



Development Project Management Center

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An international cooperation and resource center that supports project design and management in developing countries.

PROJECT MANAGEMENT SYSTEMS IMPROVEMENT

PHASE ONE: AGREEMENT BETWEEN
THE MALAWI MINISTRY OF FINANCE
AND THE U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT/MALAWI

CONSULTANCY REPORT

MAY, 1984

U. S. Department of Agriculture
Office of International Cooperation and Development
Technical Assistance Division

In cooperation with the

U. S. Agency for International Development
Bureau for Science and Technology
Office of Multisectoral Development

Development Project Management Center

The center operates under an agreement between the Agency for International Development (AID) and the U. S. Department of Agriculture (USDA) with funding from AID project 096, Project Management Effectiveness. The center's full-time staff provides consultant services and technical materials to institutions in less developed countries. The center also maintains a skill bank of consultants with expertise in various areas of project planning and implementation who are available for short- and long-term assignments. Located in the Technical Assistance Division of USDA's Office of International Cooperation and Development, the center is able to draw upon a wide variety of agricultural specialists to complement its work. In addition, through the AID project, the center has a collaborative relationship with the National Association of Schools of Public Affairs and Administration and can draw upon a wide range of development administration specialists.

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Cooperation and
Development

U.S. Department of
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The initiative for project management improvement on USAID/Malawi projects with the GOM is forward-looking and unique. To be successful its planners and implementors must have vision and determination. The success of Phase One is due to the involvement and hard work of many persons.

The support within USAID was very positive. Mr. Sheldon Cole, USAID/Malawi Representative, recognized the importance of improving project management and supported Phase One of this effort. His keen support is indicative of his commitment to a quality development program in Malawi. Mr. Murl Baker, USAID/Malawi Project Officer, provided the initiative as well as critical day to day leadership during the duration of Phase One. His devotion in working sessions contributed to the quality of the conceptual and operational agreements achieved for the design of project management systems. Mr. David Garms, USAID/Malawi Program Officer, contributed his ideas and helped shape the direction of the effort. The support staff at USAID was particularly helpful and efficient, especially in preparing the many working documents required, usually at very short notice.

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It has been a pleasure to be involved at the early stages of this project management systems effort. We look forward to comments on this report and the working papers.

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TABLE OF CONTENTS

	<u>Page</u>
I. <u>BACKGROUND, PURPOSE AND CONTEXT:</u>	
A. USAID's Development Role in Malawi.....	1
B. Project Management Systems for USAID Projects.....	1
C. Observations of the DPMC Team.....	3
D. Need for Better Development Programming.....	5
II. <u>PROJECT MANAGEMENT, IMPLEMENTATION AND PMS:</u>	
A. Good Project Management is Difficult and Complex.....	6
B. What are Project Management Systems?.....	7
C. Analytical Framework for PMS.....	8
D. The PMS Focus on Implementation.....	10
E. The Project Implementation Process.....	10
III. <u>PROCESS AND FRAMEWORK FOR CREATING PMS:</u>	
A. Overview of the Framework Foundations.....	13
B. PMS Users and Uses.....	13
C. Ensuring that AID's PMS Needs are Met.....	14
D. Importance of the Process to a PMS.....	15
E. Some Principles for Creating a PMS.....	16
IV. <u>PROJECT MANAGEMENT IMPROVEMENT - STRATEGY AND STEPS:</u>	
A. Agreements on Premises for USAID-financed Projects....	17
B. Developing Effective, Integrated Project Management Systems.....	20
1. Collaboration for Project Planning and Management..	21
2. Implementation Management Checklist.....	28
3. Implementation Planning Workshops.....	30
4. Analytical Framework for Project Organization and Management.....	32
5. Team Management.....	33
6. Project Management Information Systems.....	34
V. <u>THE FUTURE:</u>	
A. Developing an Effective Strategy.....	43
B. Next Steps.....	50
C. Some Recommendations from the DPMC Team.....	52
D. A Look at the Broader Implication of the Effort.....	57

VI. ANNEXES

- A. Annex One: Proposed Plan for Technical Assistance on Project Management Systems Improvements
- B. Annex Two: The Project Implementation Process and its Management
- C. Annex Three: An Overall Plan for Major USAID Financed Projects Proposed
- D. Annex Four: Implementation Planning: A Key to an Effective Project Management System
- E. Annex Five: Implementation Planning Workshops. Starting up Projects on the Right Foot
- F. Annex Six: A Framework for Analysis of Organizational Structures and Management Patterns for Development Projects in Malawi
- G. Annex Seven: A Generic Approach to Administrative and Institutional Analysis for Development Projects in Developing Nations

-1-

I. BACKGROUND, PURPOSE AND CONTEXT:

I.A USAID'S DEVELOPMENT ROLE IN MALAWI

USAID/Malawi is proposing an "ambitious program that will require substantial increases in AID's budget allocations in Malawi."¹ The underlying premise of the USAID/Malawi CDSS (1986) is that the program can increase substantively without a corresponding increase in USAID direct hire staff. To provide increased contributions to the Malawi Development Program, AID will develop a set of "programming interventions" that limit its project management burden, yet allow greater flexibility in responding to Malawi's development needs. The USAID defines its role as one of "analysis, policy dialogue and programming."²

The new USAID strategy emphasizes integration with the Malawi Development Program and Malawian institutions. It proposes a program which will (i) assist in long-range development policy, planning and programming (ii) undertake projects in key development areas requiring institutional change and (iii) be able to be responsive to severe shortages of economic resources.

The new strategy of USAID presents a distinct shift from past approaches to the AID development program here. Typically, USAID has maintained a high control of its projects, managing them at the operational level from the point of identification through implementation and evaluation. With the new strategy, project management responsibilities will be programmed to the Government of Malawi and to contractors or other intermediaries.

This transition presents opportunities and challenges. The initiative in development programming has been wisely complemented by a unique initiative in development management, one of the themes of the recent Round Table on Donor Coordination. AID staff and resources will be restructured and refocused at the conceptual and strategy levels while greater operational implementation responsibilities will be assumed by host country institutions.

I.B PROJECT MANAGEMENT SYSTEM FOR USAID PROJECT

USAID is designing a management improvement program to support its new role in development programming in Malawi. A management development strategy is being defined in collaboration with the Government of Malawi for better development

performance through more effective project management and monitoring systems for USAID-financed projects.

The overall goal of this initiative is effective development management in Malawi, particularly improved project implementation. To achieve project purposes and higher level goals the development of more effective, integrated management systems will be carried out in several phases. The initial phase is to define an overall project management, monitoring and implementation system in general terms, and to focus specifically on plans for the project management systems within the Ministry of Finance (MOF) and USAID/Malawi, and the roles of MOF and USAID with respect to USAID-funded projects.³

The immediate purpose is to develop, with USAID and the Government of Malawi, mutually acceptable project management systems which can effectively handle an expanding portfolio of USAID-financed projects. The project management systems will:

- (i) provide unified project direction, coordination and implementation decision making, and
- (ii) define project implementation, monitoring and supervision responsibilities for the oversight agent.⁴

The Development Project Management Center (DPMC) of the Office of International Cooperation and Development (OICD) of the U.S. Department of Agriculture (USDA) has been contracted to assist with Phase One of this effort. DPMC has carried out an action-training program with USAID and GOM officials combining workshops, working sessions, and individual and team assignments to produce:

- (i) the agreement on system framework and objectives;
- (ii) reconnaissance studies to establish reality boundaries for the project management systems;
- (iii) the design of project management strategies and systems which will be useful for future programming;
- (iv) the action plan for further development and training for the project management systems.⁵

ANNEX 1 contains the DPMC Team's proposed plan and a calendar of major events including the actual schedule and persons involved in various activities.

I.C OBSERVATIONS OF THE DPMC TEAM

It is essential to have a realistic, shared understanding of assumptions, objectives, task and context among the primary decision-makers, if there is to be agreement upon the design of the Project Management Systems (PMS). In this report, we shall be referring to "PMS" as the total set of specific subsystems, procedures and processes which must be brought together for a project to be successfully managed.

Our immediate objective is agreement on an overall PMS framework and approach which will be the basis for creating an effective, specific PMS for USAID-financed projects as the USAID portfolio expands. This can be achieved best by careful collaboration on new projects and programs. Existing projects have limited time left and are nearing completion. Patterns and practices have been established and it would be difficult to adjust these. Therefore, the primary focus of the effort is upon the new program. The emphasis is toward preventing management problems and on defining oversight roles for USAID and MOF.

The following observations of the DPMC Team focus upon the most salient characteristics and conditions which were perceived to be relevant to success of this effort. These observations underlie important premises in our approach to our task, and reflect judgements about conditions which will affect implementation of a PMS.

The Donor Program in Malawi:

Most donor institutions are impressed with the Malawi's development, stressing political stability, realistic policies, careful management, productivity and no food deficits.

A recent Round Table for donors endorsed more systematic donor coordination around issues on development projects and development programming.

The importance of strengthening capacities for development planning and other fields of management was stressed. Several donors, including the World Bank, are exploring development management training initiatives.

Specific suggestions for initiatives in management and management development have been made by other donors and can be coordinated with AID's initiative for management integration and improvement.

The USAID Program in Malawi:

USAID is moving to adapt its management patterns significantly to effectively expand its program, which will require both internal restructuring and more involvement of Malawian institutions with respect to management of USAID projects.

USAID is perceived as not integrating its project planning and implementation into the Malawi Development Program. The USAID program has been viewed as a "piecemeal, ad hoc" set of activities which has not been well coordinated with Malawian institutions and programs at the conceptualization, planning or implementation stages.

The USAID program has had a low profile among donors, the GOM has given low priority to its management and oversight and its effective contribution to the Malawian development programs and institutions.

The climate of support and collaboration between USAID and MOF-OPC has been improving. The future depends on the ability of USAID to deliver on its program and to maintain consistent approaches to management, collaboration and decision-making.

There must be consensus, understanding and support for the PMS effort within USAID if it is to be successful and if the credibility of this and other USAID initiatives is to be maintained.

This initiative has significant implications for the management and communications patterns within USAID and for USAID-financed projects.

The Government of Malawi:

Malawian institutions are generally viewed as having good management and management capabilities. Other donors rely heavily on the Government and private sector of Malawi to carry out development projects and programs.

Despite its relatively sound performance on development projects and programs, the pool of experienced Malawian managers in the GOM is shallow and management development needs are high for middle and lower management levels as well as for projects.

The Government of Malawi gives high priority to management and management development among its development objectives.

The initiative for project management improvement is welcomed in the GOM, and can be viewed as potentially having implications beyond the USAID program.

Management and management development components can be integrated into Malawian institutions hosting USAID-financed projects to promote more effective, integrated management.

The Government of Malawi will give attention to management improvement and development on USAID projects only if the USAID program is significantly expanded and it is viewed as more responsive to achieving GOM development objectives.

USAID-financed Projects:

For the most part, the primary ongoing projects are at stages where major changes do not make sense. But there are important lessons from the management of these projects for future projects and some adaptations for improvements will have high payoff.

Projects that are working well are dependent upon the strength of personality or external support rather than effective project management systems.

Several projects lack the key ingredients for sound implementation, such as agreement upon goals and strategies, clear roles and responsibilities, useful information systems and clear decision-making.

USAID Project Officers have played major roles in operational management, leaving them little time to guide the project towards higher level program goals. Frequent shifting of responsibility between different USAID officers also contributes to confusion about the direction and policies guiding a project, further confusing the management of projects, because personal preferences play a major role in how each USAID officer will manage and direct a project.

I.D NEED FOR BETTER DEVELOPMENT PROGRAMMING

Development projects have been a primary vehicle for development assistance. They usually are carried out within a larger program context and lead into ongoing activities and programs. Projects have been considered to be "privileged" elements of a nation's programs. This is necessary and true because projects do represent areas of high priority and agreement between the country and the donor agencies assisting development.

However, some USAID projects can be viewed as being too "privileged" and too isolated from ongoing programs. High USAID control and high resource levels often contribute to immediate success in achieving project outputs. But the way in which outputs are achieved have negative consequences for sustainability and institution-building in the long run.

A sound development assistance program and sound project management systems must anticipate the direction and guidance necessary for achieving both the immediate project goals and the goals of the larger, more comprehensive programs of the sponsoring organizations. The urgency to ensure immediate, and one can say "apparent" project success is often at the cost of long-term development goals. This has been a danger of the past USAID program. It can be avoided if the present management challenge initiative is taken seriously.

USAID's management concern must not be limited to only reducing the burden of operational management and maintenance of administrative procedures on procurement and contracting. A truly effective developmental program must encompass achievement of project and program goals, program coordination with Malawi institutions, the management improvement objectives, and coordination requirements with other donors.

USAID must perceive their project management improvement effort in its broadest program and coordination context. The strategy recommended in this report goes beyond the initial USAID statement of the problem and attempts to put discrete management restructuring actions within a larger context which will contribute positively to Malawi's total development programs.

II. PROJECT MANAGEMENT, PROJECT IMPLEMENTATION AND PMS

II.A GOOD PROJECT MANAGEMENT IS DIFFICULT AND COMPLEX

Development projects represent one of the primary vehicles for transfers of resources and technologies; development programs are linked to the advancement of the policy goals of both developing and developed nations. Successful implementation of development projects is critical to the economic growth of less developed countries. Successful implementation is also a key to international relations. AID clearly identifies projects as an instrument to advance US policy goals.⁶

There is a common myth that projects are not very difficult to manage.⁷ The fact is, quite to the contrary, many development projects are difficult to manage successfully. To illustrate, the managers assigned to many projects are qualified as technicians, but are inexperienced as managers. The management component of many projects is often overlooked or neglected during design, and management requirements are amended to initial designs at the last moment. Ambitious objectives are expected with limited or scarce resources; innovative technologies and changes are introduced; groups and organizations are mobilized which have often not previously worked together effectively; uncertainty and risk may be high.⁸

II.B WHAT ARE PROJECT MANAGEMENT SYSTEMS?

Mostly simply, management refers to the direction of a set of activities toward the achievement of desired objectives. Systems are integrated, standardized processes and interactions for achieving shared goals. Project Management System (PMS) constitute the full range of processes, interactions and procedures to conceptualize, plan, approve, implement, monitor and evaluate projects. At the core of all successful projects is the efficiency and effectiveness with which they are managed and carried out.⁹ The purpose of Project Management Systems is to ensure that projects are successful. Successful projects are those which achieve their objectives within reasonable time and costs.

The use of the term "Project Management System" can be confusing. A project management system refers, in the most generic sense, to the entire set of processes and procedures which must be integrated to carry out a project. However, specific procedures, such as those associated with contracting or procurement, are also often called project management systems even though they are only a subset of the larger project management system. To further confuse the matter, each organization has project management systems to direct and control its projects.

In this report, we refer to PMS as the total set of individual project management systems which must be integrated and whose needs must be met for a specific project. Every donor/lending agency has a distinct PMS to manage its projects.¹⁰ Each recipient country and host institution also has its own distinct PMS.¹¹ Other institutions in the host country with which a project may have to be coordinated also have distinct management systems. Often new systems must be created to handle specific projects, particularly when projects combine units or organizations which have not worked together before, a situation fairly typical of USAID/Malawi projects undertaken.

Each organizational management system consists of a range of subsystems. The subsystems may deal with executive review and oversight, reporting, operational procedures to manage inputs and coordinate outputs and programs, and/or administrative subroutines to obtain and mobilize inputs. Each subsystem can be viewed a system itself. Administrative subroutines related to procurement and contracting, for example, are often called project management systems.

Early expectations of this team, notwithstanding the terms of reference in the PIOT, were that specific subroutines would be restructured, revised and reassigned to reduce and regularize workloads.

The systems and subsystems of cooperating organizations must be integrated and their requirements met for specific projects and programs to be implemented effectively. Therefore, for every development project, a distinct, unique PMS must be created to meet the management needs of that project.

There is a "window of opportunity" immediately following project approval for creating the project-specific PMS. Project implementation start-up is the best time to get all relevant entities together to establish and agree upon the PMS for managing the project.

II.C ANALYTICAL FRAMEWORK FOR PROJECT MANAGEMENT SYSTEMS

An analytical framework for both constructing a PMS and for diagnosing responsibilities for project management is illustrated in Figure 1. The core of project management is the logical flow in the project design: Inputs transformed into Outputs to achieve Project Purposes which contribute to Program Goals.¹² This is represented at the center of Figure 1. Successful management must occur at functional levels to direct and link the transformation of inputs (scarce resources of money, time, commodities, personnel) into desired outputs in ways which achieve the project purposes and goals and their intended contributions to the ongoing programs of their host institutions.

