participation of more stakeholders, the coordination between different specialist from different fields, and the need to innovate different approaches to solve complex problems.

Many years of experience managing projects have convinced us of the need to increase the use of project management practices in development organizations; this document is one small step to help

develop a deeper understanding of the subject matter from a new perspective.

In 2005 PM4DEV started expressly to help development organizations increase their skills and knowledge of the modern practices of project management. This document and others produced by PM4DEV are an effort to provide management expertise to development and humanitarian assistance and relief projects, donors and any other organization that funds, supports or implements projects, to help them achieve their goals to reduce poverty and increase the well being of the most needed people on our planet.

It is our objective is to provide project managers with a guide to help them plan, implement, and monitor projects. We also aim to provide development organizations, that manage projects in many parts of the world, with a methodology to plan, implement, and monitor projects in a more consistent, reliable and predictable manner. Additionally, we want to introduce a methodology that can help development organizations meet their strategic goals by standardizing processes, reduce risk, and avoid duplication of efforts, which will ultimately increase the impact of their interventions.

The objectives of PM4DEV are:

o To help development organizations understand the need to quickly adapt to new challenges and invest their limited resources in the best way possible in order to achieve recurring successes; for which they can use a proven, but flexible, project management methodology.
o To help development organizations understand that in order to implement projects successfully, project management must become part of the organizational culture; because, the effective utilization of the project management methodology depends upon the integration of key knowledge areas with project management processes.
o To provide a common framework and terminology across Development Organizations, especially Non Governmental Organizations (NGO's); as it is through a common methodology, and a common language, that project managers in development organizations can increase their knowledge in the subject and build their competencies.

The proposed premise of this document is that organization that systematically applies project management methodologies can ensure that donor, organizational and beneficiary resources is used in the most efficient, and effective manner; which help increase the chances of the project to meet its objectives.

This document has three main audiences:

o For Project Managers, who have been assigned with the responsibility to manage a project, within a certain time, budget, and scope, and for whom the guidance provided should be useful for building the range of skills appropriate for effective project management.

o For Development Organizations, to whom the arguments presented should demonstrate the benefits of a structured methodology in the process of selecting the right projects, in addition to helping them do the projects right.

o For Project Staff, in charge of implementing the project's plans, as they need clear guidelines to help them do their job in the most efficient manner.

It is our hope that the ideas and concepts presented here are proven useful to anyone who is engaged in managing development projects and that this experience helps bring sustainable benefits to the communities and beneficiaries who need it the most.

This eBook is part of a series of eBooks from our Management for Development Series dedicated to project management; the other titles in this series consist of:

- o The Project Management Cycle
- o The Project Management Processes
- o Scope Project Management
- o Budget Project Management
- o Schedule Project Management
- o Quality Project Management
- o Project Management Structures
- o Role, Responsibilities and Skills of the Project Manager

PROJECT MANAGEMENT FOR DEVELOPMENT

For most development organizations, project management has been reduced to the implementation of the technical activities designed as part of the project's proposal for funding, while little effort is devoted to planning the overall management of the project. Project management is more than just implementing the activities identified in a log frame, it includes managing all the components that make up a project from its resources, risks and changes, to ensure that the project meets its objectives within the expected quality, schedule, and budget, at the same time of meeting the expectations of its stakeholders.

Development projects face many challenges that make the work more difficult; from extreme working conditions to volatile environments, where human or natural events can put the project at risk of not meeting its goals. Development projects face constant demands to do more with less, project managers are responsible to deliver outcomes in conditions where security risks are high and goods and services are limited. While at the same time development workers assigned to manage projects are often not sufficiently equipped with the necessary project management skills and are more interested in the immediate tangible outputs of the project rather than in the less tangible processes required to ensure that the project is managed effectively.

This complex project environment requires appropriate project management skills; it requires a new type of competencies from project managers that go beyond a technical expertise. Project managers require the skills to manage limited budgets, to monitor shrinking schedules, and monitor unpredictable outcomes, while at the same time dealing with people and organizational issues.

Currently, there is not a widely defined standard for managing development projects; for that reason, each organization or project manager define their own approach to managing a project. Nonetheless, there is one significant advance in the development sector, and that is the institutionalization of the "project's log frame". Yet, having a Logframe does not ensure the success of the project; in fact, many project managers using the log frame, fail to understand the critical operational components of the projects and focus

excessively on the technical components and ignore the processes that facilitate the management of a project. This is why; project management is often understood as something that can be achieved just by monitoring the project's budget or schedule. If development projects want to be successful it will require a comprehensive application of management practices, processes, and tools to manage the limited resources, increased challenges, and issues that impact all projects.

