

PROJECT CYCLE

Outline

- Strategy setting and Programme development
- Project Cycle
 - Identification and selection
 - Preparation and formulation
 - Appraisal
 - Implementation and Monitoring
 - Evaluation
- Project Cycle in Practice (WB)
- Conclusion

Strategy Setting and Programme Development

- Strategic planning is the formal consideration of an organization's future course.
- At least one of three key questions is answered
 - "What do we do?"
 - "For whom do we do it?"
 - "How do we excel?"
- Has three components
 - Plan development
 - Plan execution
 - Plan review

Strategy Setting and Programme Development contd..

- Systematic planning process involves identifying the current status
 - Mission, vision for the future, operating values, needs
 - Strengths, Weaknesses, Opportunities, and Threats
 - Goals, prioritized actions and strategies, action plans, and monitoring plans.
- Can be carried out using various business analysis
 - SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats)
 - PEST analysis (Political, Economic, Social, and Technological)
 - STEER analysis (Socio-cultural, Technological, Economic, Ecological, and Regulatory factors)
 - EPISTEL (Environment, Political, Informatic, Social, Technological, Economic and Legal).

Strategy Setting and Programme Development contd..

Plan Development

- Assess the institution's history and significant accomplishments.
- Assess the institution's current status.
- Examine policies, procedures, and desk guides available to determine the chain of command
- Develop mission and vision statements.
- Determine operating values. Also called guiding principles, these values state the institution's intentions and expectations
- Perform a needs assessment
- Determine critical issues
- Educate and communicate the plan
- Listen and take notes
- Develop and prioritize long-range goals
- Develop short-term goals and action plans
- Monitor the progress

Strategy Setting and Programme Development contd..

Plan Execution

- Put plan into action through the allocation of resources.
 - Programmes: Blueprints for converting objectives into realities.
 - Procedures: Specific sequence of tasks required to complete the programmes.
 - Budgets: Resources to fund programmes.
- **Plan Review**
 - Required constantly to improve the plan and ensure its execution.
 - In addition, plan review needs to be scheduled to ensure the plan is meeting the goals.
 - Achievable through surveys, management review conferences, or discussions at meetings.

Project Cycle

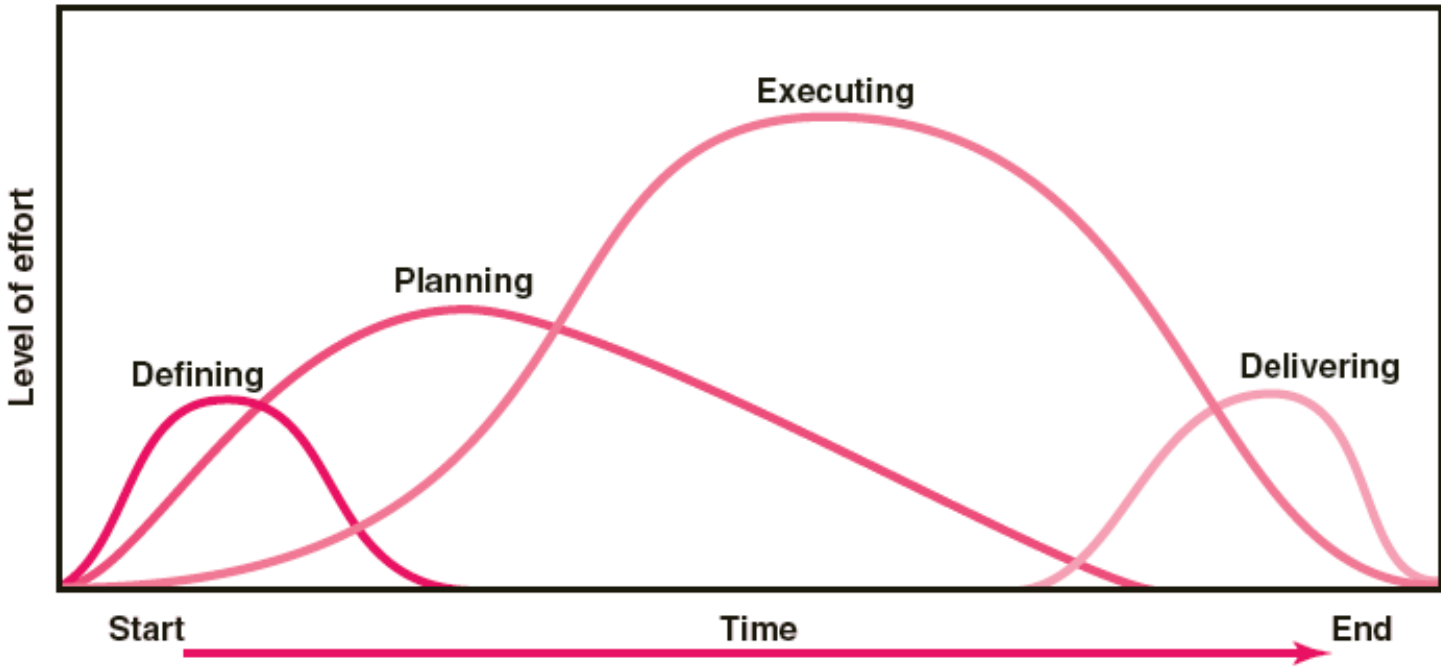
- A project is:
 - A temporary, organized human endeavor to provide a solution to an identified need.
- A project should have:
 - A specific objective
 - A defined beginning and end
 - Be Unique
 - Bounded by schedule, budget, resources, performance, and other requirements
 - Produce deliverables (end product items reports...)