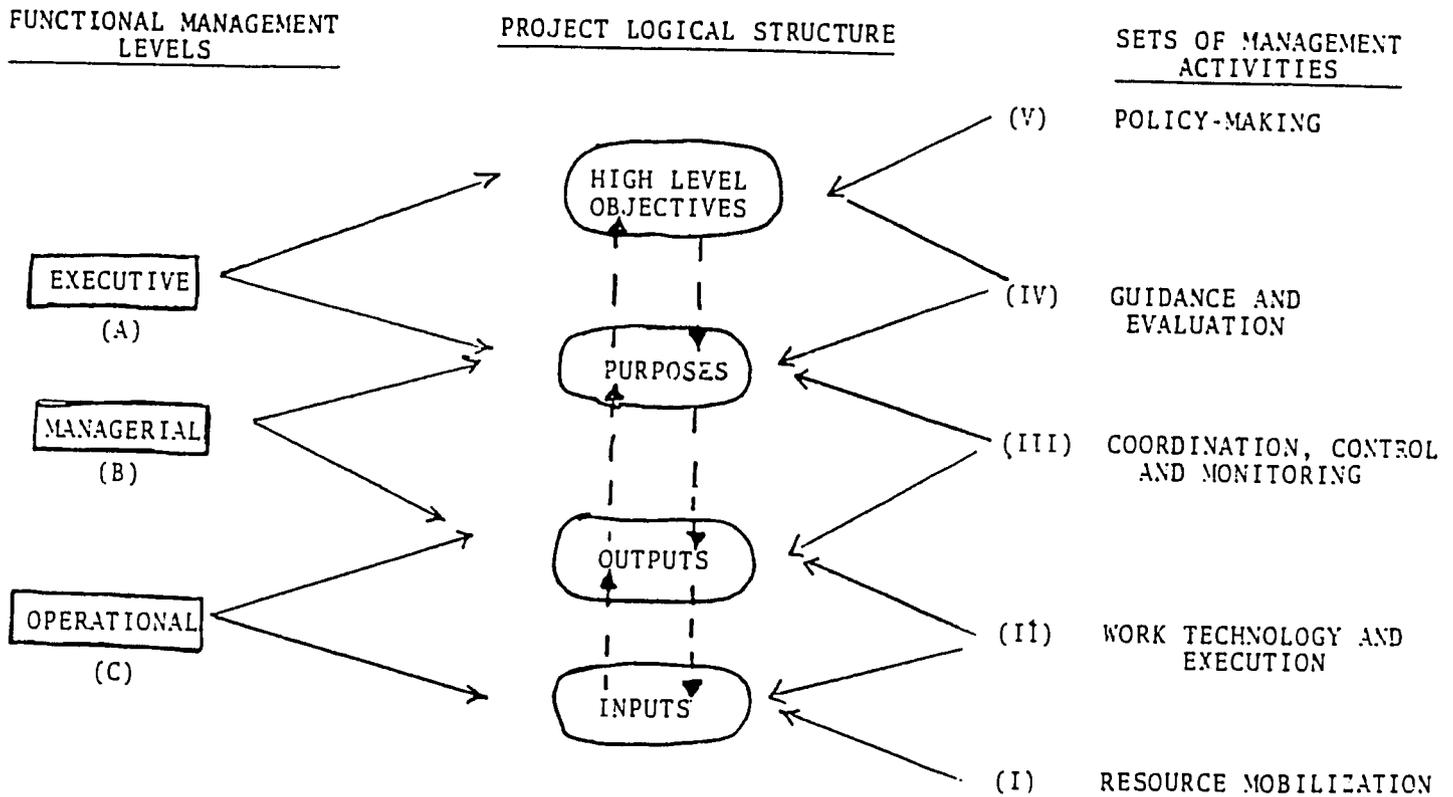
Distinct sets of management activities constitute a PMS. These Management Activity Sets are illustrated on the left side of Figure 1. Resources are mobilized

- (i) as inputs are utilized through defined work technologies and work execution,
- (ii) to produce outputs which must be coordinated, controlled and monitored,

- (iii) to ensure that purposes are being achieved.
- (iv) Through management guidance and evaluation purposes are directed toward goals,
- (v) which have been established through policy-making processes.

These distinctions between the hierarchy of Responsibility Areas and the Management Activity Sets provide a base for distinguishing between Functional levels of Project Management.

Figure 1: ANALYTICAL FRAMEWORK FOR PROJECT MANAGEMENT SYSTEMS



At the Operational Level (C), the primary function is to ensure the direction of inputs into outputs. At the Managerial Level (B), the primary function is to insure that outputs achieve purposes. At the Executive Level (A), the primary function to direct the purposes toward higher level goals.

II.D THE PMS FOCUS ON IMPLEMENTATION

In the Pre-approval Planning Phase, primary responsibility is often assumed by the donor, collaborating with host country institutions and intermediaries, to create a project design which is acceptable for approval of funding. The Post-approval Implementation Phase is the primary responsibility of the host country.¹³ The point at which this shift of responsibility takes place is the primary "window of opportunity" to develop an effective PMS for a project.¹⁴

The PMS framework and strategy developed with USAID and the GOM during Phase One is primarily focused upon post-approval project implementation. Implementation start-up is emphasized as the most important point in the total project cycle for influencing management systems. Of course, attention must also be given to the pre-approval phase because processes and expectations are set in motion which impact heavily upon project implementation.

A PMS for project implementation must fulfill the management responsibilities, activities and functions sketched in Figure 1, the analytical framework for project management. Because of the nature of development projects, a PMS must promote a continuous process of adaptation and replanning. Blueprint approaches to development projects are generally unsuccessful.¹⁵

II.E THE PROJECT IMPLEMENTATION PROCESS

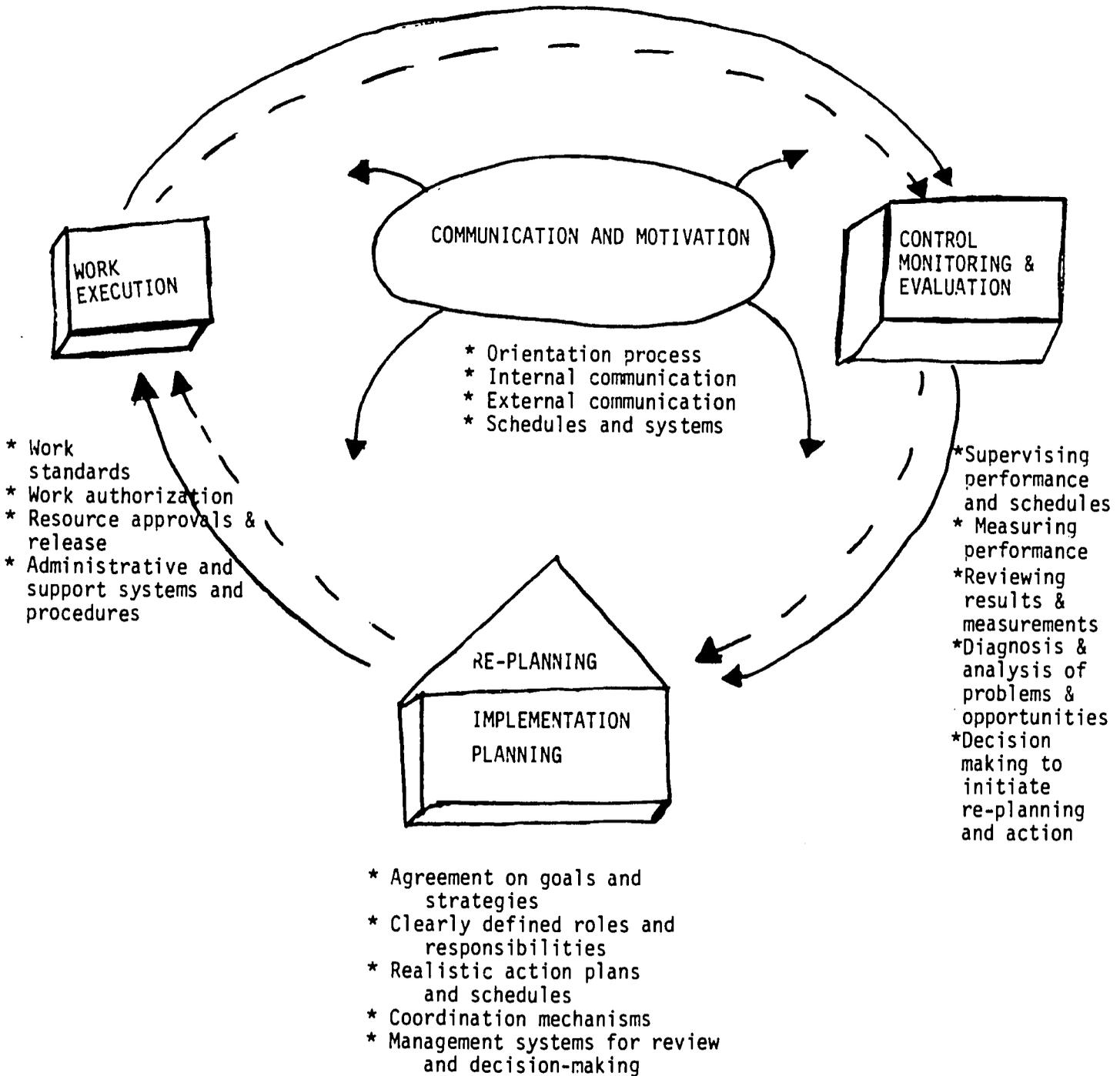
Project Plans developed during the pre-approval process are usually not adequate for implementation.¹⁶ Often key implementation persons, and often contributing organizations have not been involved in the planning. Initial plans can be unrealistic and lack sufficient detail to move into the complex realities of implementation. Therefore, project implementation must be given with the development of commitment and realistic plans among the key agencies involved in carrying out the project. Implementation planning is the first step in effective project implementation. It is the

first step of a process which can be called the "Project Implementation Process." This cyclical process involves four basic managerial functions - planning and replanning; communication and motivation; work execution; and monitoring, controlling and evaluation. This process is illustrated in Figure 2.17. Also see Annex 2, a working paper on the Project Implementation Process introduced in working sessions with MOF, OPC, MOA, MOH and DLVW.

The process is cyclical in response to the realities of implementation. There is a frequent need to redirect the project or some activities as changes occur in the needs or conditions of the project environment and beneficiaries, in the anticipated results of technologies and inputs, and in the environmental economic and social processes surrounding the project.

To perform its oversight role, USAID must understand the project implementation process. At the executive level, the USAID role is to see the process is working and that the basic functions are being performed to guide the project towards its objectives. In short, the USAID PMS must establish process and procedures for the purposeful adaptation of purposeful actions throughout the Project Implementation Process.

FIGURE 2: PROJECT IMPLEMENTATION PROCESS



III. A PROCESS AND FRAMEWORK FOR CREATING PROJECT MANAGEMENT SYSTEMS

III.A OVERVIEW OF THE FRAMEWORK FOUNDATIONS

The discussion in Section II provides the skeleton or foundations for creating a PMS.

- * The PMS must be goals-oriented, with respect to both the immediate goals of the project and the broader goals of the relevant programs and sponsoring organizations.
- * The PMS must be flexible and adaptable to the characteristics of specific projects and to the constantly changing conditions of development projects.
- * The PMS must direct and guide the project from the mobilization of resources and inputs through outputs to higher level goal achievement, differentiating between operational, managerial and executive functions.
- * The PMS must address processes, procedures, roles and responsibilities with respect to all four system functions in the project implementation process - implementation planning and replanning; communication and motivation; work execution; control, monitoring and evaluation.

III.B PMS USERS AND USES

Each project-specific PMS must, as discussed above, merge the procedures and requirements of the donor and the host country institutions throughout the Project Implementation Process. The PMS has three primary users - the donor, the host country government, and the project itself. The interests of all three must be satisfied. Even though the interests and procedures of the donor and the host country vary, the shared interest and investments they have in the project unite them. Therefore, the focal point of the PMS is the project itself.

Each of the three primary users can be subdivided into special actors whose interests vary. For example, within USAID, the Director, the Program Officer, the Project Design Officer, the Controller and the Project Officer, all have a specific set of interests related to their roles within the organization. In addition, USAID Malawi must ensure that

the interests and requirements of AID/Washington and AID/REDSO are also met.

Within the host country, the interests of the Ministry of Finance must be met, along with the interests of the Office of President and Cabinet, the technical Ministry, and other cooperating entities. One project in the Ministry of Agriculture may, for example, involve all the following: the on-site Project Director at the host institution; the on-site technical personnel; the Chief Officers at the Central Ministry; the contracting agencies for technical assistance, Central Service Ministries such as Finance and OPC, regional or local government authorities and bodies, like an ADD.¹⁸

The configuration of users on a project may be very complex; particularly for some of the more innovative and risky projects such as READI which will bring together eight different organizations which have not worked together before.¹⁹ It is within such a complex organizational setting that the PMS must bring a unified approach, to project management, communications and decision-making.

III.C ENSURING THAT THE PMS MEETS AID'S NEEDS

AID must ensure its funds are being properly and prudently used in the pursuit of agreed upon objectives. Since AID does not carry out projects itself, but relies on intermediaries, such as universities, contractors, voluntary organizations and private entities for actual execution of its projects, it must depend upon reliable management information and systems for accountability and management. Consequently, AID's primary role is as a planning, financing and monitoring agency. USAID/Malawi's new initiative is entirely consistent with this role.²⁰

Projects can be used to enhance the institutional development and managerial competence of countries being assisted, provided that AID needs and interests can be met.²¹ AID has encouraged contracting by host countries whenever feasible, rather than having AID itself do the contracting. Whether AID or host country contracts are most appropriate must be determined by a given situation.²²

In the case of AID-financed bilateral projects, mutually developed and agreed upon between AID and the host country, primary responsibility for project implementation rests with the host country agency or entity concerned. Thus, the Project Manager is the appropriate official of the host

country, charged with supervising and coordinating the activities of all participants and resources involved in the project, whether locally or externally provided.²³ This principle is consistent with the "collaborative style of economic assistance" and the recognition that development itself is a host country responsibility.

However, AID must remain accountable, and a pivotal role in management of AID projects is played by the Project Officer who is responsible in AID for project oversight and monitoring.²⁴ This role is much more important than a technical role, although some Project Officers feel that they have been selected to perform because of technical qualifications. A Project Officer's responsibility is to assure that projects are efficiently and effectively managed.

AID recognizes that "preplanning serves to demonstrate the feasibility of carrying out a project within a stated period of time, (but) operational planning is needed on a continuing basis as a tool for the management and monitoring of specific project implementation actions".²⁵ The role of the Project Officer is to see that a PMS is in place and capable of carrying out the primary implementation functions - planning, execution, communication and control/monitoring/guidance. The Project Officer should seek early agreements on management systems and procedures for the project.

Project Implementation start-up is the best "window of opportunity" to create the PMS to manage and guide the project.

III.D THE IMPORTANCE OF THE PROCESS TO A PMS

A PMS is more than the procedural requirements, documents, reports, legal and official reviews and approvals. A PMS is the process by which the above are defined, used and revised within a project-specific context. A good PMS has both adequate documentation and a participative process - a process driven by the priority of achieving project objectives. At the core of the process are the agreements, negotiations and consultations which merge the organizations involved in project implementation.

There are two important aspects of creating a PMS:

- (1) that agreements are achieved regarding the basic management requirements of the project (PRODUCTS) and
- (2) how those agreements are reached (PROCESS).

Successfully managed projects are characterized by:

- * Commitment and agreement among the key actors on the goals, objectives of the project;
- * Clear definitions of and agreement on responsibilities, roles and personnel;
- * Realistic work plans, resources, schedules and budgets;
- * Effective mechanisms to execute and coordinate activities;
- * Agreement on mechanisms to review and redirect progress with clear information and decision-making responsibilities and processes.²⁶

When these agreements are reached early and in an atmosphere of openness, honesty and realism, commitment is likely to be high and the probability of successful implementation is enhanced. The process for reaching agreements must involve the key actors, must be oriented to getting basic agreements on the above elements of good management, and must be considered as the beginning of an ongoing process of implementation management and management review.

III.E SOME PRINCIPLES FOR CREATING A PMS²⁷

1. To the extent possible, a PMS should be built upon existing practices and procedures and should be congruent with systems already in place or initiated.
2. A commonly shared, practical approach for implementation planning and re-planning must be adopted by all relevant parties to the management to lay a solid foundation for implementation and management.
3. The PMS should be as simple as possible and should be built upon existing practices of the cooperating agencies. It should be developed collaboratively with the participation of relevant persons with representatives of all levels having influence on its design and the processes of its use.
4. The PMS must be established so that it is (i) "custom-fitted" to the needs of the project, (ii) user-oriented and practical, (iii) can be adapted

based upon the experience of its use and (iv) is "owned" by officials at all levels, especially the operational level, to ensure that it is actually useful for enhancing implementation performance.

5. The PMS must be developed in such a way that two-way communications are developed between organizations and all levels - with information moving from operational, activity levels to managerial and executive levels and back.
6. A common understanding must be shared at all management levels and within all cooperating agencies on the responsibilities of management and the management information system and its use.
7. Management and communications should follow basic principles, maintaining simplicity and clarity. Roles, responsibility authorities and decisional latitudes need to be carefully defined, with as much authority as possible established at the operational and managerial levels.
8. Administrative procedures need to be carefully planned at project initiation. The administrative processes can, to some degree, be standardized in for better monitoring and to ensure that administrative requirements are met for smoother implementation.
9. The PMS must be flexible and adaptable to any changes which may be encountered on the project. This is ensured by initiating the PMS through joint planning sessions and conducting periodic reviews of the PMS as well as project implementation to ensure that the PMS actually serves the management needs of the project.

IV. PROJECT MANAGEMENT IMPROVEMENT - STRATEGY AND STEPS

IV.A AGREEMENTS ON PREMISES OF PMS FOR USAID-FINANCED PROJECTS

One of the first steps in reaching an agreement on a framework for a PMS, and on the oversight roles and responsibilities of MOF and USAID is ensuring agreement on the basic premises and assumptions underlying PMS. These become the foundations and boundaries for the establishment of the PMS framework, and for a specific PMS for a project. The agreements reached at joint meetings involving representatives of USAID, MOF and OPC are summarized below.

(1) ORGANIZATION AND MANAGEMENT MUST BE GIVEN PRIORITY IN PROJECT PLANNING AND IMPLEMENTATION

Management components must be designed into projects so there is a realistic implementation capability. Together with its economic and technical merits, the success of a project depends largely upon its organizational structures and their use for sound project management.

The donor agency and Malawian institutions must see that the organization is suited to the project and to the demands for carrying it out in ways that contribute to the larger program.

Project plans must be appraised for the merits of the designs for organization, management and management systems.

At the start of implementation, the project organization and management systems must be installed to facilitate implementation and to coordinate with the larger program context.

(2) PROJECT ORGANIZATION AND MANAGEMENT MUST PROMOTE SUCCESSFUL IMPLEMENTATION PERFORMANCE AND CONTRIBUTE TO MALAWIAN MANAGEMENT OBJECTIVES

The exact form for the organization and management of a project depends largely upon the nature and scope of the project and the setting in which it is to operate.

Despite the variety of projects, general organizational types and design criteria can be established to ensure that Malawian management interests are promoted.

Although projects are temporary efforts, they must be viewed in the context of the larger programs; as a general rule projects should be incorporated fully into existing, on-going programs.

Project management and monitoring systems, intended to promote guidance and corrective actions, are most effective in relation to larger programs; evaluation systems must also link into ongoing programs of development planning and evaluation.

(3) MANAGEMENT AND MANAGEMENT DEVELOPMENT COMPONENTS MUST BE BUILT INTO PROJECTS.

The additional costs and resources required for project management should be supported by the project.