Although many development organizations can claim to have good principles of project management, only a few can provide evidence that they use formal project management methodologies in a repeatable, consistent, and predictable manner. Most organizations run projects relying on the technical skills of their project managers who –not surprisingly- have little or no formal training in project management. This problem has a direct impact within the organization; in such a way that their projects, at best, are able to accomplish the planned activities but fail to meet their original objectives. Moreover, the lack of a consistent project management methodology result in the duplication of efforts, which affect the bottom line of the organization's development goals by producing outcomes at higher costs, with increased risk, and within an environment of distrust from donors and stakeholders.

In recent years, there has been an increase in the accountability requirements of development organizations from the international cooperation and donor agencies, leading to a greater focus on effectiveness and efficiency on the way projects are planned and implemented. In the rapidly changing environment with a diverse range of issues and challenges, project management can support the achievement of project and organizational goals, and give greater assurance to stakeholders that resources are managed effectively.

Many development projects fail to deliver the expected outcomes or fail to produce the desired impact on the communities they serve. The most common causes are:

- o Objectives not properly defined or agreed
- o Stakeholders do not understand the project objectives
- o Objectives not properly defined in measurable terms
- o Insufficient planning and coordination of resources

- o Poor estimation of duration and cost
- o Incomplete, unrealistic and outdated project plan
- o Lack of communication with stakeholders and management
- o Weak project leadership, vague lines of responsibility and authority
- o Inadequate definition of roles
- o Poor commitment to the project by the team, the organization, and the beneficiaries
- o Weak control processes and feedback mechanisms to detect problems early
- o Lack of analysis of major risk factors and inadequate risk response strategies
- o Lack of quality control

All of these causes could be addressed by the application of project management tools and techniques. Applying a formalized project management framework, or methodology can help with clarification of objectives, identify the right skills, reduce the impact of risks, foster a focus on results, improve communications, and increase the chances for success. It is through the effective use of a project management methodology that organizations can ensure a cost effective use of limited resources to achieve the planned objectives.

Defining a Project

There are many definitions for what constitutes a project, some of these definitions describe the nature of a project, and how it differs from other type of work. The most common descriptions used to define a project include the following:

- o A project is a temporary process, which has a clearly defined start and end time, a set of tasks, and a budget, that is developed to accomplish a well-defined goal or an objective
- o A project is a temporary effort of sequential activities designed to accomplish a unique purpose
- o A project is a group of interrelated activities, constrained by time, cost, and scope, designed to deliver a unique purpose
- o A project is a temporary endeavor undertaken to create a unique product or service. Temporary means that the project has an end date. Unique means that the project's result is different from the results of other functions of the organization

Development Project Management

- o An undertaking that encompasses a set of tasks or activities having a starting point and well defined objectives. Usually each task has a planned completion data (due date) and assigned resources
- o A clear set of activities with related inputs and outputs aimed to achieve objectives and goals linked to anticipated (desired) effects and impacts in a target population (sometimes called 'beneficiaries')

From all these definitions, one can see that there are some specific attributes that define a project and separate it from most ordinary work:

- o A project has a beginning and an end.
- o A project has limited resources
- o A project follows a planned, organized method to meet its objectives with specific goals of quality and performance.
- o Every project is unique
- o A project has a manager responsible for its outcomes

For the purpose of this book, we will use the following definition of a project:

"A temporary effort made up of a related set of activities undertaken to create a unique product or service within specified requirements".

On the other hand, management is defined as the achievement of (organizational) objectives through people and other resources. Management is a process of setting and achieving goals through the execution of the four basic functions of management: planning, organizing, directing, and controlling, by utilizing human, financial, and material resources.

Definition of Project Management

According to "A Guide to the Project Management Body of Knowledge, PMI, 2000 Edition", "Project management is the application of knowledge, skills, tools, and techniques to a broad range of activities in order to meet the requirements of a particular project"

In other words, Project management is the planning, implementing, and monitoring of project activities to meet project objectives, achieved by effectively controlling and balancing the constraint of time, cost, and scope in producing quality deliverables that meet or exceed the expectations of the project stakeholders.