Project Cycle

The WB project cycle consists of:

- Project identification
 - Project preparation
 - Project appraisal
 - Negotiations
 - Board presentation
 - Project implementation and supervision
 - Evaluation of project
- These can be distinguished into 4 phases of:
 - Defining, Planning, Executing and Delivering

Project Life Cycle



Defining

1. Goals
2. Specifications
3. Tasks
4. Responsibilities

Planning

1. Schedules
2. Budgets
3. Resources
4. Risks
5. Staffing

Executing

1. Status reports
2. Changes
3. Quality
4. Forecasts

Delivering

1. Train customer
2. Transfer documents
3. Release resources
4. Release staff
5. Lessons learned

Four Phase Project Lifecycle



Define

Plan

Implement

Close

Key Purpose			
Propose a project to senior management with a brief written document to establish a shared understanding of the proposal before writing a Plan, Schedule, and Budget	Propose a project in more detail, and outline a clear approach for executing the project in a Plan, Schedule, and Budget	Do the work described in the Project Plan, aligned with the Schedule and Budget	Shut down the project in a controlled manner
Key Questions			
<ul style="list-style-type: none"> Is this the right project? What results should it achieve? How will success be measured? 	<ul style="list-style-type: none"> How will the project achieve its objectives? When will the project finish? Who will do what? What will it cost? How will risks/issues be managed? 	<ul style="list-style-type: none"> How is project work progressing? What issues and risks does the project face, and how should these be managed? How much is the project actually costing? 	<ul style="list-style-type: none"> Is the work of the project complete? Did the project achieve its results/outcomes? What did the team learn that could help other projects? Where do project staff go next?
Key Activities			
<ul style="list-style-type: none"> Understand stakeholder interests and expectations Establish a shared high-level understanding of the proposed project and its intended results 	<ul style="list-style-type: none"> Thoroughly plan the project activities, schedule, and resource requirements Provide more detailed information to senior management for discussion and approval 	<ul style="list-style-type: none"> Mobilize the team to execute the Project Plan Control the execution of the Project Plan Communicate with stakeholders Report project status Update the Project Plan, Schedule, Budget, and Business Case as needed 	<ul style="list-style-type: none"> Demonstrate that the project is complete Assess the success of the project Undertake administrative close-out Transfer knowledge to the permanent organization Support departing staff
Key Deliverables			
<ul style="list-style-type: none"> Project Definition Document and/or Business Case 	<ul style="list-style-type: none"> Project Plan Project Schedule Project Budget 	<ul style="list-style-type: none"> Project Manual Status Reports Risk, Issue, and Change Logs Updated Plans, Schedules, Budgets 	<ul style="list-style-type: none"> Final Acceptance Document Lessons Learned Document Project Archives
Moving to the Next Phase			
When your Project Definition Document and/or Business Case are approved by senior management, move to the Plan Phase	When your Project Plan, Schedule, and Budget are approved by senior management, move to the Implement Phase	As project deliverables near completion, move to the Close Phase	When this phase is complete, the project is finished

Identification and Conceptualization

Any identified project must:

- Be of high priority of government and borrower
 - Comes from economic and sector analysis
 - Be assessed for credit worthiness by the bank
 - Fit into coherent development strategy of the country
 - Undergo feasibility to ensure costs commensurate with benefit of the investment
- After identification a Project Concept Document (PCD) and Project Information Document (PID) is prepared by the Task Team

Identification and Conceptualization contd..