IV.B DEVELOPING EFFECTIVE, INTEGRATED PROJECT MANAGEMENT SYSTEMS

The specific purpose of this effort is to establish effective, integrated project management systems for USAID-financed projects. An expanded AID portfolio can be managed by increased collaboration and use of the host country contracting mode for project management. The agreements reached on the basic premises of the approach proposed by USAID are the basis for identifying activities which can lead to a better PMS development and integration.

Project Management Systems Development and Integration refers to systematically establishing and agreeing upon goals, strategies, procedures for management of projects which meet the needs of all participating organizations, particularly USAID and GOM.

For this effort, the focus of the PMS is project implementation, including evaluation. The objectives are to improve project performance, increase host country management and develop greater management capabilities for both USAID and the GOM. Four discrete but related factors must be achieved as a minimal basis for the development and integration of a PMS for project implementation.

- * Shared goals, strategies, frameworks and approaches to project management.
- * Collaborative processes for planning, managing and implementing development projects.
- * Well-defined implementation methods, processes, procedures and responsibilities.
- * Strengthened host country management systems.

Definite steps have been taken during Phase One to ensure that these four factors are satisfied. These steps are introduced in the following sections of the report:

1. Agreements on more collaborative processes for the upcoming USAID-financed projects.
2. An implementation checklist of the minimal project management requirement for sound implementation.
3. Use of implementation planning workshops with the collaborating agencies to develop commitment and realism for project implementation processes and plans.

The management requisites and resources for project implementation must be consistent with Malawian capacities and resources upon the completion of the project.

Special attention must be given to projects that require coordination and integration between two or more existing organizations or programs; for such projects, a coordination entity is required.

(4) MANAGEMENT DEVELOPMENT IS A PRIORITY FOR MALAWIAN DEVELOPMENT PROJECTS

Management development and training must be built into projects as an explicit project component.

Even though expatriate technical and management personnel are critical for project accomplishments, it is preferable that projects be managed by Malawian institutions.

In too many cases, technical assistance projects do not leave well-trained experienced management persons in place upon termination.

Despite the additional costs, intense management training should be built into projects.

It is preferable that management development training and activities are carried out in Malawi and to the extent possible on actual projects so that management experience and expertise is enhanced for assuming management responsibilities.

(5) THE ROLES OF USAID, MOF AND TECHNICAL MINISTRIES MUST BE CLEARLY DEFINED AND AGREED UPON, WITH USAID AND MOF PERFORMING PRIMARILY PROGRAMMING AND EXECUTIVE OVERSIGHT FUNCTIONS.

One of the most important functions of a donor agency is to contribute to the development of Malawi while promoting a genuine partnership between the countries involved.

Project Management Systems must acknowledge and work within the requirements and regulations of both the donor agency and the host country institutions involved in the project.

Primary management functions for a project rest with the project, and where applicable with its parent ministry or organization.

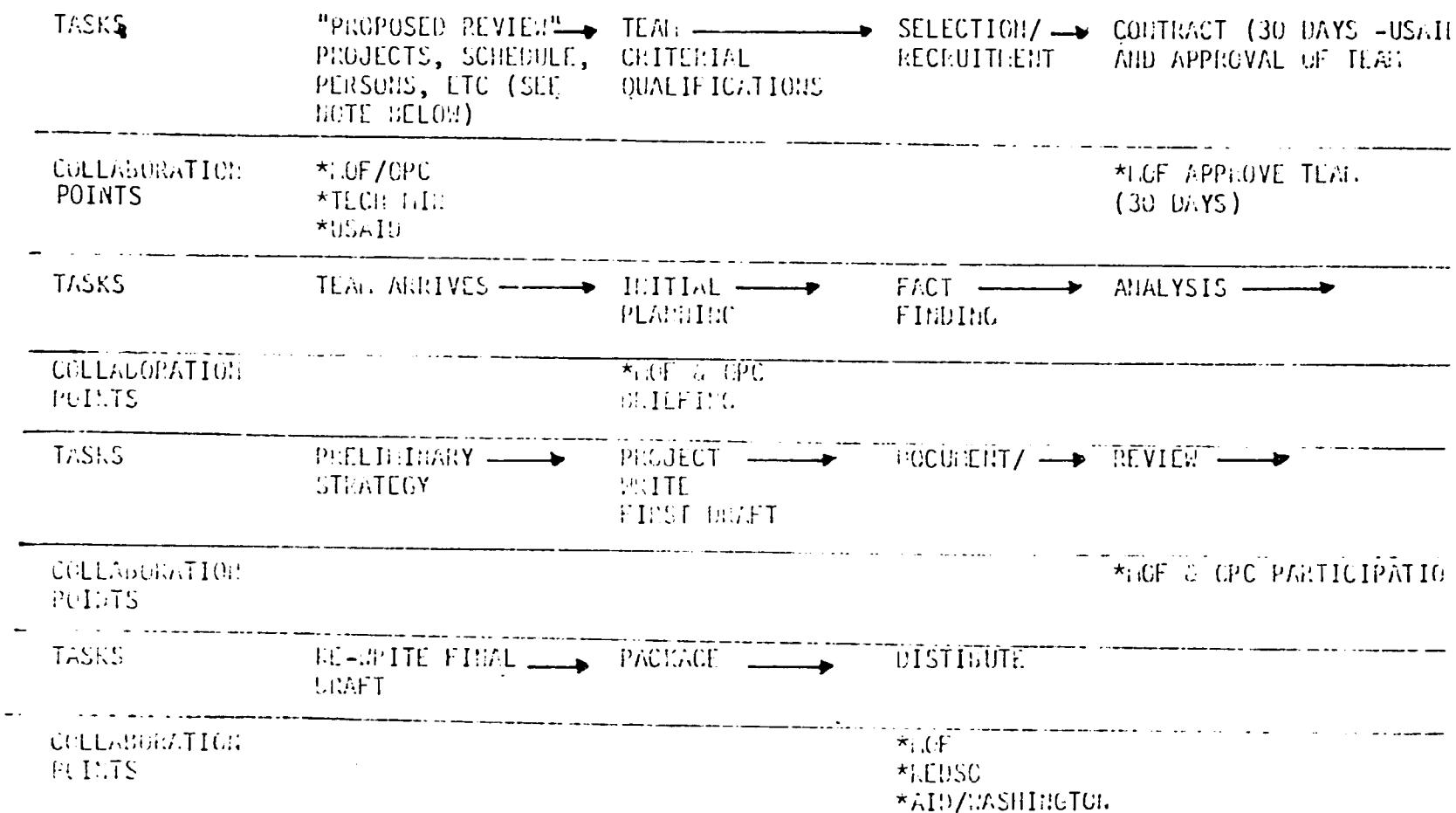
The donor and MOF ensure accountability; and coordination and the supervision of project management.

4. An analytic framework to analyzing organizational structures and management patterns at the project level for better project management.
5. Use of specific techniques such as team planning meetings and briefings for better management of short-term technical assistance teams.
6. Systematic Project Management Information Systems and Project and Program Review Processes for better management and guidance of USAID-financed development projects.

IV.B.1 COLLABORATION FOR PROJECT PLANNING AND MANAGEMENT

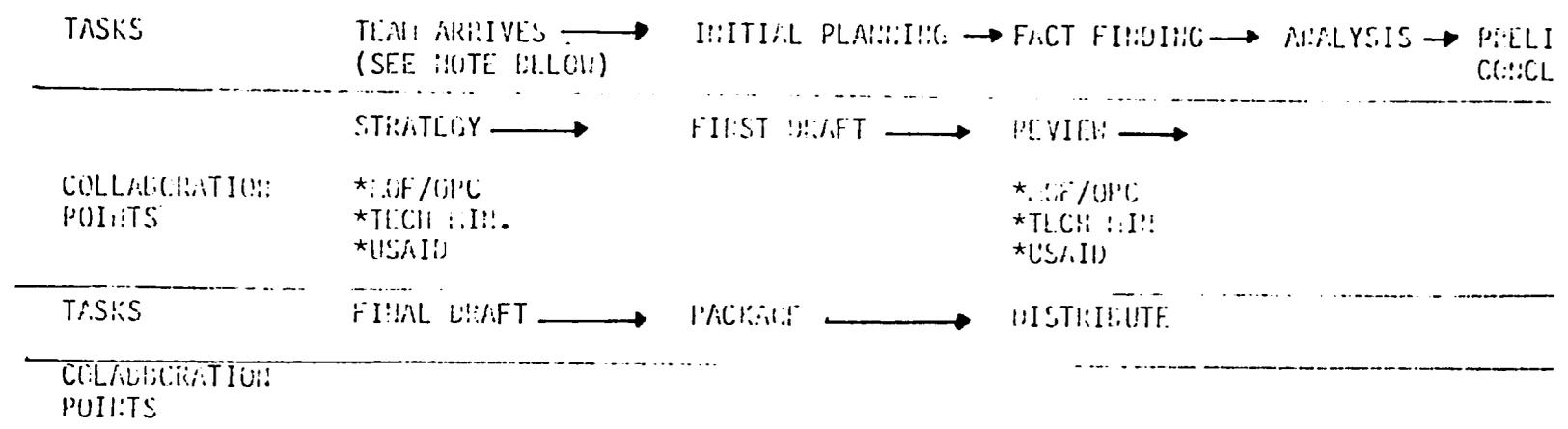
During Phase One, definitive agreements were reached between USAID and representatives of MOF and OPC regarding collaboration, participation and responsibilities for the pre-approval stages of a project proposed in the CDSS. An overall plan for the major projects proposed is shown in Annex 3 with the points of interaction between the planning processes of AID and the GOM Development identified. The agreements identified the points at which MOF and OPC wanted to be involved, consulted or informed during the AID planning process. These are shown in the following figures 3, 4, 5.

FIGURE 3 THE PID PROCESSES FOR AGRICULTURAL RESEARCH AND EXTENSION PROJECT
PIP: COORDINATE W/ICED



NOTE: * SHOULD THIS BE HOST COUNTRY CONTRACT?

FIGURE 4 THE PROJECT PLANNING PROCESS FOR AGRICULTURAL RESEARCH AND EXTENSION PROJECT



NOTE: BECAUSE OF TITLE XII PROCESS THIS PROJECT PAPER WILL BE CLOSER TO AN IMPLEMENTATION DESIGN. THEREFORE THERE IS A NEED FOR STRONGER INFLUENCE FROM LOF AND OPC.

Figure 5:

THE CONTRACTOR SELECTION PROCESS (AFTER PID APPROVAL)
FOR AGRICULTURAL RESEARCH AND EXTENSION PROJECT

TASKS	DEVELOP REQUEST AND ESTABLISH RFTP GUIDELINES/CRITERIA FOR TECHNICAL PROPOSAL (SEE NOTE BELOW) → DISTRIBUTE → RECEIVE RFTPs → EVALUATE RFTPs → SITE VISITS TO TOP "2-3" →
COLLABORATION POINTS	USAID & TECH MIN REVIEW *INFORM MOF OF TOP CONTENDER & QUOTES *TECH MIN REVIEW FOR COMPETENCE
TASKS	SELECT → CONTRACT
COLLABORATION POINTS	

NOTE: SHOULD THIS BE A HOST COUNTRY CONTRACT? POSSIBLY DESIRABLE. IF SO, WHOLE PROCESS BASICALLY IN MALAWI RE-NEGOTIATE AS HCC OR AFTER P.P.

In addition, discussions were held within AID regarding the specific roles and responsibilities of USAID officers with respect to the planning of upcoming projects. A specific project was selected for an in-depth analysis of responsibilities and roles. The responsibility chart which was developed is tentative, but is useful for negotiating and more clearly defining work and expectations within USAID. Figure 6 shows the breakdown of responsibilities for the upcoming Agriculture Research and Extension Project. It was agreed that this type of management planning should be carried out for other USAID projects and activities.

USAID is also considering internal team meetings to establish annual work plans for the mission prior to commencing a new fiscal year with follow-up quarterly monitoring sessions to assess progress.

Figure 6:
TENTATIVE LINEAR RESPONSIBILITY CHART:
(DEVELOPED IN WORKING SESSION ON 5/2/84)

USAID STAFF RESPONSIBILITIES FOR PRODUCING PID (PROJECT IDENTIFICATION DOCUMENT) FOR AGRICULTURAL RESEARCH AND EXTENSION

	Persons Involved				Other
	Cole	Carms	Faker	Judy	
1. Producing ABS (Annual Budget Summary)	Coordinates	R	Consult/C	Participates/C	
2. Producing CP (Country Plan)	C/A	R	C	C	
3. Setting Criteria for Selection of PID Team	A		C	R/Technical Scope of Work	
4. Recruitment and Selection of Team	A		C	R/Identify, Prepare Recommendations	
5. Write up Scope of Work			Set Guide-lines	R	
6. Write up PIU/T (Project Implementation Order/Technical Services)	A	C	Review/C	R/Draft	
7. Travel and Arrival Arrangements for Team			R/Tiring and Schedule		Ziba/R
8. Team Planning			R	Participates/Supports	
9. Fact Finding		Consult	Coordinate	Support	Team/R
10. Analysis		Consult	Coordinate	Support	Team/R
11. Preliminary Conclusions		Consult	Coordinate	Support	Team/R
12. Review and Accept Preliminary Conclusions	Chair/A	Participates	R/First Review Set up Meeting and Agenda	Participates	

C=Clear
R=Responsible
A=Approves

	<u>Cole</u>	<u>Carus</u>	<u>Baker</u>	<u>Judy</u>	<u>Other</u>
13. Conceptualization and Strategy Development	Inform	Support	Coordinate/ Guidance	Support	Team/R
14. Write First Draft		Review	Coordinate/ Review	Support	Team/R
15. Internal Review	Chairs	Participates	R/Set up Agenda	Participates	Team Particip.
16. Review with GOM	Participates	Participates	R/Set Agenda with MOF	Participates	MOF Chairs
17. Write up Final Draft	Inform	Support/ Review	Coordinates	Support/ Review	Team/R
18. Review	A	Participates	R	Participates	
19. Package	A		R		
20. Distribute	A/Sign Cover Letter		R/Draft Cover Letter		

MAJOR FUNCTIONS

Sets up Plan and Process

R

Provides Technical Content,
Supports, and Reviews Products

R

Reviews Process and Products

R

Reviews Performance

R

IV.B.2 IMPLEMENTATION MANAGEMENT CHECKLIST

When projects fail to reach their intended objectives, the reason is frequently some type of "management problem". Those experienced with development projects have all observed seemingly sound projects stall due to such factors as cumbersome bureaucracy, inefficient organization, unrealistic plans, inadequate coordination, poor communications, inadequate reporting, limited managerial capacity, untimely disbursements, and many similar reasons. An analysis of one of the present USAID projects showed a number of such problems already affecting implementation.

In many cases, specific management problems which hamper project success can be anticipated long in advance; some can be resolved before they become a crisis, other can be reduced. Some predictable problems can be overcome or avoided by establishing solid "management foundations", including critical processes, procedures and documentation for implementation. These are generic to all projects and have been identified in Annex 4, a working paper on Implementation Planning.

During Phase One, a checklist of the basic implementation management requirements was created by the USAID-GOM team. This checklist is very useful and its application can yield substantial benefit for problem identification and solving at several points in project implementation:

- (i) It can be most useful during pre-implementation planning for project start-up;
- (ii) it can be used during project replanning following an evaluation or some critical point in project execution where significant difficulties have been encountered or identified;
- (iii) it can be used in the preparation of annual implementation work plans to ensure that a PMS is in place and will work for good management. The Project Implementation Checklist is shown in Figure 7.

Figure 7: PROJECT MANAGEMENT IMPLEMENTATION CHECKLIST

(Illustrative Documents Critical for Effective Project Management)

- * Project Strategy Statement
- * Project Charter
- * Approval Processes
- * Technical Standards for Project Outputs
- * Work Planning and Review Processes
- * Detailed Work Plans
- * Tentative Budget and Allocations
- * Budget Process for the Project
- * Resource and Commodity Requirement Plans
- * Manpower Requirements Plans
- * Manpower Requirements Assignments
- * Organization Charts for Host Organization and the Project
- * Responsibility Charts
- * Contract Procedures and Schedules
- * Procurement Procedures and Schedules
- * Financial Procedures for Drawdowns, Reimbursements and Advances
- * Administrative Support Procedures and Plans
- * Management Information Systems
- * Progress and Status Review Processes and Plans
- * Reporting Formats and Schedules
- * Evaluation Strategy and Plans
- * Management and Decision-making Systems.

IV.B.3 IMPLEMENTATION PLANNING WORKSHOPS

COMMITMENT and REALISM are keys to project success. More collaboration and flexibility must be built into project designs. Even the best of plans must be adapted and revised to be realistic. Implementation planning, by the implementation team, permits the plans to be made realistic. An implementation workshop assists the project implementors to go through their own "learning process" to reach a shared understanding of the project. As they negotiate and agree upon roles, responsibilities and mechanisms for managing the project, they develop both commitment and realism. As an implementation team thinks through basic project management and technical issues, they internalize a shared understanding of the project design. Essentially, through a project implementation workshop, they make it their project. This is the essential key to realism and commitment.

A unique feature of the USAID-GOM strategy for improved project management of an expanded USAID portfolio is the development of project-level implementation plans and management foundations in an Implementation Planning Workshop. One of the final tasks of the workshop is to develop for PMS

- (i) planning and replanning;
- (ii) communication and motivation;
- (iii) work coordination and execution, and
- (iv) controlling and monitoring the basic functions of the project implementation process.

Figure 8 shows a model of the basic activities of implementation planning. An implementation workshop ensures that the implementation team have

- (i) considered and reached agreement on management and technical issues which will affect the project and
- (ii) established collaboration and communication links so that plans and procedures can be revised and problem-solving is facilitated.

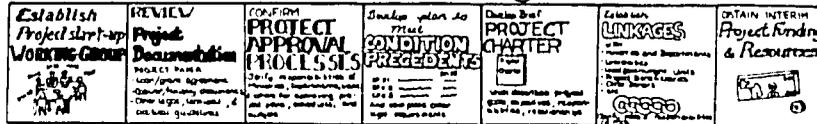
Detailed implementation planning establishes REALISTIC management and technical foundations and information baselines. The "action-training" approach used in the workshops effectively creates COMMITMENT and ensures that the project team feels a sense of ownership and responsibility for the project. This "window of opportunity" for implementation

planning can be one of the most important influences for sound project management. Project Implementation Workshops are discussed further in Annex 5.