Project management is also a discipline of planning, organizing, and managing resources to deliver all the work required to complete a project within defined scope, time, and cost constraints. The temporary nature of projects contrasts with regular operations, which are permanent or semi-permanent ongoing functional work to create the same product or service over-and-over again.

In addition to the definitions from above, other leading organizations in project management have the following definitions:

- The ISO 10006, a standard for quality in project management defines it as; "Unique process consisting of a set of coordinated and controlled activities with start and finish dates, undertaken to achieve an objective conforming to specific requirements, including the constraints of time, cost and resources".

- PRINCE2, the UK standard for project management, has this definition: "a temporary organization that is needed to produce a unique and predefined outcome or result in a pre-specified time using predetermined resources"

For the purposes of this document, we will use the following definition:

Project management is the process of combining systems, techniques, and knowledge to complete a project within the established goals on time, budget, and scope.

Project Management Constraints

Every project has to manage four basic constraints; scope, schedule, budget and quality. The success of a project depends on the skills and knowledge of a project manager to take into consideration these constraints and develop the plans and processes to keep them in balance.
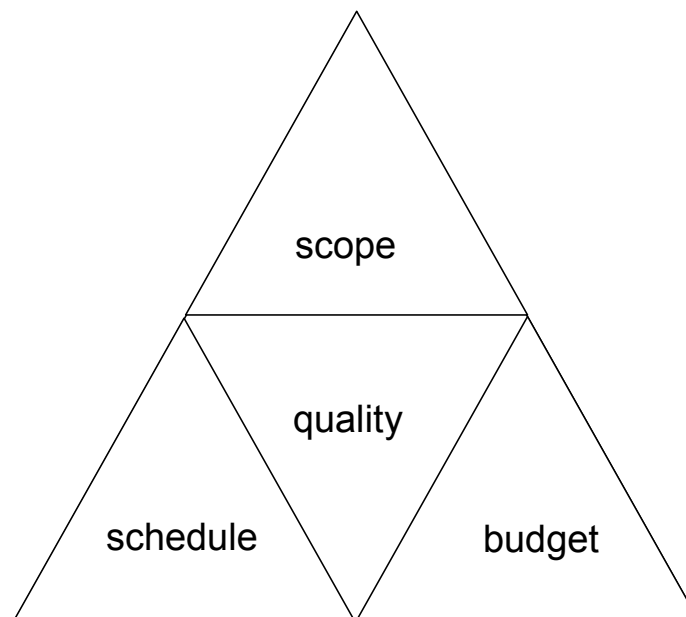

Figure 1.1 The Four Constraints of Project Management

- **Scope** is what the project is trying to achieve, it entails all the work involved in delivering the project outcomes and the processes used to produce them; it is the reason and the purpose of the project. Scope is the boundary of a project, it is what the beneficiaries, and the donors expect from the project, nothing more, and nothing less.

- **Budget** or the costs approved for the project including all required expenses needed in order to deliver the project. In development projects managers have to balance between not running out of money and not under spending, because many projects receive funds or grants that have contract clauses with a 'use it or lose it' approach to project funds. Poorly executed budget plans can result in a last minute rush to spend the allocated funds.

- **Schedule** is defined as the time required to complete the project. The project schedule is often the most frequent project oversight in

developing projects. This is reflected in missed deadlines, incomplete activities, and late donor reports. Proper control of the schedule requires the careful identification of tasks to be performed, an accurate estimation of their durations, the sequence in which they are going to be done, and how people and resources are allocated.

o **Quality** is the fourth constraint and it is defined as delivering the project outcomes according to the stated or implied needs and expectations of the project beneficiaries and donor agency, in order to meet stakeholder satisfaction. It also means complying with quality standards that are either mandated by the donor, local government (such as laws and regulations), or by professional standards (such as health).

Managing these constraints is the main responsibility of the project manager. Each constraint has a specific goal and a project is deemed successful when it achieves all four, failure of any of them has an impact on the others, a delay on a project has an impact on its cost, and an increase in scope has an impact in both time and budget.

Managing the four constraints also involve making trade-offs. All projects are implemented using estimates to establish the schedule and budget needed to deliver a specific objective; therefore, projects are implemented with many uncertainties and exposed to many risks, which requires revisions to the original plans along with negotiations with the different stakeholders. Changes in the social and natural environment can delay a project, increase its costs, or reduce its scope forcing the project manager to evaluate her alternatives and negotiate with the donors and the beneficiaries for modifications.