The PCD and PID will include:

- Brief description of the project
 - Description of the objectives
 - Identification of the principal issues
 - Time table for further processing
- Key Environmental Issues
 - Project Category
 - Types of EA required
- Proposal for public consultation

Project Preparation

This is done mainly by the borrower with support from the Bank

- It discusses issues around:
 - Technical
 - Alternatives to technical conditions are identified
 - Institutional
 - Alternatives to institutional conditions are identified
 - Financial
 - Economic conditions to achieve project objectives
- Task Team prepares Project Concept Review to indicate category of EA required
- EA is carried out by the borrower
- Consultation on the EA is done with the project affected groups and NGOs

Project Appraisal

Mainly responsibility of the Bank

- Leads to the PAD (which contains the views of the staff on the project)
- Covers 4 aspects of a project (technical, institutional, financial and economic)
- Technical Appraisal will include:
 - Technical alternatives
 - Proposed solutions
 - Expected results
 - Potential impact on human and physical environment
 - Review of cost estimates
 - Procedures for securing professional services

Project Appraisal contd..

- Institutional Appraisal contains:
 - Implementing organisation
 - Management
 - Staff
 - Policies and procedures that determine conditions in which the institution operates
 - Cultural environment
- Economic Appraisal will include:
 - Contribution to economic objectives of the country
 - Cost benefit analysis of alternative projects (may include Economic Rate of Return)
 - Risk/probability analysis

Project Appraisal contd..

- Financial Appraisal deals with:
 - Availability of sufficient funds for cost of implementation
 - Ability of the country to pay back the loan
 - Level of interest charged
- There can be substantial change in the project at this level
- The PAD is prepared for Board presentation

Negotiations and Board Presentation

- Negotiations lead to agreement between the Bank and Government
- It aims at:
 - Taking measures to ensure the success of the project
 - Borrowing country considers professional advice from the Bank
 - The Bank tries to adapt its policies and requirements to local conditions
- After agreement is reached the Loan Documents and the President's report are presented to the Board
- Approval by the Board will lead to signing of the loan

Implementation and Supervision

- Once the loan agreement is signed and effectiveness conditions are met the project can be launched
- Implementation is carried out by the borrower with technical assistance from the Bank
- Supervision is done by the Bank to ensure:
 - Loans are spent on the agreed intended purposes
 - Procurement of goods and services in line with agreed rules
 - Compliance with environmental covenants as in BP4.01
- Supervision is done by the Bank Task Team including M&E units
- Progress reports are prepared in line with agreements

Evaluation

- Expost evaluation is carried out on all Bank projects
- The Project Completion Report (PCR) is prepared by Bank staff
- PCR is used by Operations Evaluation Department (OED) to prepare its report
- Both reports (PCR and OED report) are presented to Board of Executive Directors and Borrowers
- Borrower comments on OED report and prepares its own completion report
- Audits prepares a re-estimate of ERR
- A re-evaluation of some selected projects can be done after 5 years of last disbursement to them
- OED's annual report reviews all project audits and indepth analysis of a group of project, specific problems or a particular sector of a country
- Evaluation leads to lessons learned

Other Elements of the Strategy

- Differentiation of Assistance at Federal and State Level.
- Focal States with Governance as entry point. (emphasis on needs and potential)
- Development policy operation(s) (fast-disbursing loans/credit) – pilot
- Niger Delta – Governance/PSR as entry point (Bayelsa)
- Analytical Work to precede or accompany Lending
- Flexibility of Strategy to respond to changes.

Conclusion

- Strategic planning is important in project development
- Stages in project cycle include:
 - Project identification
 - Project preparation
 - Project appraisal
 - Negotiations
 - Board presentation
 - Project implementation and supervision
 - Evaluation of project
- In all stages, monitoring and evaluation are important