Figure 8: FIVE STEP MODEL TO SUCCESSFUL PROJECT IMPLEMENTATION

PLANNING FOR
SUCCESSFUL PROJECT IMPLEMENTATION

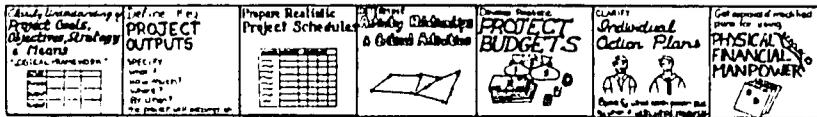
1. Activate the Project



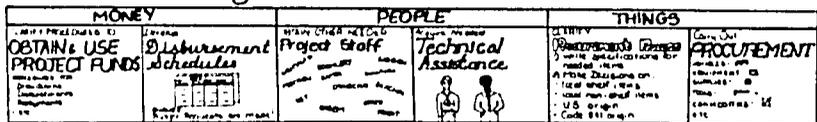
2. Establish Project Organization



3. Develop Implementation Plans & Schedules



4. Obtain Project Resources



5. Establish Information & Control System



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IV.B.4 ANALYTICAL FRAMEWORK FOR PROJECT ORGANIZATION AND MANAGEMENT PATTERNS.

A project is a "temporary" organization, usually established within or linked to an ongoing organization, assigned specific objectives to be achieved in a defined, limited time. Apart from its technical and economic merits, the success of a project depends largely on the effectiveness of its organizational structure. With inappropriate structures for project management, a technically sound and viable project may end in failure.

In the early stages in Phase One, the working group took an exploratory look at the dominant management and organizational patterns for development projects in Malawi. The form of organization and management for a project depends largely upon the nature and scope of the project and its sponsors, i.e., the donor(s) and the host institution(s). The working group developed an analytical framework for planning and for adapting organizational patterns to management requirements. The analytical framework and a discussion of each of the dominant patterns is contained in Annex 6.

The analytical framework identified five basic categories of organizational structure and examines how management responsibilities are shared between the donor and the host institution. In the framework, "primary responsibility" is used to refer to operational and first line management responsibilities. In summary, there are three basic options for sharing management responsibilities.

- (i) The donor can retain primary management responsibilities while the host institution has oversight or secondary management responsibilities;
- (ii) The host institution can have primary management responsibilities while the donor has oversight or secondary management responsibilities; or
- (iii) The host institution and the donor can share the primary management responsibilities with neither playing the dominant role.

The organizational structures are basically determined by the extent to which a project is fully integrated into an existing organization. The five alternative categories identified and discussed are:

1. NEW ORGANIZATION: Creating a "new" organization for the project.

2. HIGHLY INDEPENDENT ORGANIZATION: Establishing a minimal project unit which has a great deal of independence, but linked to an established organization for minimal support functions.
3. HIGHLY DEPENDENT ORGANIZATION: Establishing a minimal project with a great deal of dependence for project operations on the parent organization.
4. FULLY INTEGRATED ORGANIZATION: Establishing project assistance within existing positions and functions of the parent organization.
5. PROGRAM ADVISORY PROJECT: Establishing a temporary position in an advisory and/or programming position to influence organizational policies, directions and program in the parent organization.

Each of these organizational structures has one (sometimes two) dominant management patterns relative to the donor and the host institution. The patterns and organizational alternatives are analyzed in the working paper, with assessments of their effectiveness in terms of technical success, institutional and management development, liaison with Malawian institutions, liaison with donors, generation of participation and self-sustaining development.

The DPMC Team was also requested to develop a framework for Administrative and Institutional Analysis of a Host Institution for a Development Project. This framework complements the AID requirements of AID Handbook 3. It was prepared for the Project Design Officer as a working paper and will be initially used by the design team for the Malawi Commercial Transport Project. See Annex 7 for a copy of the working paper.

IV.B.5 TEAM MANAGEMENT

The increase in USAID's program brings larger demands for using intermediaries on important tasks in both planning and implementation. Short-term persons and teams are called in to assist with many support functions such as designs, studies, and implementation assistance. One of the major proposals in the CDSS, the Technical Assistance Grant, will use short-term technical assistance for a variety of development programming and implementation functions. USAID and the GOM will need to pay more attention to the management of technical assistance. The way in which these teams are managed will be a major factor in the success of an expanded program.

Team Planning Meetings (TPM) is an approach which has been developed by USAID for use with its technical assistance teams. TPM is an organized process by which a group of persons responsible for an assignment come together in a concentrated effort as the first step of the assignment to define, plan for and mobilize to accomplish the work. The Team Planning Meeting covers two dimensions: task functions, or WHAT is to be done, and team building, or HOW it is to be done. A Team Planning Meeting can be used to:

- (i) achieve agreement concerning objectives, strategy, roles and responsibilities for both the team and each member, focusing upon agreements of the team scope of work and integrating individual work assignments;
- (ii) establish processes for reviewing the work and redirecting the effort as necessary to achieve the objectives;
- (iii) develop awareness and sensitivity to cultural characteristics and organizational factors influencing the team performance;
- (iv) resolve issues of organizational and team representation which may arise from the interest of multiple organizations and individuals participating on the assignment; and
- (v) assure that all logical and administrative arrangements are understood and in place.

During Phase One, a project design team was assisting USAID with the Malawi Commercial Transport Project. The DPMC team worked with the USAID Project Design Officer, Mr. Murl Baker, to carry out several steps of the TPM with the team. It was judged to be very useful, and further consideration will be given to its use with future teams. Further discussion of Team Planning Meetings is included in Making Technical Assistance Teams More Effective, the TPM (Team Planning Meeting) Advantage, by Dr. Merlyn Kettering of DPMC/OICD/USDA.

IV.B.6 PROJECT MANAGEMENT INFORMATION SYSTEMS

USAID and MOF will perform primarily at the executive and higher managerial levels (See Figure 2). Two improvements in present practices need to be made for more effective management:

- (i) effective management information systems and
- (ii) effective project and program implementation review processes and procedures.

Agreements were reached on the need to:

- (i) provide systematic information for analysis and
- (ii) identify the processes for conducting project implementation reviews.

Systematic analyses of performance indicators isolates problems and identifies opportunities for better management. Regular monitoring of performance indicators, structured analysis and better reporting can eliminate much of the guess work of project management. Management energies at the oversight levels can be directed to policies and significant areas. The development of a good project management information system does not guarantee effective management; but with poor systems, project managers can waste a lot of energy rushing about in crisis management and perhaps losing sight of important issues.

Steps in developing and integrating a PMS for USAID projects can lead to better management at executive level, but are incomplete unless attention is given to management information systems and management review and decision-making processes.

In a working session on project management information systems, MOF, OPC and USAID reached agreements on the following statements. These form the basis for proceeding in Phase Two with information systems and information use for management.

- * To support the development and integration of project management systems for improved project performance, it is critical that there are sound management information systems which provide the right information to the right people at the right time.
- * To perform managerial and executive level management functions, it is necessary to have an effective information system which provides timely, reliable and relevant data for monitoring and decision-making.
- * To the extent possible, the management information system should be built upon appropriate practices and

procedures and should be congruent with the information systems already initiated for operational project management.

- * The timeliness of the flow of information can be as important as the information itself. Information flows should be incorporated as quickly as possible into management reports for higher levels of project and program management.
- * Information should be shared as fully as possible; management is enhanced when everyone is "playing with the same deck of cards"; management information should not be based upon isolated reporting mechanisms.
- * A project-specific management information system can and should be established during implementation start-up planning; a clear plan for the type, the flow and the use of information for management purposes should be established with someone clearly responsible for management of the system.
- * Present reports and reporting formats need to be designed and/or revised to provide comparative and analytic interpretation of their information. The reports need to have focus and to be more action-oriented if they are to be useful for management and decision-making. The Agriculture Research Project report provides a good example of a useful management report format.
- * Important communications should follow basic, clear communication principles and should, where possible, use simple direct language. Criteria for reports and briefings should be developed to assist in management, communication and action.
- * A management information system should promote two-way communications throughout the project organization. Special attention must be given to the flow of communication from the managerial and executive levels to the operational levels.
- * There needs to be a common understanding of the need and framework for the use of management information shared among all cooperating agencies and personnel on a project. This is especially true for oversight agencies; others need to know why they are feeding you information, to see the relevancy so they will

- cooperate and give real information rather than fabricated data.
- * Better use can be made of existing information and of existing channels of information for management and reciprocal flows of information for management. There should be more sharing of present information, if it is good and relevant. For example, the MACS reports from RFMC should be jointly used by USAID and MOF.
 - * Some present project work plans are not adequate for monitoring and management; standardized formats, expectations and criteria need to be established to improve the basis for monitoring and evaluation.
 - * To improve management use of information at all levels, training must be undertaken so the "users" at each management level are able to appreciate, understand and apply available information for management decisions, from the activity and operational levels to managerial and executive levels.
 - * Officials monitoring projects at the oversight level need milestones and indicators of performance as a basis of their monitoring rather than excessive detail on specific activities.
 - * Project implementation review meetings should be held on a regular basis with the project team and the affiliated agencies, including USAID and the MOF. It is recommended that managerial level Project Implementation Reviews (PIR) be conducted on a quarterly basis by the technical Ministry or parent implementing organization. Executive level PIRs should be conducted semi-annually, called by the Ministry of Finance, though USAID has the right to request PIRs at any time.
 - * Program reviews should be conducted on a semi-annual basis involving the highest level officials of the relevant Ministries, particularly of USAID, MOF, OPC and participating technical Ministries.
 - * Clear guidelines for briefings and agenda at the Project Implementation Reviews (PIR) and for the Program Review session should be established and communicated to project officials so that reviews are useful to all parties involved.

- * The project and program review processes established between the MOF and USAID should be primarily at the top of managerial and executive levels to provide guidelines and evaluation to officials at the operational and lower managerial levels.
- * Systematic, well-planned site visits should be used by oversight agencies to verify that management and information systems are reliable and effective, to stay informed by operational-level officials and on-site beneficiaries and to be able to diagnose important, executive-level issues and opportunities with on-site experience.
- * An "alert system" should be defined so that emergency situations or special events can be handled systematically and effectively with clear lines of communication and decision-making for meeting crisis situations.
- * Automation of some parts of the management information system is possible and desirable. This is a goal of the GOM and USAID is already automating financial information and intending to automate more of its management functions. This should be explored through project management systems development for specific projects so that both the needs of MOF and USAID will be met.

Agreements reached in Phase One working sessions, summarized above focus the nature of MOF and USAID information needs and use for project and program management. These premises form a good basis for developing better management information systems and management review processes. Much more work needs to be done in this area. Formats for work plans and reports at different levels need to be established. Approaches to analysis need to be examined. More attention to management processes at the operational, management and executive is still needed.

The following discussion papers (shown in Figures 9,10,11, and 12) were used in the working session to explore specific formats and agenda for Project Implementation Reviews (PIR) and Program Reviews.²⁸

Figure 9: -- Areas for Project Monitoring Focus and Attention

"What is the score?"

Indicators, milestones and events can be identified for:

- (i) Project Outputs and Work Progress
- (ii) Project Cost Estimates and Expenditures
- (iii) Resource Availability and Utilization
- (iv) Schedule Realism and Adaptability
- (v) Administrative and Organizational Accomplishments and Events

"How well is the team playing?"

Analysis of performance, potential and problems can be done for:

- (i) Project Personnel and Team Competence
- (ii) Commitment to Project and Objectives
- (iii) Strategy Effectiveness and Technical Performance
- (iv) Management Authority and Performance
- (v) Problem Identification and Solving Performance

Figure 10: "What is the score?"

Identify distinct characteristics such as timing, quality, and quantity for the major indicators, milestones and events being monitored.

(I) Project Outputs and Work Progress

What are the key outputs and accomplishments for the period?
What are the specific characteristics of the outputs?

Examples:

Building Constructed; dimensions and specifications; planned dates for major phases of construction; work to be performed by what person or agency.

Training Courses Conducted; subject areas covered; number of participants; timing and duration; performed by what person or agency.

(II) Project Cost Estimates and Expenditures

What are the major variable cost items and to what extent are costs being maintained within tolerable limits?

Examples:

Are construction costs relatively consistent with bids tendered?
Are travel costs and per diem being monitored to not exceed limits yet are being adequately used?

(III) Resource Availability and Utilization

Are basic material and human resources being provided on a timely basis?
Are these the right persons and materials for the prescribed tasks?

Examples:

Are the right persons at the right places at the right times?
Are required equipment, materials and other resources in place in time? These may include training materials, equipment and supplies, etc. Personnel requirements are usually well specified in project plans and timing must be matched with project schedules.

(IV) Schedule Realism and Adaptability

Are key events identified and being met on the project schedule?
Are major streams of activities on line for the period?

Examples:

Construction activities and materials procurement must be coordinated. Training plans and recruitment along with particular selection must be aligned.

(V) Administrative and Organizational Accomplishments and Events

Are critical administrative deadlines being met? Are administrative and organizational structures in place and functioning according to required sets of activities? Are key decisions being made on time?

Examples:

Are procurement and contracting processes on time? Are committee meetings being organized and conducted? Are decisions being made, recorded and transmitted for action?

Figure 11: Project Analysis Categories.
How well is the team playing?

Analyze the performance on critical factors, looking for good performance and opportunities as well as problems so that opportunities as well as difficulties are identified in the analysis.

(I) Project Personnel and Team Competence

Who are the key actors in moving the project? What skills and competence are required in relation to the project? How can I know how persons are performing? What are the deficiencies and implications; what are the strengths and implications?

Example:

Project management (e.g., Directors and Assistant Directors) must have management skills as well as technical skills. Field personnel must have relational skills as well as technical skills.

(II) Commitment to Project and Objectives

To what extent is the project receiving priority attention at the appropriate administrative levels? Are adequate resources being given to the project? Do key people want it to succeed? How is it perceived in the environment? What are the deficiencies and strengths and the implications?

Example:

What is the level of interest in committee meetings and who attends? Are persons being shifted to solve problems quickly? To what extent is the project receiving attention in public and private discussions in the project area? Who is involved in project activities and who is closely watching the project?

(III) Strategy Effectiveness and Technical Performance

How clear is the strategy and statements of the strategy? How is the project strategy related to technical decisions? Are central principles of the strategy being discussed and evaluated? Is the strategy being related to administrative and technical reviews? To what extent has the strategy or the technology been adapted to meet changing circumstances? What are the implications of the present level of understanding of the project strategy?

Example:

Is there an easily understandable, concise document explaining the project strategy? How widely is this distributed and is it referenced by the supporting and cooperating agencies? Is there a basis for examining the effectiveness of the innovative aspects of the strategy? Are key persons learning anything new about the application of new technologies introduced by the project--vaccination, participation, training methods, health habits, etc.

(IV) Management Authority and Performance

How clear is the management and administrative structures? To what extent have authorities, roles and responsibilities been agreed upon? To what extent are necessary actions being carried out by the proper persons? What is the record of administrative support? What are the administrative and organizational efficiencies and inefficiencies and the implications of these?

Example:

Are decisions being made on a rigid, autocratic and deterministic basis or are they being made developmentally and based upon project objectives? Is there good coordination and passing of information between key persons and agencies? Are there conflicts over roles and authority? Are key functions being neglected or delayed?

(V) Problem Identification and Solving

What types of problems are perceived--and at what project levels? How informed is the discussion of problems and is new information and analysis sought? How adequately is information being summarized and channeled to appropriate decision-makers and influential persons? How is information passed around? Who is trying to solve problems, and with what authority and resources? What are the implications of present approaches to problem identification and solving?

Example:

Are highly detailed problems being solved by managers who could delegate these? Are policy level problems the primary concern of executive agencies, such as AID and national level committees and agencies, or are they very involved in highly detailed activity-level problems? Are problems not discussed widely beyond the immediate project team? Are perceived problems discussed with _____.

Figure 12

GUIDELINES FOR ORGANIZING PROJECT STATUS
PRESENTATION AND DISCUSSION

- * IMPLEMENTATION PROGRESS SINCE LAST REVIEW (activities started/completed, outputs produced, etc., based on monitoring plan. Discuss additional important progress not included in this plan.)
- * CURRENT OR POTENTIAL PROBLEMS (and steps being taken or needed to resolve problems)
- * STATUS OF PROBLEMS REPORTED EARLIER (whether or not resolved)
- * ACTIONS REQUIRED AND REQUESTED FOR THE PROJECT (by staff Include officers, RTG actors, USAID director, AID/W, etc. long-lead time actions on distant future items.)

Action Required

By Whom

Date to be taken

- * CHANGES TO PROJECT APPROACH TAKEN OR RECOMMENDED (discuss any changes to most recent project design implementation plan.)
- * IMPLEMENTATION TARGETS OR ACTIONS PLANNED FOR NEXT SIX MONTHS

Planned action or target

Date expected

- * OTHER ISSUES OF INTEREST OR IMPORTANCE (unexpected)

V. THE FUTURE

V.A DEVELOPING AN EFFECTIVE STRATEGY

The purpose of PMS improvement is to develop more effective project management and monitoring systems that are acceptable to USAID and the Government of Malawi and can effectively handle an expanding portfolio of USAID-financed projects. That purpose is to contribute to more effective integration of GOM-USAID Management on development projects, which in turn will lead to better project performance within Malawi's development program. The logic of this effort is illustrated in Figure 13.