Definition of a Development Project

A development project is designed to deliver a specific output aiming to improve the economic and social conditions of a group of people. Examples of the type of objectives of development projects are: reduction in child mortality, improvement in maternal health, or combat HIV/AIDS, malaria and other diseases.

A development project needs to respond to a series of different stakeholders, each with different needs and priorities, and operate in difficult environments, which increases its complexity and risk. Development projects vary in size and orientation, most share the common goal of helping people and benefiting society.

The goal of all development projects is to help improve people's lives through skills training and other livelihood programs. Development organizations prepare and implement development projects and work to strengthen the capabilities of local institutional and promote community self-reliance through sustainable strategies. Funding for projects comes through private and public donations, government assistance, and a variety of other sources. Development projects may consist of a single, transformative project to address a specific problem or a series of projects targeted at addressing several problems.

The Challenges of a Development Project

Development projects operate in challenging environments, were uncertainties about the future increase the risk to the project. Managers need to deal with extremely complex social, economic, and political factors that affect the delivery of goods and services.

Development projects are implemented in some of the most remote and difficult locations in the world; additionally, projects operate in areas of high personal risk and high security threats to project staff. The lack of proper infrastructure, limited resources, and a changing environment put a strain on project managers who need to deliver the project outcomes.

The constant changes in the social, economic, political, and natural environment; force many projects to change its original plans; in fact, project plans are built on many assumptions that eventually are challenged by the changes in the environment. These changes in the environment are not always reflected in the original design, which causes projects to miss significantly its ultimate objectives; this is why it is not uncommon to find a project that has delivered all its expected

outputs but has failed significantly in reaching its outcomes and objectives.

The various challenges development projects face is compounded by the following factors

o Poor project planning caused by the rush to obtain grants and funding from donor agencies that limit the time a deeper analysis of the project risks
o Inadequate project management skills of project staff
o No clear identification of who is responsible and accountable for the project outcomes to the donors and for the beneficiaries.
o Lack of stakeholder involvement, as key project stakeholders are not systematically involved in the planning and monitoring of a project, this leads to a lack of ownership when the project is implemented.
o Unrealistic plans, projects are planned on a linear process, this reasoning leaves little or no opportunities to modify plans and adjust as the project makes progress.
o No measures to evaluate success and failure, and no criteria by which beneficiaries will know if the project was a success.
o Poor, inconsistent project management discipline. There is no consistent use of a proven methodology to help monitor the project implementation
o Duplication of efforts. Projects within a development organization develop their own approach to solve a problem, and each approach has its own management process. Ultimately, these separated efforts result in duplication and in increased costs to the organization.

A more critical challenge is that projects do not have time for learning from the past. Development Projects are learning-intensive, but very little of this gained knowledge remains in the organization at the end of a project. The difference of something short term, as a time bound project, versus something long term as "the organization", which intends to be permanent through time, become difficult to integrate when the time comes to sharing the knowledge gained in the implementation of projects.

Once a project is completed, most organizations do not have processes in place to capture the lessons learned; therefore, this knowledge is

not incorporated in the design of future projects. Unfortunately, too often, the project evaluation report sits in the library along with many others, available to a few adventurous who are willing to discover experiences and practices that can be useful to their needs. A project management methodology intends to overcome this challenge by providing development organizations with a discipline to integrate a practice of continuous learning whose objective is to reduce errors and increase quality

The Need for a Project Management Methodology

In this type of environment, organizations need a methodology that allows a great degree of flexibility to accommodate the constantly changing environment of the project; a methodology that promotes optimal standards of performance, and reinforces the organizational capacity to deliver its services in a transparent and effective manner.

Without a project management methodology organizations risk to lose the knowledge and skills they gain from completed projects. The high staff turnover in development organizations makes it hard to build institutional memory to improve the efficiency of development projects and to implement lessons learned in future projects.

A methodology is a method to capture the best practices around project management and disseminate them in the organization. It is a system of principles, practices, and procedures. It is the collection of practical ideas and proven practices. Defining and implementing a good methodology is essential for development organizations who want a project management approach for performing project activities in a coherent, consistent, accountable, and repeatable manner.

The best methodologies are the ones that are built based on the experience of its practitioners; organizations that build a learning cycle in its methodologies will benefit by incorporating the knowledge of its project managers and thus will have a methodology that reflects its current best practices. With this approach, organizations will have a comprehensive methodology for successful project management.