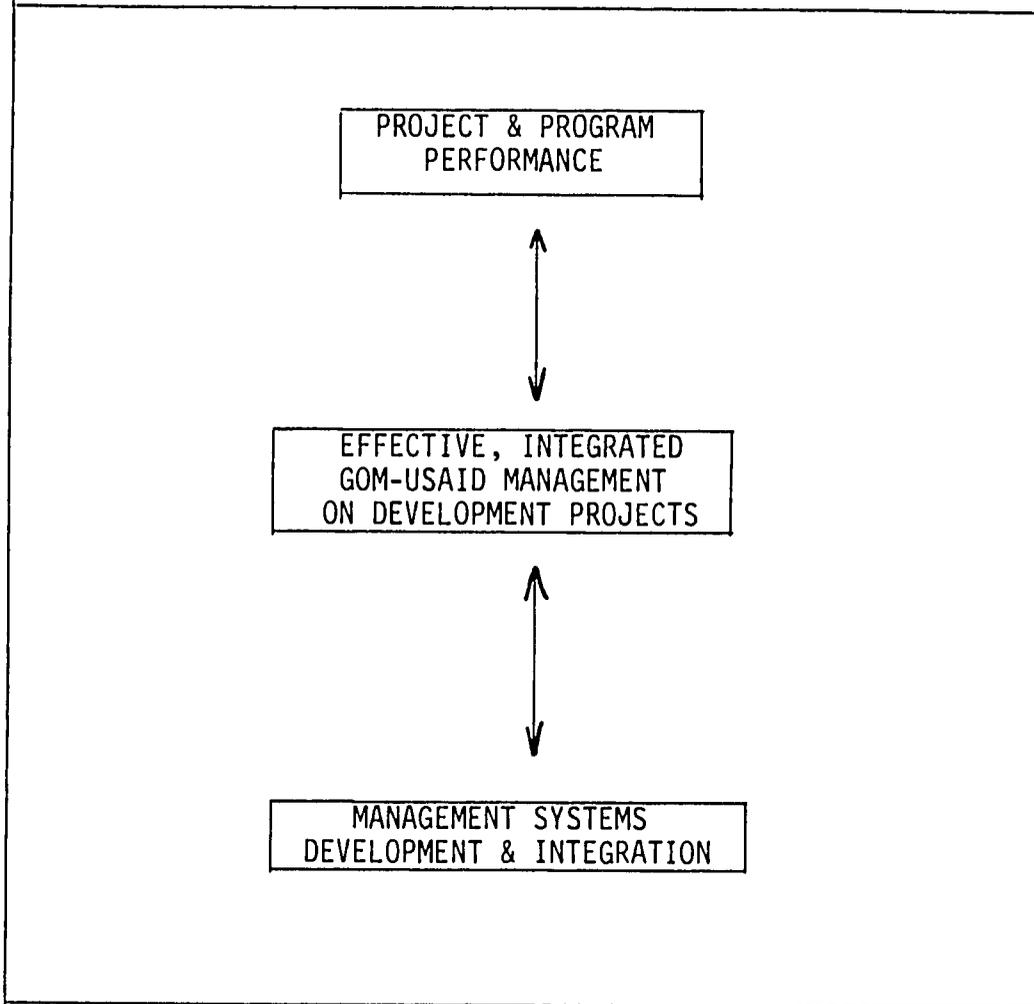
The specific purpose of Phase One was to define an overall project management, monitoring and implementation system in general terms, focusing specifically on plans for the project management system within MOF and USAID.

Some definitive agreements, approaches, techniques and systems frameworks for achieving that purpose are described in the following pages. These results can be understood within a strategy for achieving management systems development and integration. Specifically, the strategy can be stated as follows:

Traditional management systems development approaches start by examining mechanics of existing systems and then making recommendations for improved rationality. Our premise has been that technical improvements can be made in management systems but that the failure is also largely due to how people operate within existing systems. Any recommendations of either the mechanical or the human dimensions of the management systems will be regarded as change. Therefore, we adopted a "thesis" for Phase One:

"Failure is seldom due to technical deficiencies Rather, the reason is found in how people respond to change. When change is forced from without, people resist. When they are part of the change process, they shape it and are committed to making it work. Therefore, as much attention must be given to the human dynamics of systems as to the rational mechanics of design and techniques. Those required to spend time and energy to make something work must see a benefit to them and must have a hand in determining what it is and what it looks like; otherwise, they will act in compliance with the letter of the requirements, but not with the spirit."

FIGURE 13: GOALS OF MANAGEMENT IMPROVEMENT EFFORT



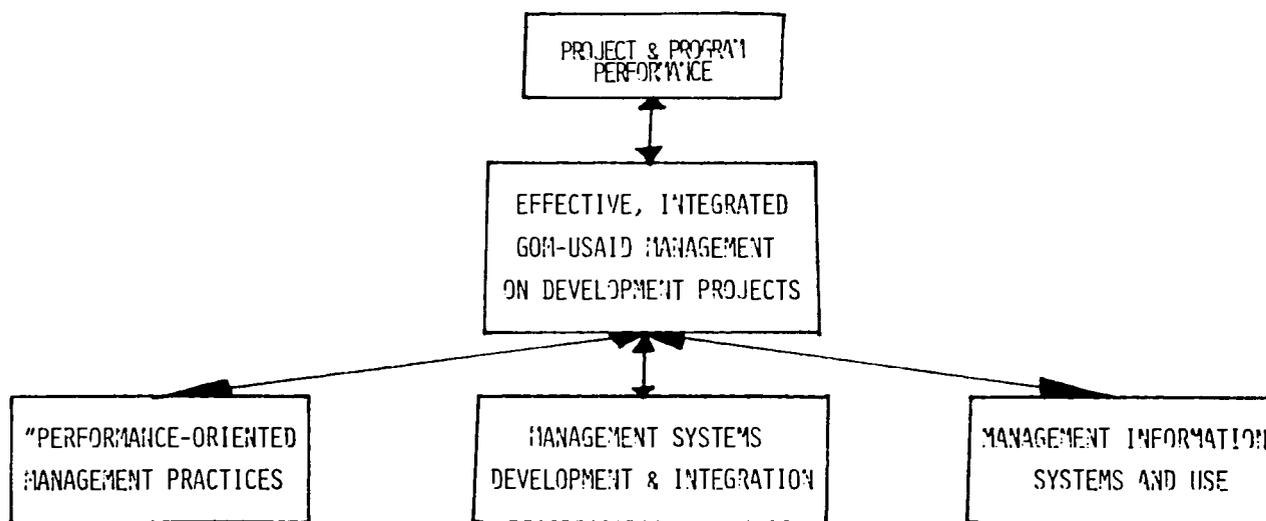
Project management systems can be developed and integrated when:

1. The key entities have shared goals, frameworks and strategies. The following steps were taken to ensure that USAID and MOF have shared goals, frameworks and strategies.
 - * agreement on basic premises of project management and management development. (see pp 19-21)
 - * agreement on an analytical framework for organizational structures and management patterns for development projects. (see Annex 6)
 - * draft framework for institutional and administrative analysis of organizations that will host USAID projects. (see Annex 7)
2. There are effective and agreed upon collaborative processes for planning and management. The following steps were taken to ensure better collaboration:
 - * A schedule of activities for AID planning was agreed upon in general for the next two years. (see Annex 3)
 - * MOF and OPC participation in the general processes of planning for specific projects at the PID, PP and contractor selection stages were agreed upon. (see pp. 23-25)
 - * Project Implementation Review processes by USAID and the MOF were agreed upon, as well as Program Review Meetings. (see pp. 38-39)
3. Implementation management approaches and methods are well-defined and communicated to all relevant parties. The following steps were taken in this respect:
 - * An Implementation Management Checklist was developed with the critical project management elements identified. (see p. 30)
 - * Project Implementation Planning Workshops were accepted as an approach to establish sound technical and management foundations for project execution. (see Annex 5)
 - * Team Planning Meetings would be used for better management of long-term and short-term technical assistance.

4. Malawian management systems are strengthened. Steps taken in this area were:
 - * Agreement that management components would be designed into projects as appropriate.
 - * Project designs would be analyzed for appropriate organizational structure and management patterns.
 - * The project management improvement effort would enter a second phase with much more involvement of the technical ministries.
5. Management information requirements are established, clearly systematized and communicated. Steps taken in this respect are:
 - * Clear understanding of need to differentiate information needs for the executive, managerial and operational project level. (see pp. 9-11)
 - * Draft proposed formats and agenda for Project Implementation Reviews. (see pp. 40-43)
 - * Agreement on basic premises of establishing an improved project management information system. (see pp. 36-39)
6. Clearly defined and agreed upon roles and responsibilities need to be established for all aspects of project management. In this respect, agreements were reached on:
 - * The roles of MOF and OPC relative to USAID project planning, analysis and approval. (see pp. 23-25)
 - * The roles of officials within USAID were negotiated and defined with respect to project planning on one project. (see pp. 27-28)
 - * USAID will use functional responsibility charts for further clarification of roles and responsibilities for project planning and management.

The six sets of activities discussed above constitute the elements of the strategy undertaken in reaching the purpose of this effort. These are illustrated in Figure 14.

FIGURE 14: STRATEGY DIMENSIONS FOR EFFECTIVE DEVELOPMENT MANAGEMENT



The steps taken to date, however useful, are incomplete. To achieve the overall objectives of this effort, additional steps must be taken within each of these elements. These will be discussed in next steps and recommendations.

In addition, there need to be complementary actions to ensure that the effort for management systems development and integration are reinforced by:

1. Management Information Systems and the systematic use of good information for management (Management Information Systems and Use).

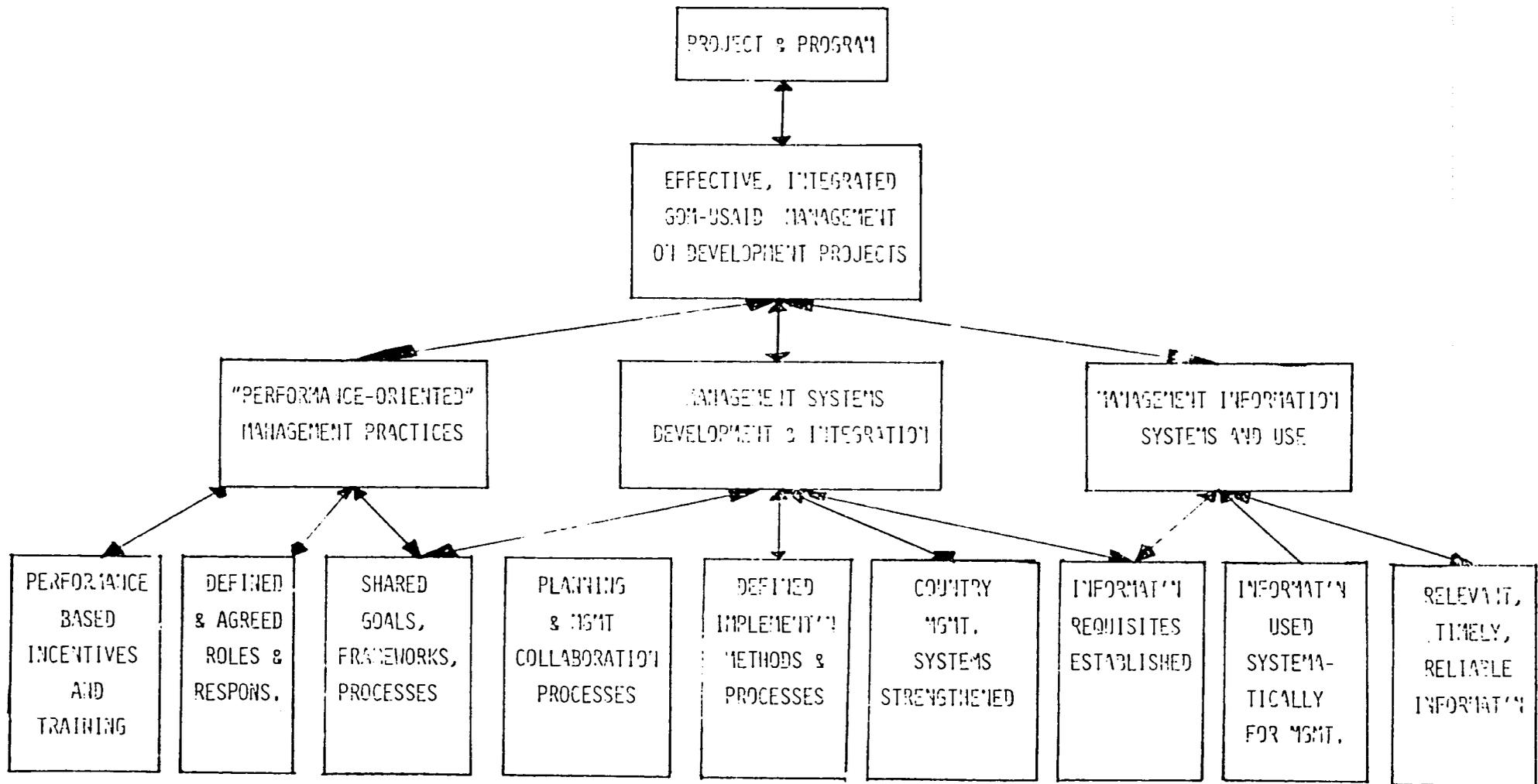
This will include "performance-oriented" work sessions, training and incentives. It will be supported by a norm to assure that roles and responsibilities are always clearly defined in advance through a collaborative process and another norm to ensure that goals and on strategies are shared in common by all relevant persons on projects or tasks.

2. Adoption and application of management practices at all project levels which are oriented towards actually improving performance toward project goals (Performance-Oriented Management Practices).

This will include (i) the establishment of clear information requirements, (ii) ensuring that information is timely, reliable and relevant, (iii) strengthening host country management information systems and (iv) actually using information systematically for decision-making.

The broader strategy components suggested to complement the Management Systems Development and Integration in ways that ensure actual improvement in project performance are shown in Figure 15.

FIGURE 15: A STRATEGIC PLAN FOR PROJECT MANAGEMENT



V.B. NEXT STEPS

Phase Two should be seen as a set of interrelated activities following from Phase One. It will begin as the DPMC consultancy ends. An MOF Representative defined Phase Two as follows:

"while Phase One has been oriented to defining terms in general, Phase Two should concentrate on specifics. While Phase One has been primarily a USAID/MOF/OPC effort, Phase Two should try to define relationships between implementing agencies and MOF/OPC and USAID. The entire effort can be viewed as a project with Phase One representing the planning stage and Phase Two the implementing stage."

An action planning session was held with technical ministries (MOA, MOH, AND DLVW) and with MOF, OPC AND USAID. The purpose of the session was to secure feedback from and explore with the technical ministries primarily responsible for project implementation, opinions on how to begin to operationalize the general agreements that had been reached so far in Phase One of the USAID/GOM project management improvement effort.

Although it was agreed to move ahead with the conceptual framework, representative of the technical ministries commented on their limited participation to date in defining the agreements reached by USAID, MOF and OPC. It was also noted by the representatives that terminology needs further definition and clarification. (For example, the term "management development components" as it appears under Agreements on Premises of PMS for USAID Financed Projects. (p.20).

1. The participants attempted to come to an understanding of the purpose (objectives) of Phase Two of the project management improvement effort. They suggested the following elements be added or clarified in the definition:
 - A. Define relationship and responsibilities regarding project implementation between implementing ministries, MOF, OPC and USAID.
 - B. Because Phase Two involves working on individual projects, mechanisms need to be developed for dealing more directly with the technical ministries.
 - C. Phase Two should test concepts, tools and procedures developed in Phase One. (Some elements can be operationalized immediately in ongoing projects.)

- D. Phase Two should monitor progress being made and allow for opportunities to modify or expand concepts, tools and procedures.
2. It was proposed that three types of Project Implementation Review meetings be commenced (or recommenced) which would address issues of concern at each of three levels - operational, managerial and executive. These separate meetings would be sequenced so that they would feed into each other. It was recognized that these series of meeting would be experimental and would probably require some adjustments in terms of defining agenda items and frequency.

The MOH noted that such operational project review meetings are already being held, and it was agreed that every effort would be made to utilize such meetings rather than duplicate efforts.

- A. Managerial Level - The MOF and USAID agreed to convene the first meeting to explain the rational, desired objectives, and operating procedures for holding managerial project implementation review meetings.

The purpose of the quarterly project implementation review meetings will be (a) to assess implementation progress, and team performance and (b) suggest other mechanisms for improving project implementation. Other mechanisms may include work plan formats and content, management information systems, and project management support requirements.

- B. Operational Level - It was agreed to encourage Project Implementation Teams to hold periodic implementation review meetings for operational level concerns in a form and content of their own choosing.

- C. New Projects - For new projects, the first quarterly management level project implementation review will be held shortly after the project agreement is signed. The agenda for this initial meeting will include a review of the implementation checklist to insure that there is a workable understanding for project implementation agencies. Agreements reached in this meeting will be documented in the initial Project Implementation Letter which is issued by AID.

3. The participants expressed interest in exploring methods of obtaining implementation support services. Alternatives need to be explored in future working

sessions and consideration should be directed to the need for establishing project support systems which service numerous projects as an alternative to building management support into each project. USAID agreed to convene such a working session.

4. In a final working session with USAID, MOF, and OPC the immediate next steps were identified. Figure 16 shows the Linear Responsibility Chart developed. An area that the working group identified as needing exploration in the future was building capacity in Malawian institutions to give training and technical assistance to the overall PMS effort and to project managers. For example, local institutions may be able to give technical assistance to project teams on work plan development.

Also the working group decided that as a first step to defining the options for design of project management support units, information would be gathered on a project-by-project basis about management support requirements through the PIR meetings. These meetings will essentially have a dual focus:

- (1) to monitor project progress.
- (2) to suggest/introduce additional project management improvement tools such as work plans, management information systems, and support units.

V.C. SOME RECOMMENDATIONS FROM THE DPMC TEAM

I. Some First Steps:

The strategy developed by the technical ministries, MOF, OPC and USAID for start-up of Phase Two is sound. Initiating project implementation review meetings with on-going projects both as a vehicle for improving project monitoring and introducing additional project management improvement techniques will allow immediate application of some of the agreements reached in Phase Two, and will increase the two-way dialogue between oversight and technical agencies regarding Phase Two objectives.

In order to prepare for PIR meetings the following should be considered:

- * What kinds of questions should be asked in a managerial level review meeting and how to do these questions differ from the operational or executive level program review meetings?

- * What agenda categories should be a part of every PIR managerial level meeting, how much time should be allocated for each meeting, and who should attend?

Figure 16:

LINEAR RESPONSIBILITY CHART FOR PHASE 2
IMMEDIATE NEXT STEPS

R = Responsible
P = Participates

Tasks	By When	Baker	Phiri	Chande	Makalande	Chikadza
1. Summary of agreements from action planning session sent to participants	5/31			Attending training session	R	
2. Fortnightly meetings between MOF and USAID (over next 2 months)	Week of 5/31	P	R/Chairs		Set up meeting time/P	P
3. Agenda for first PIR meeting with Blantyre/Mwanza road project drafted and sent out	6/10	R/Draft				
4. PIR meeting held with Blantyre/Mwanza road Proj.	6/15	P	R/Chairs		P	P
5. Agendas for first PIR meeting with Rural water project and Agric. Research project drafted and sent out	6/25	R/Draft				
6. PIR meetings held with Rural water project and Agric. Research project	6/30	P	R/Chairs		P	P
7. Agenda for first PIR meeting with CCCD project drafted and sent out	7/10					
8. Meeting between MOF and USAID on use of "MAC" report (Financial data)	7/15	R		P	P	P
9. PIR meeting held with CCCD project	7/15	P	R/Chairs	P	P	P
10. Look for acceptable workplan formats	No date set	R.		R	R	R

- * What kinds of briefing papers or reports will be required for each meeting and what is the suggested format?
- * Over the next 6 months which project management improvement strategies will be introduced and discussed in the meeting?

There are at least two areas of project management improvement identified by USAID, MOF and OPC that can be introduced immediately:

1. Work Plan Formats: In order to determine which format would be most appropriate, some thought must be given to information requirements at the operational, managerial and executive/oversight level. The work plan is one major source of information about project progress and could be structured to provide information required at each of the three levels. It should be a useful project management tool and not just another paper requirement.

The work plan can be designed in such a way that it communicates the major objectives of the new USAID/Malawi initiative. (For example, integration with Malawian institutions and institutional capacity building.)

2. Management Support Units: Participants in final working sessions realized that in order to evolve a clearer definition of the project management support unit concept, additional data was needed on a project by project basis. We recommend that a purpose statement be written to further define the concept and that a series of questions be developed focused on current and projected project management support requirements. These questions can be posed as part of the PIR agenda.

II. Short Range Proposals:

The overall focus of Phase Two, as wisely identified in final working sessions, should be to follow through on the basic agreements made. This includes insuring that the collaboration points identified do indeed occur and that opportunities for using tools developed (such as the analytical framework for organizational structures or the implementation checklist) are utilized.

In addition, we recommend that:

1. Planning begin for Project Implementation Planning workshops for the HID and READI projects, and a re-planning workshop for polytechnic.
 - * How to involve RFMC and REDSO
 - * Further briefing necessary to explain concept, methodology and desired outcomes
 - * Scheduling, contracting and identifying facilities
2. Follow-up working sessions be held after completing the PIR review sessions scheduled over the next month and a half. The purpose of the working sessions would be to discuss the information gathered about project management support requirements and to develop a proposal for meeting the requirements.
3. Develop a checklist for monitoring Phase Two and schedule quarterly Phase Two implementation review meetings.

III. Longer Range Recommendations

1. Explore the development of a local capacity for training and technical assistance tailor-made for providing project management systems training. This will increase the skills required to make the best use of the project management systems being put in place. For example training in the areas suggested below may be useful:
 - * Holding effective meetings
 - * Delegation of work
 - * Group problem solving methodologies
 - * Work planning

Team up a Malawian training institution with consultants experienced in the action training methodologies and together design and deliver the first series of sessions.

2. Hold discussions with the donor community about the project management systems effort and identify possible areas of collaboration/coordination.

3. Consider developing a more comprehensive strategy with GOM in relation to programs of other donors such as the World Bank. There may be aspects of the project management improvement effort that can be systematized for all donors.

V.D A LOOK AT THE BROADER IMPLICATION OF THE EFFORT

The initial need for this present phase of project management improvement was to develop systems which would permit a significant expansion of USAID's portfolio without a corresponding expansion of direct hire staff. However, as we have seen in the discussion of the overall objectives and the strategy which could be undertaken to achieve this, the implications of management development can be much broader. If the overall objective is to be achieved, several complementing sets of activities need to be simultaneously undertaken.

As a broad-based strategy for improving project performance and project management, the effort can:

- * Promote better management of projects by Malawians and Malawian institutions;
- * Develop management capacities and capabilities of Malawians and Malawian institutions for future development projects and programs.

This initiative for project management improvement is directly linked to the goals of improved donor coordination which were emphasized at the recent Donors Conference, namely to identify and resolve implementation problems and bottlenecks; to assist in strengthening local capacity for development planning and other fields of management at both the operational, programming and policy levels and to keep administrative requirements and demands for routine information at a minimum.

There are broader implications for AID as well. Implementation problems are being faced by many USAIDs. Some of the management improvement techniques and concepts incorporated in the approach being developed by USAID/Malawi have been tested in other country programs, such as implementation workshops in Jamaica, Thailand and Indonesia. Others are quite unique. The program here will test their applicability and adaptability to a still wider application for the agency. The effort here has a potential for minimizing problems which plague development projects world-wide. Examples of such problems are:

- * Project design processes which take too long, often producing a project document already out of date before project start-up. As a result, project start-up activities may have little to build on, must redirect scarce resources to further design work and must build project relationships with officials from the ground up.
- * Participation by Host Country officials in the design of development projects limited to review and approval resulting in projects which do not receive the active support they need and lack local input leading to technically or culturally inappropriate features and overlooked political realities.
- * An ad hoc approach to program management with each step in the process isolated and loosely connected to the steps before and after it, instead of being part of a consistently focused set of activities leading to a well-designed, functioning project whose development has built the basis for its success.
- * Costly delays in project implementation and start-up with urgently needed resources and services taking years longer to reach the intended recipients.
- * Redundant and ineffective controls and operational procedures which erode flexibility on a project by projects basis making it difficult to adjust to external changes during project life.
- * Interaction between donor/oversight agencies and projects which focus only on control or resource requirements rather than projects accomplishments.
- * The lack of timely, usefully organized and reliable project monitoring information promotes reliance by project managers, donors and oversight institutions on intuition and past experience. In the hands of an excellent manager, project results can nevertheless be good, though muddling through, however is more common. But managers and other actors who have good information when they need it, do a better job.
- * For the first year or two of a project's existence, few of its ultimate output payoff objectives are

being ultimately addressed. Too often the attention is only on staffing and financial flows - specifically, is technical preparation complete? Are staff requirements being met? Are equipment materials and supplies ordered? Are infrastructure contacts awarded.

It was with these needs and opportunities in mind that USAID/Malawi contracted with the Development Project Management Center (DPMC) of the Office of International Cooperation and Development (OICD) of the U.S. Department of Agriculture to assist the Government of Malawi and USAID/Malawi in the design and implementation of improved management systems.

Approaches and techniques developed and proven here can be useful to AID worldwide. The Deputy Director of the Regional Financial Management Center (RFMC) visited the Mission during Phase One. In sharing and comparing materials and approaches, it was evident that this approach can help financial management and program management within the region. The steps taken by USAID, if assertive enough and comprehensive enough to make a real difference on performance, are at the forefront of one of the most important challenges in development, the appropriate and effective use of increasingly scarce resources for achieving self-sustaining development objectives.

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A. ANNEX 1

PROPOSED PLAN FOR TECHNICAL ASSISTANCE
ON PROJECT MANAGEMENT SYSTEMS IMPROVEMENTS AND
CALENDER OF MAJOR EVENTS

APRIL, 1984

DPMC

67



To Official of USAID/Malawi and Ministry of Finance, Government of Malawi

From DPMC Team: Merlyn Kettering and Claudia Liebler

Subject Malawi: Development Project Management Systems

PROPOSED PLAN FOR DPMC TECHNICAL ASSISTANCE
Lilongwe, Malawi
April-May 1984

I. PURPOSE AND OBJECTIVES

USAID/Malawi is collaborating with the Government of Malawi to develop more effective project management and monitoring systems for USAID-financed projects. Our purpose is to develop, with USAID and the Government of Malawi, mutually acceptable project management systems which can effectively handle an expanding portfolio of USAID-financed projects.

The overall goal of this effort is to improve development project management in Malawi, particularly during implementation. The project management systems will (i) provide unified project direction, coordination and implementation decision-making and (ii) define project implementation, monitoring and supervision responsibilities for oversight agents.

The development of the project management systems will be carried out in several phases. The present phase will define an overall project management, monitoring and implementation system in general terms, and focus specifically on plans for the project management system within the Ministry of Finance and USAID/Malawi, and the roles of MOF and USAID with respect to USAID-funded projects. Subsequent phases will complete detailed formulation of the systems, focusing on the project implementing agencies, developing plans for training in skills identified as needed to implement the systems, and monitoring the implementation of the systems.

II. METHODOLOGY

The Development Project Management Center (DPMC) of the Office of International Cooperation and Development (OICD) of the U.S. Department of Agriculture has been contracted to assist the Government of Malawi and USAID/Malawi in the design and implementation of improved management systems. DPMC has extensive experience in project management including



design, implementation, evaluation and management systems. DPMC's primary approach to improving development management is characterized as action training. Action-training is a highly participative, results-oriented approach which activates working groups on real projects and assignments to engage in the use of innovative processes and techniques to increase their productivity, effectiveness and performance. Working together on specific assignments, the teams develop better ways to achieve their goals. This approach has been found particularly relevant for development projects.

Phase One is an action-training program combining workshops, working sessions, and individual and team assignments to produce:

- (i) the agreement on system objectives and criteria;
- (ii) reconnaissance studies to establish reality boundaries for the project management systems;
- (iii) the design of a basic project implementation management system; and
- (iv) the action plan for further development and training for the project management systems.

III. TIMING AND ACTIVITIES OF PHASE ONE

Phase One of the Development Project Management Systems Project will be conducted by DPMC from April 17 to May 25. The activities of this phase will be carried out in four integrated stages:

- (1) Orientation and Objectives Setting;
- (2) Reconnaissance;
- (3) Design and Documentation; and
- (4) Action-planning.

The activities of this phase will be carried out in four integrated stages:

1. Orientation and Objectives Setting

This stage will establish a common understanding between USAID, GOM/MOF and DPMC regarding the expectations for this phase and for the overall project management system. Agreements will be reached between USAID and the GOM on the objectives of the desired management system and criteria for its general design. Initial general agreements will also be reached concerning roles and responsibilities in the project management system and on how to monitor performance of the system. The primary activities will involve discussions with USAID and MOF personnel and joint working sessions

to reach agreements and document decisions. A Core Team consisting of representatives from both USAID and GOM will be identified to assist in the activities of subsequent stages.

2. Reconnaissance

This stage is based on the selection of pilot USAID-financed projects which will be used as the reality base for scoping and designing project management systems. These current projects will be used as pilot sites to plan for the re-definition of project management systems. Current systems and practices will be analyzed within a general approach to project management determined by the agreements of the first stage. Selected members of the Core Team will collaborate with Project Teams and the DPMC consultants in the analysis. At the end of this stage, working groups will be organized for carrying out Stage 3, System Design and Documentation.

3. System Design and Documentation

The design of the system, based upon the objectives and agreements established in Stage One and the characteristics and conditions of practices and systems on existing projects form the basis for the initial design of the implementation system in general and the preliminary plans for the project management system within MOF and USAID. Roles and responsibilities and functions of USAID project and accounting officers will be defined and the relationships of implementation monitoring responsibilities. Roles and responsibilities of MOF officials will be defined and the interactions of MOF offices with USAID and project implementation agencies, such as the Ministry of Agriculture, DLVW, etc. Specific documentation will be related to selected projects so that the systems are documented in sufficient detail to permit field testing and further refinement based upon development and training plans of subsequent phases.

4. Action-planning

The final stage of Phase One involves creating and initiating action plans for further development of the Project Management Systems. This involves immediate steps to be carried out independently and jointly by the GOM and USAID as well as discrete steps for subsequent phases. Steps which need to be considered include implementation of specific systems or sub-systems in USAID, MOF or implementing agencies, training plans to enhance skills and organizational capabilities and plans for monitoring and adapting the system during implementation.

Proposed Schedule of Key Events:

April	17	Arrival of Dr. Kettering
	18-19	Protocol and Initial Meeting with USAID and GOM/MOF

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	23	Arrival of Ms. Liebler
	26-27	Objectives Setting Workshop
May	2- 4	Project Reconnaissance Workshop
	7-11	System Design Workshop Sessions
	14	Workshop to Review System Design and Establish Tentative Follow-up Plans
	15	Departure of Dr. Kettering
	15-19	Systems Documentation
	21	Action-planning Workshop
	25	Final Briefing
	26	Departure of Ms. Liebler

IV. ASSUMPTIONS AND CONSTRAINTS

There are a number of critical assumptions which the DPMC team have had to make and upon which the success of the effort will rest. These include the following:

1. There is interest in and support for the shift in implementation strategy of USAID-financed projects in both USAID and the Government of Malawi.
2. Changes in the project management system can have a significant impact on the current and future problems and realities of project implementation.
3. Phase One is only the beginning of a process which will require continuity, support and attention from both USAID and the Government of Malawi if it is to be successful.
4. There is sufficient communication between the Ministry of Finance, Implementing Agencies in Malawi and USAID to identify and resolve issues of project management and performance.
5. Full participation of knowledgeable persons from USAID and the Government of Malawi is possible for the group and individual work necessary for the planning, design and testing involved in the development of improved management systems.
6. Coordinators from both USAID and the Government of Malawi will be appointed to take responsibility for the overall guidance and leadership of this effort.

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There are also a number of critical constraints which are recognized by the DPMC team and which need to be explored at the outset of this effort.

- a. There is a compressed timeframe to achieve ambitious expected outcomes.
- b. The current plan is based on assumptions which may need modification upon arrival in Malawi.
- c. DPMC's consultation/facilitation approach requires active participation of key personnel in the Government of Malawi and USAID.
- d. Other responsibilities of key officials may impinge upon the attention and time necessary for a successful effort.
- e. Involvement of project-level teams on this effort may be perceived as descriptive to their ongoing programs and responsibilities.
- f. Logistic and administrative support is needed for the workgroups to be effective and to get tasks completed in a timely, efficient manner.
- g. High-level and broad approval of changes in existing practices and procedures will be necessary if proposed system changes and designs are to be practically implemented.

The nature of the assumptions and constraints outlined above have determine what can be accomplished during this phase and how accomplishments will be achieved. One of the first steps will be to come to agreement around these in relation to the objectives outlined earlier in this planning document.

V. THE CONTACT ORGANIZATION (DPMC) AND TEAM

1. Development Project Management Center (DPMC), United States Department of Agriculture

The Development Project Management Center (DPMC) is an international management resource and service organization with sponsorship of the Office of Rural Development and Development Administration in the U.S. Agency for International Development (AID). The primary objective of DPMC is to expand the appropriate use of performance-based and results-oriented management concepts, processes and techniques in the implementation and management of development policies, programs, and projects. DPMC is engaged in integrated action and learning processes to enhance the productive use of human and material resources to accomplish specified development objectives under conditions of uncertainty and partial control.

DPMC believes that improved management in developing countries and assistance agencies will result in substantial benefits -- economic

A1.6

and social -- to the nations and peoples involved. This doctrine is based on the following:

- * Management is a necessary component of successful development policy and program implementation.
- * The implementation of development programs is facilitated by the presence of several generic management functions. These generic functions are observable in successful development efforts across a wide range of organizations, and experience to date suggests that they can be clearly articulated, and integrated into existing institutional structures. Four key management functions which have been identified are:
 - Having clearly stated and shared objectives;
 - Having a consensus on roles and responsibilities;
 - Using realistic implementation planning and support systems; and
 - Using operational guidance and adaptive mechanisms such as monitoring and evaluation as a basis for program modification and redesign.
- * The application of these generic management functions, as adapted to the unique cultural context of development institutions and organizations, can contribute to significant improvements in development performance.
- * The transfer and institutionalization of these management functions -- referred to as management performance improvement efforts -- can be both effective and feasible when carried out in a collaborative multidisciplinary team mode which unifies learning experiences on the one hand with actual work assignments and problem resolution on the other.

DPMC ENGAGEMENTS

The DPMC, through its permanent staff and associates, has engaged in a wide range of management improvement efforts.

- o technical assistance in the design and implementation of management improvement efforts -- Senegal, Egypt, Mali, Mauritania, Indonesia, Guatemala, Guinea-Bissau, Nepal, Niger, Jamaica, Haiti, Portugal, and the Sahel
- o technical assistance and other forms of support to regional development institutes such as the Pan African Institute for Development (PAID), the African Training and Research Center

African Management Institute of Agricultural Sciences, and the Organization of American States.

- o conducting of international workshops -- U.S., Costa Rica.

The Center's services may be accessed through a request to AID (either a Field Mission or the Office of Rural Development and Development Administration). Alternatively, direct contact can be made with DPMC at the USDA.

Further information may be obtained from:

DEVELOPMENT PROJECT MANAGEMENT CENTER
OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT
TECHNICAL ASSISTANCE DIVISION
ROOM 4301, AUDITORS BUILDING
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, DC 20250

2. Merlyn Kettering

Merlyn Kettering is the Project Development Specialist for the Development Project Management Center (DPMC/OICD/USDA). His present responsibilities include the following: Senior Project Director for the Sahel Regional Financial Management Project; Senior Management and Implementation Advisor to the Management Development Component of the Mali Livestock Sector Program, the Indonesia Training of Trainers for Provincial Development Project, the Farm Systems Research & Development Project of the Caribbean Agriculture Research Development Institute, and the Haiti Technical Assistance and Training Project in the Ministry of Plan; and Research Manager and Technical Advisor for DPMC on the Performance Management Project, Technical Assistance Improvement Program and Project Implementation Technical Paper. He has past experience in Jamaica on the National Planning Project (1976-1980), the Sahel Financial Management Improvement Team (1981-83), the Thailand Project Management Systems Project (1981-83) and on rural development and education projects in Nigeria and Greece. He is the primary author of the Project Planning and Management Series of the Government of Jamaica. He has a Ph.D. in Economic and Social Development (1977) and an MPA in Development Administration (1974) from the University of Pittsburgh.