Benefits of Project Management

The use of a systematic project management methodology gives development organizations a strategic tool; gives organizations the means to practice established and time-tested practices of project management to help them achieve successful outcomes.

The process that a methodology delivers help organizations keep focus and deliver solutions that project beneficiaries and its communities desperately need them. Among the main benefits is an increase in the level of collaboration among all project stakeholders, the delivery of consistent results of predicable quality and defined roles and responsibilities that ensure proper accountability. Other benefits include:

o A common language and a consistent discipline for how projects are planned and implemented in the organization
o A standard project terminology, understood by all stakeholders
o Provides project stakeholders confidence on how projects are done in the organization
o Permits accurate predictions of project resource requirements and potential risks
o Stipulates clear procedures for developing project plans that allow better control of the project throughout its life cycle.
o Assists the project manager to integrate, coordinate, and track project activities, by describing the basic practices, procedures, and techniques.

Development Organizations cannot be successful unless they implement a project management methodology that is applicable to their projects. There are many ways to execute a project most of which provide for a less than an optimum solution. Only when using a standard methodology of processes and techniques organizations can coordinate resources to achieve predictable results. However, project management is not an exact science, and is not a 100% guarantee for project completion. Since projects involve people, there are always complexity and uncertainty that cannot be absolutely controlled.

Building and managing according to a project management methodology is partly an art that requires flexibility and creativity and part a craft to know how to apply the expertise and modify the different tools to meet different conditions. A good methodology provides the framework, processes, guidelines, and techniques to structure the work. A good methodology increases the odds of being successful, and therefore provides value to the organization and the project stakeholders.

PM4DEV.COM

Drawing from our deep understanding of the challenges and the needs for realistic solutions that can improve the way in which projects are managed and services are delivered, PM4DEV offers the only adapted Project Management Methodology for development organizations. Our services include:

- **Consulting,** to help organizations implement a project Management methodology that will increase the impact of their interventions.

- **On Site Training** on project management methods to increase and develop the skills of project managers

- **Online Learning** for project managers that want to develop their own competencies on a flexible online learning environment.

To get more information on these services, visit our web site at www.pm4dev.com/services or send us an email to services@pm4dev.com. We offer competitive prices and high quality material developed by international certified experts in Project Management.

Effective Project Management

An advanced level, hands-on course, that will give you the skills to ensure your projects are completed on time and on budget while satisfying the needs of stakeholders. You will gain a strong working knowledge on the nine processes of project management, and be able to immediately use that knowledge to effectively manage your project. Participants will work on a case study to complete all exercises. Upon successful completion of the Effective Project Management Online course participants will: Understand the nine process areas of project management, know the steps required to plan and manage each project management process and use the primary planning and monitoring documents of a project.

Fundamentals of Project Management

This course is a comprehensive introduction to development project management. Designed for people who want to build or increase their skills in project management and who work or are looking to work with international development organizations, donor and public institutions, NGOs, non-profit and community based organizations, Government and donor agencies, and anyone interested in a career in development project management. You will also learn the essential project management methods and techniques to deliver projects on time and within budget while meeting the expectations of key stakeholders. This course is especially designed to give you a complete understanding of what is project management and how it is used in development projects.

Project Design Monitoring and Evaluation

This is an introductory level course that will present the fundamentals of the DM&E Cycle of development projects, with practical applications of concepts, methods and best practices. This course will provide participants with tools, techniques and resources needed for designing, planning, organizing, monitoring and evaluating development projects. At the end of the course, participants will become familiar with the methods and tools to design, monitor and evaluate a development project. You will learn the steps required to design a project using the logical framework, elements of a good project proposal and the components of an effective monitoring and evaluation plan.

Find out more about our online courses at http://www.pm4dev.com/elearn.html and start build your project management skills. 20% early registration discount on all courses.

This point of view provides a
summary of themes, that in
PM4DEV's experience, have
proved critical in the successful
implementation of project
management methodologies.

It draws on the expertise of
Project management professionals
and provides a guide to deliver a
methodology that increases the
chances of project success.

For more information about
PM4DEV services, contact us at:
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The Sustainable Development
Goals (SDG) aim by 2030 to end
poverty, protect the planet, and
ensure prosperity for all.

PM4DEV is committed to provide
resources and develop
knowledge and expertise to
support development
organizations in their efforts to
achieve these ambitious goals.

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