3. Claudia Liebler

Claudia Liebler is a consultant for the Development Project Management Center (DPMC/OICD/USDA). She has extensive experience in the following areas: program management for international programs; training design and delivery for program and project management, training of trainers, technology transfer and program planning and development; planning and development experience on development projects at all stages including design, assessment, implementation,

A1.8

evaluation and transfer to operations; and curriculum design and development in programs for management, technical and training specialities. She has worked on development projects in Nigeria, Tanzania and Turkey extensively and has experience with projects and programs in many other countries of Asia and the Caribbean.

CALENDAR OF MAJOR EVENTSWEEK ONE APRIL 17-19

4/18 : Meeting with MOF and USAID

Participants: Baker : USAID
Chande : MOF

Purpose : o To give overview of history, background and rationale for USAID project management systems initiative.

To present proposed plan for Phase One, identify steps and who should be involved.

4/19 : Meeting with MOA and USAID

Participants: Legg : MOA
Mwandamere : MOA
Kingawede : MOA
Judy : USAID
Paisley :
Baker : USAID

Purpose :

WEEK TWO APRIL 23-27

4/24 : Meeting with MOF and USAID

Participants: Phiri : MOF
Chande : MOF
Makalande : MOF
Baker : USAID

Purpose : o To plan how to proceed with Phase One.

4/25 : Meeting with MOA

Participants: Gausi : MOA
Erez : MOA
Nyirenda : MOA

Purpose : o To share DPMC team strategy for Phase One and receive feedback.

A1.10

- o To gather information about current project management practices.

4/25

: Meeting with USAID

Participants: Cole : USAID

- Purpose :
- o To brief the USAID representative on activities to date.
 - o To discuss next steps.
 - o To identify emerging issues.

4/26 and 4/27

: Working Sessions with MOF and USAID

Participants:

Nthenda	:	OPC
Chikadza	:	OPC
Mandala	:	OPC
Chande	:	MOF
Mkalande	:	MOF
Cole	:	USAID
Baker	:	USAID

- Purpose :
- o To reach agreement between MOF, OPC, and USAID on general principles of project management systems.
 - o To develop a framework that categorizes current project management structures and pros and cons of each.
 - o To reach an understanding of the major functions and elements of a project management system.

WEEK THREE APRIL 30 - MAY 4

4/30

: Planning Session with MOF and USAID

Participants:

Chande	:	MOF
Makalande	:	MOF
Baker	:	USAID

- Purpose :
- o To assess DPMC team activities to date.

A1.11

- o To review project management systems framework.
- o To discuss next steps.

5/1

: Meetings with MOH and DLVW

Participants: Manda : MOH
Chizimbe : MOH
Myasulu : DLVW

- Purpose :
- o To update officials on project management systems effort.
 - o To present design of workshop for ministry officials and receive input.

5/2

: Workshop with MOF, OPC, MOA, MOH and DLVW

Participants: Chande : MOF
Makalanda : MOF
Mongona : MOF
Mhanga : MOF
Nadhiyo : MOF
DISI : MOF
Mandala : OPC
Chikadza : OPC
Singini : DLVW
Mphande : DLVW
Manda : MOH
Chizimbi : MOH
Kavinya : MOA
Disi : MOH
Manda : MOA

- Purpose :
- o To experience the activities involved in project implementation through participation in a simulation.
 - o To identify issues of project implementation which have implications for the creation of new project management systems.
 - o To share a common understanding of a project management systems framework.

- o To test the usefulness of the framework in analyzing current problems.

5/3

: Working Session with MOF, OPC and USAID

Participants: Makalande : MOF
 Chande : MOF
 Mandala : OPC
 Chikadza : OPC
 Baker : USAID

- Purpose :
- o To review upcoming design and start-up schedule of USAID financed projects.
 - o To clarify roles and responsibilities of MOF, OPC and USAID at design stage of USAID financed projects.

WEEK FOUR MAY 7 - MAY 11

5/8

: Working Session with USAID

Participants: Cole : USAID
 Garms : USAID
 Baker : USAID

- Purpose :
- o To review agreements/ accomplishments to date and receive feedback.
 - o To discuss issues and implications for USAID.
 - o To clarify USAID staff functions in the planning process.
 - o To identify next steps.

5/9

: Working Session with MOF, OPC and USAID

Participants: Chande : MOF
 Makalande : MOF
 Chikadza : OPC
 Baker : USAID

A1.13

- Purpose : o To discuss purpose, goals and methodology of implementation workshops.
- o To do pre-planning for holding an implementation workshop with the READI project.

5/10

: Team Planning Meeting for Malawi Commercial Transport Project

Participants:

Cook	:	Louis Berger International
Moeller	:	Louis Berger International
Lewis	:	Louis Berger International
Baker	:	USAID
Gallagher	:	MOTC
Kaunda	:	MOTC
Yancey	:	DEMATT

- Purpose : o To develop with USAID contractor a comprehensive strategy and work plan for producing project paper.
- o To share expectations regarding standards for finished product, time frame, collaboration/coordination points, and briefing schedule.

5/11

: Meeting with USAID

Participants: Cole : USAID

- Purpose : o To update USAID representative on DPMC team activities.
- o To receive feedback on work accomplished to date.
- o To share observations and recommendations on internal management concerns.

WEEK SIX MAY 21 - 25

5/22

: Working Session with MOF, OPC, USAID, MOA, MOH, and DLVW

Participants:

Chande	:	MOF
Makalande	:	MOF
Chikadza	:	OPC
Kalebe	:	OPC
Robertson	:	DLVW
Singini	:	DLVW
Manda	:	MOH
Chizimbe	:	MOH
Disi	:	MOH
Kavinya	:	MOA
Chikonda	:	MOA
Garms	:	USAID
Baker	:	USAID

Purpose :

- o To update ministries on project management systems effort.
- o To receive feedback from ministries on accomplishments to date.
- o To discuss implications of the effort for on-going and new USAID financed projects in MOA, MOH and DLVW.
- o To identify desired outcomes for Phase Two.

5/24

: Working Session with MOF, OPC, and USAID

Participants:

Chande	:	MOF
Chikadza	:	OPC
Makalande	:	MOF
Baker	:	USAID

Purpose :

- o To receive feedback on DPMC team's draft report.
- o To review and assign responsibilities for next steps.
- o To give feedback to the DPMC team.

B. ANNEX 2

THE PROJECT IMPLEMENTATION PROCESS
AND ITS MANAGEMENT

- WORKING PAPER-

MAY, 1984

Merlyn Kettering
DPMC/OICD/USDA

MANAGEMENT OF THE PROJECT IMPLEMENTATION PROCESS:
A FRAMEWORK FOR MONITORING AND CONTROLLING PROJECTS

I. THE PROJECT IMPLEMENTATION PROCESS

Development projects are risky ventures. They are often unique and involve a great deal of uncertainty. They are expected to rapidly achieve ambitious objectives with limited and scarce financial, human and physical resources. They are change oriented and often controversial. Frequently, they involve innovative technologies and require mobilization of persons and organizations which have not worked together effectively previously.

Because of the nature of development projects, it is necessary to embark upon a continuous process of adaptation and replanning throughout project implementation. The Project Implementation Process is the total set of activities required to move a project from the conception/planning/approval stage to realization of its objectives. The transition from project designs to reality is extremely complex and difficult. Initial plans are often unrealistic and inadequate for implementation. Key implementation persons and organizations have not been involved in design and do not understand or feel responsibility for the projects. Therefore, project implementation must begin with structured communication and participative planning involving the key actors for implementation.

A realistic implementation plan, created by the executing agencies, is the foundation for successful projects.

The purpose of a Project Implementation Process is to ensure that projects are successful. Successful projects are those which adequately achieve their objectives within reasonable time and costs. Stated another way, it is a process which ensures that scarce project resources (inputs) are used widely and effectively to produce the expected project outputs and achieve the agreed-upon project purposes.

The Project Implementation Process involves four basic functions, which build upon realistic implementation plans:

Implementation and Replanning - adapting initial and subsequent action plans to meet the challenge of problems and opportunities so that momentum toward the project objectives is maintained.

Communication and Motivation - involving and informing related project staff about goals and objectives, roles and responsibilities, tasks and schedules, standards, and review and management processes in such a way that they are motivated to carry out their responsibilities toward achieving project objectives.

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Execution of Work - involving the actual completion of tasks and the coordination of linkages and relationships between tasks and units so that the inputs are used effectively to product outputs.

Monitoring, Controlling and Evaluation - assuring that intended results, purposes and overall goals are achieved and that there is adequate direction to respond to changes in the environment and lessons learned from the project.

The Project Implementation Process is illustrated in Figure 1. The continuous cyclical nature of the process results from the need to frequently redirect project activities as changes occur in the needs of the project environment and beneficiaries, in the anticipated results of technologies and inputs (resources) used, and in the social and economic processes mobilized by the project. In short, good project implementation process is a process of purposeful adaptation of purposeful actions.

Each function of the Project Implementation Process involves a set of sub-functions, which are interrelated and link between the functions.

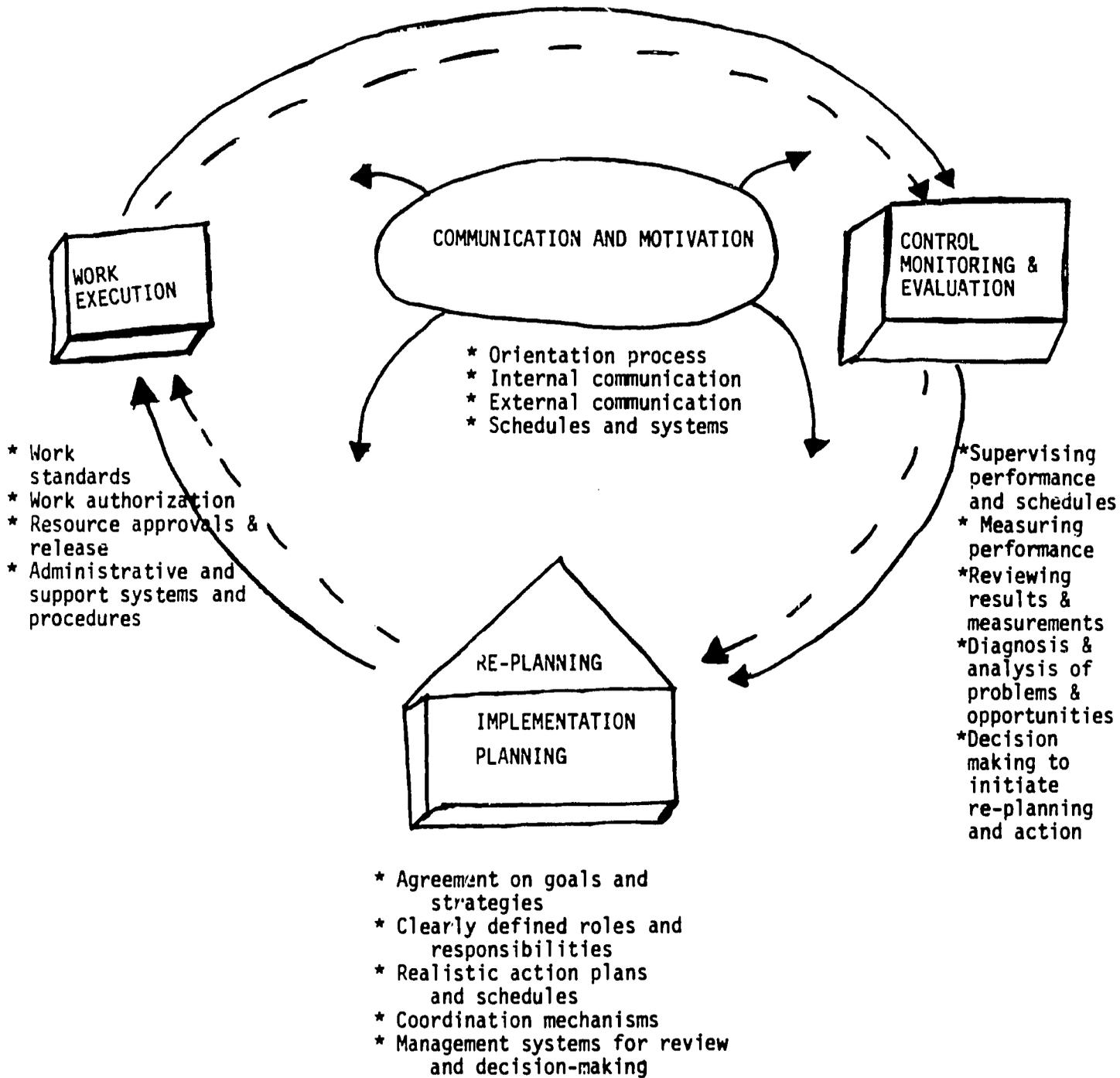
IMPLEMENTATION PLANNING AND RE-PLANNING

Establishing realistic implementation plans requires that these sub-functions be performed in a relatively systematic manner at key points in implementation, the first time being at project implementation start-up:

- (i) agreement among key actors on scope, goals, and purposes and targets for the project, or a specific set of activities within the project;
- (ii) agreement upon a strategy for achieving the goals and a realistic set of action work plans identifying resources and schedules
- (iii) agreement upon roles, responsibility and coordination mechanisms for the activities;
- (iv) understanding of and clarification of procedures and plans for mobilizing the resources (financial, human and physical)
- (v) agreement upon management mechanisms for monitoring, evaluating, and redirecting the project activities as necessary to achieve objectives.

FIGURE 1:

PROJECT IMPLEMENTATION PROCESS



COMMUNICATION AND MOTIVATION

Communication refers to the meaningful exchange of messages to achieve favorable responses and actions to promote personal and project goal achievement. Motivation is the inner force of commitment that causes individuals to exert and direct their efforts and resources toward goal achievement. This sub function involves the basically human interaction and processes including:

- (i) orientation of project related personnel to the total project and their roles, tasks and standards
- (ii) developing mechanisms for continuing communication on basic project processes and individual responsibilities and for maintaining motivations consistent with project objectives.
- (iii) establishing communication linkages and patterns with key groups, organizations and individuals in the project environment
- (iv) establishing responsibilities and schedules for maintaining communications (briefings, meetings, reviews, etc.)

WORK EXECUTION

Work execution, carried out primarily by technical functional units, are the core of project accomplishments. It is the responsibility of all levels of management to see that the work is done by:

- (i) assigning the work through work authorizations or task orders including clear definitions and standards
- (ii) releasing and approving resources adequate and appropriate to the work or tasks assigned
- (iii) providing clear procedures for administration and support required for task accomplishment, coordination and acknowledgment.

CONTROL, MONITORING AND EVALUATION

Control involves maintaining the direction of the project toward the project objectives and limiting deviations to acceptable tolerances. Every project encounters unforeseen circumstances. Changes are demanded in the original plans. The control system is to alert management to deviations, to permit analysis of deviations to determine significance of problems and opportunities, and to

undertake decisions for initiating corrective actions. The sub-functions involve:

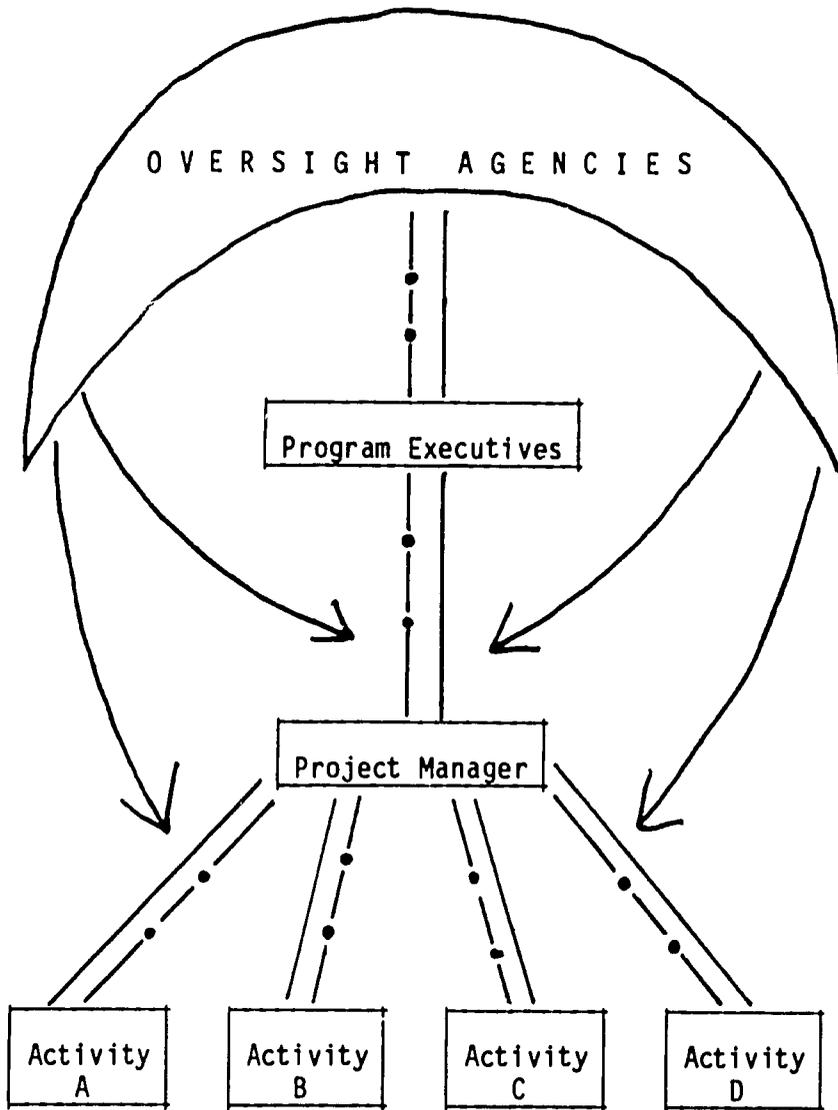
- (i) supervising management of activities by paying systematic attention to the progress of activities and schedules.
- (ii) checking and measuring performance in categories consistent with agreement and procedures established for the project.
- (iii) review of performance to compare actual performance and conditions to targets and plans through an organizational process involving key actors
- (iv) diagnosis and analysis of discrepancies, problems and opportunities to determine significance and potentialities for action.
- (v) decision-making, using the information to ascertain appropriate changes and adaptations and initiating action.

II. MONITORING AND EVALUATION FOR PROJECT CONTROL

Managerial control (including monitoring and evaluation) is an integral part of the project implementation process. Because of the nature of development projects, control is a continuous function, which must involve both planned, periodic procedures and special, crisis-oriented procedures. Management control are those management activities which maintain the integrity of the project and its direction and momentum toward the project goals. Its sub-functions anticipate and identify problems and opportunities which suggest that deviations from current plans are significant, likely or warranted. It results in initiating replanning and remedial actions so that project goals can be achieved.

Two key technologies for project control are monitoring and evaluation. Monitoring is the review of actual activities and accomplishments during the course of project implementation. Monitoring is concerned with input consumption, output production, the input-to-output conversion processes and technology application in terms of time and financial, physical and human resources. Financial analysis and work performance analysis are aspects of monitoring. Evaluation is the rigorous examination of the project design, or project technologies and of lessons learned. It is normally undertaken at key points (mid-term) during project implementation and at the termination of the project (summative evaluation) to determine project impact and effectiveness. Evaluation can also be linked with monitoring (formative evaluation) to test key assumptions, design and technologies during the implementation process for refinement and adaptation to improve project performance.

FIGURE 2: PROJECT CONTROL -- MULTIPLE LEVELS AND RESPONSIBILITIES



Oversight Control will be defined by the role and needs of specific agencies to determine entry into information chain and specification requirements. Normally, existing information is tapped and adapted.

Program Level Control requires summaries of financial and physical progress on periodic basis and overview of manager's analysis and actions.

Project Management Control requires periodic monitoring and data in summary form on activity performance to detect significant changes, problems and opportunities.

Activity Level Control requires continuous and detailed data about direct use and control of resources and outputs.

_____ = Financial Information Links
 - . - = Physical Information Links

A2.7

Within a project, control is exercised at multiple levels. (See Figure 2). There is control at the activity level, for which the manager-technician for the task assumes responsibility, under the supervision of the project manager (and perhaps others in the organization). Above the activity level, the project manager is responsible for overall control of the project, especially the coordinated use of inputs (resources) to achieve identified outputs and the coordination between activities and outputs so that purposes are achieved. Above the project level, program executives in the implementing agencies have responsibility for the performance of the project, relating projects to larger programs and resolving difficulties or embracing opportunities so that the achievement of project and program objectives is enhanced. Finally, there are external agencies which have specific oversight and control responsibilities relative to projects in relation to the environment and the larger socio-institutional setting. This includes donor and lending agencies as well as indigenous institutions such as the Ministries of Plan and Finance, and so on.

The complexity of the control function on development project and the organizational configurations involved in control at multiple levels requires special managerial attention so that the dynamics of the control function do not adversely impinge upon project performance. Without understanding and coordination, the control function can be misinterpreted. It can become resisted, a burden upon already overloaded project resources and an exercise in futility to the frustration of all involved.

Control can be understood in many ways. Some of these reinforce the threatening nature of this managerial function. Interpreted narrowly, control is seen as a means to reveal deviations from plans and identify the culprits who did not or could not conform to expectations. The legalistic and conformance approach to control is heavily preoccupied with a narrow definition of accountability. Early concepts of project control were most closely associated with accounting and financial practices which emphasized control as the legalistic and formal enforcement of commitments and contracts. It sees the responsibility of a manager, for example, to provide an accounting to outsiders on resource use and performance.

Defining control as strict accountability and conformity to plans is inconsistent with development processes and projects. Project plans must be indicative and dynamic. Changes are expected as a normal part of the project implementation process. In fact, learning is a central objective of many projects. The learning is more effective if it can be reincorporated into project design as rapidly as possible.

For development projects, control must be defined as both goal and plan oriented. It involves accountability for resource use, but in

A2.8

relation to goal achievement. If planning targets are unrealistic, control systems signal the problems so that plans can be reformulated before vast amounts of resources are wasted on ineffective or inefficient methods and technologies or on unwarranted and inappropriate purposes and outputs.

Because development project takes place in very complex, turbulent and dynamic environments, a common cause of project problems (and a source of project opportunities) is change in the environment. Project control must be concerned with external happenings as well as with internal project variances. Control for development project effectiveness makes certain that what the project is trying to attain is needed, appropriate and worthwhile. Control for efficiency is concerned with the technology, costs and values for achieving the objectives.

Control systems which place excessive emphasis on financial or economic factors are often ineffective, ignored and even dysfunctional. They are not fully responsive to the development realities and the milieu surrounding the persons actually responsible for actions at the core of the project. A sound project control process acknowledges human, organizational, political and technological variables as well as financial and economic ones. The former are much more difficult to measure and quantify, but are often key.

C. ANNEX 3

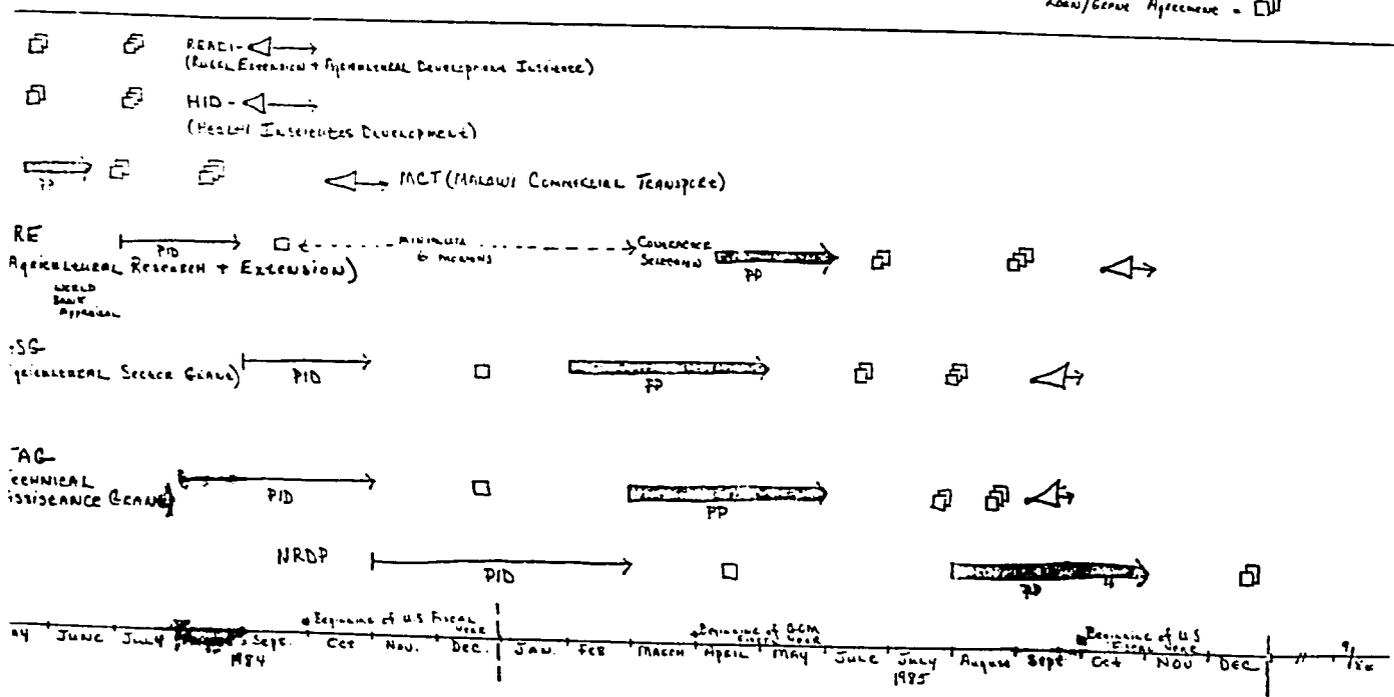
AN OVERALL PLAN FOR MAJOR USAID
FINANCED PROJECTS PROPOSED

USAID/Malawi Design Schedule
MAY, 1984 - September, 1986

☐ = PID Approval
PID prep = →

☐ = PP Approved
PP prep = →

◁ = Implementation Start-up
Loan/Grant Agreement = ☐



OM Development Budget Cycle
Development Proposals → Sep/Oct. Com. → Development Budget → Jan.

S. MD Obligation Cycle → Obligate 100%

MARCH 1984 → 100% OBLIGATION 40%
MAY/JUNE → 100% COLLECTED
AUGUST → 100% COLLECTED
SEPT. → No obligations

D. ANNEX 4

IMPLEMENTATION PLANNING
A KEY TO
AN EFFECTIVE PROJECT MANAGEMENT SYSTEM

-WORKING PAPER-

MAY, 1984

Merlyn Kettering
USAID/MALAWI
DPMC/OICD/USDA

A4.1

IMPLEMENTATION PLANNING: A KEY TO AN EFFECTIVE PROJECT MANAGEMENT SYSTEM

(Working Paper for USAID & Government of Malawi, May 2, 1984)

OVERVIEW:

The unique feature of the PMS strategy is the building of project level implementation operations foundations. PMS is a natural by-product of a methodology which equips the project team to continuously plan, control, implement, evaluate -- and report.

This working paper summarizes a methodology successfully demonstrated during Phase One. Applying this methodology to field projects sets up the basis for meaningful reporting to USAID and GOM agencies, and thus "drives" the entire PMS.

The methodology follows five major steps, each with several sub-steps. The fifth major step is establishing the PMS -- best done as the four logically precedent implementation/operations planning steps are completed.

IMPLEMENTATION: COMMITMENT AND REALISM

Detailed implementation planning establishes realistic management and technical information baselines. The action-training process also effectively transfers project responsibility from USAID to the GOM implementing agency. This is very important. USAID has been responsible for much of the front-end design work and without transfer, the projects remain USAID projects, not Malawian.

Without detailed, realistic implementation/operations planning, project teams have insufficient understanding to properly manage the projects. They feel limited commitment to the project and its objectives. They also lack shared definitions of responsibility and decisional latitude. They do not understand the project, or the flexibility of design and procedures, to effectively reshape the project for success.

Implementation planning establishes the organizational structures for coordinated planning and control and creates management capability at the front-line operational levels. This is vital for projects which cut across traditional departmental boundaries and disperse project authority in a matrix management situation. Organization structures must be mutually agreed upon to meet the fundamental requirements for good project management:

(i) a central point of responsibility for coordination and

1. This is an adapted excerpt from "Improving Project Monitoring and Implementation Systems" by Merlyn Kettering and Terry Schmidt for USAID/Thailand, AID/Asia/DP and the Development Project Management Center (DPMC) of the U.S. Department of Agriculture.

A4.2

(ii) integrated planning, implementation and control.

Implementation/operations planning achieves a realistic structural base and broadens project understanding when combined with action-training, organization development and participative systems design. This leads to:

- * joint understanding of project objectives and goals by key project contributors and supporters;
- * joint planning, scheduling, and budgeting of project activities and resources;
- * joint agreement on procedures for authorizing work, controlling work scope and changes in assignments, and controlling schedules and costs;
- * common measures and evaluations of costs, schedules and productivity performance, to identify current and future variances from plans and analyze the significance of these; and
- * coordinated procedures to initiate appropriate corrective actions and revisions of project plans.

Finally, the implementation planning methodology shifts the narrow attention of project team members from technical specialities to the total scope of their work. Most project team members are selected for their technical competence, not their managerial experience. Unfortunately, this places persons with high expectations and commitment in positions for which they have limited understanding and few tools. Because the complexity of project management is seldom acknowledged, this practice is seldom challenged. Properly guided implementation planning in action-training workshops gives the team a better perspective of their management responsibilities and broadens understanding of the project strategy and objectives.

The practices of Implementation Planning were demonstrated by experience with projects in Thailand.² The predominant picture held by the project teams was based upon the final, technical outputs of the project and the impact upon beneficiaries. Their project perspective contained only limited reference to the whole "process" of implementation and the multiple institutions which needed to be coordinated and organized.

2. The methodology has also been used and adapted for projects in Jamaica, Indonesia, Portugal, and the Eastern Caribbean through work done by the Development Project Management Center (DPMC) of the U.S. Department of Agriculture.

A4.3

Closely examining their views of the project deepened their appreciation of their management tasks as the core project team and deepened their understanding of the project. After only a few days, the team members better appreciated their tasks, understood the project objectives and methodology, and agreed on some common basic goals, approaches and management tools.

A METHODOLOGY FOR IMPLEMENTATION PLANNING

USAID should promote common frameworks for implementation. The framework for implementation/operations planning is especially critical, but has been noticeably neglected. Despite the occasional use of bar charts and other management tools, there are no commonly shared models which are sufficiently comprehensive to detail different levels of project management and administration, and logically construct integrated sets of information necessary for project management.

A powerful basis for developing PMS on specific projects is the five-step implementation planning approach tested during the consultancy. The five-step model builds implementation/information/management "baselines", in five key areas:

- (1) project scope, purposes and outputs;
- (2) project action plans and schedules;
- (3) project organization, structures and responsibilities;
- (4) procedures, responsibilities and plans for procurements, manpower and finances; and
- (5) information systems for reporting, planning and control.

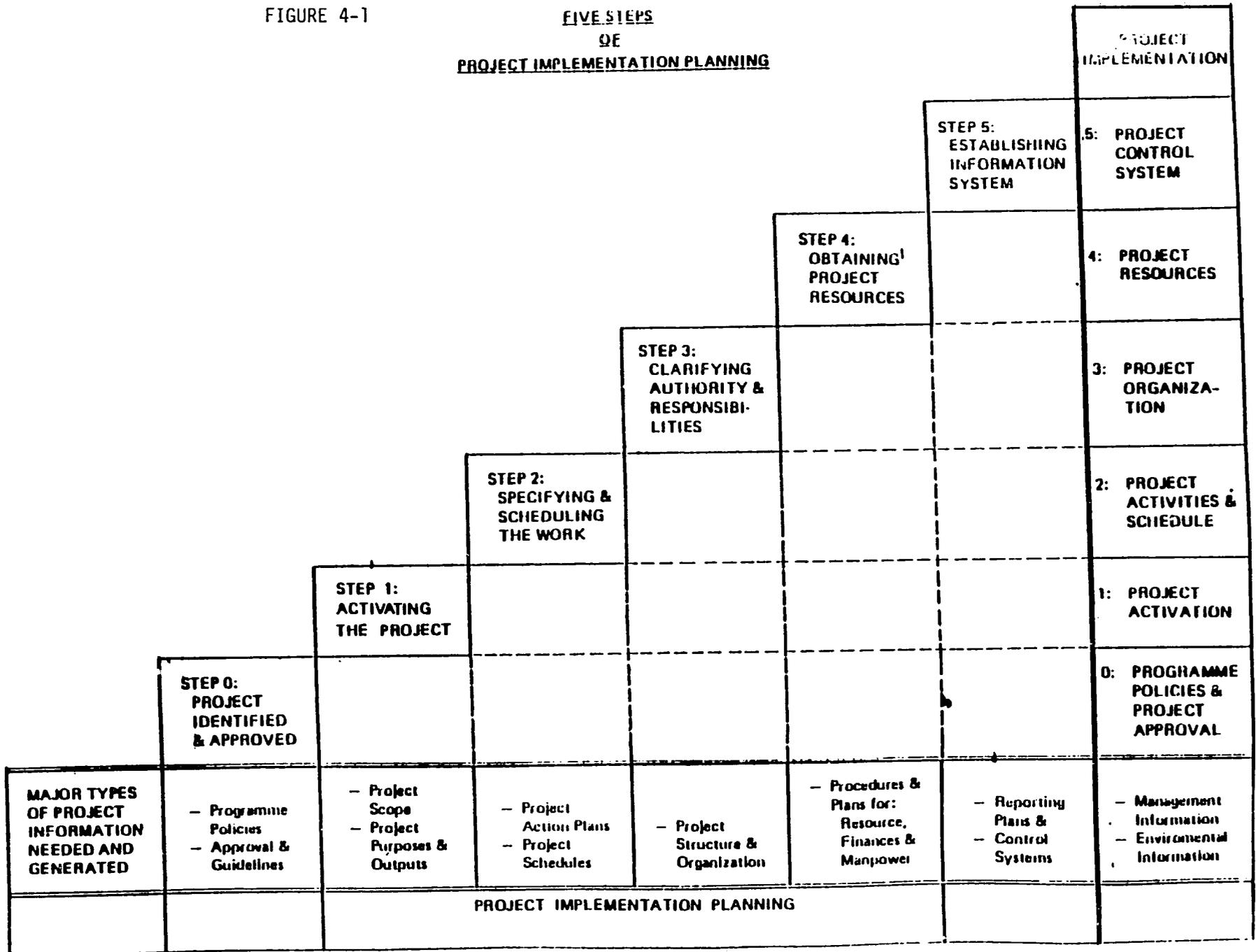
The overall model, illustrated in Figure 4-1 constructs a sound foundation for project implementation. Tools and techniques associated with each step are useful, and in many instances vital, to constructing a PMS sound project management. The five steps, summarized below, develop the project information foundation needed to help ensure successful project accomplishment.*

The ideal time for fully applying these methods is pre-implementation. For projects which have begun implementation, gaps in the informational base are easily filled through selective use of the methodology. It is a useful model for management auditing and evaluation.

* This is explained in detail in the Project Implementation Planning Manual (Manual I) by Merlyn Kettering published as part of The Project Planning and Management Series by the Ministry of Finance of the Government of Jamaica, 1980.

FIGURE 4-1

**FIVE STEPS
OF
PROJECT IMPLEMENTATION PLANNING**



57

PLANNING FOR PROJECT IMPLEMENTATION: FIVE STEPS

Project implementation planning requires establishing realistic managerial and technical baselines and frameworks. Project baselines together with PMS systems are necessary for a management capability to collect, analyze and act upon the updated information in relation to the baselines.

Planning for project implementation simply means laying out the managerial and technical framework necessary for actual implementation work on a project. It is most effective when done with the team on the front-lines management level. In managerial terms, the informational foundations and systems for project execution are established. The information needs for project management were discussed above. These information "blocks" are related to each other logically and if properly developed can assist project administrators and managers to carry out projects successfully. The logical relationships between the "information blocks" permits a structured five steps of planning approach to project implementation. These five steps are:

- (1) Project Activation;
- (2) Specifying and Scheduling the Project Work;
- (3) Clarifying Project Authority, Responsibilities & Relationships;
- (4) Obtaining Project Resources; and
- (5) Establishing Project Information and Control Systems.

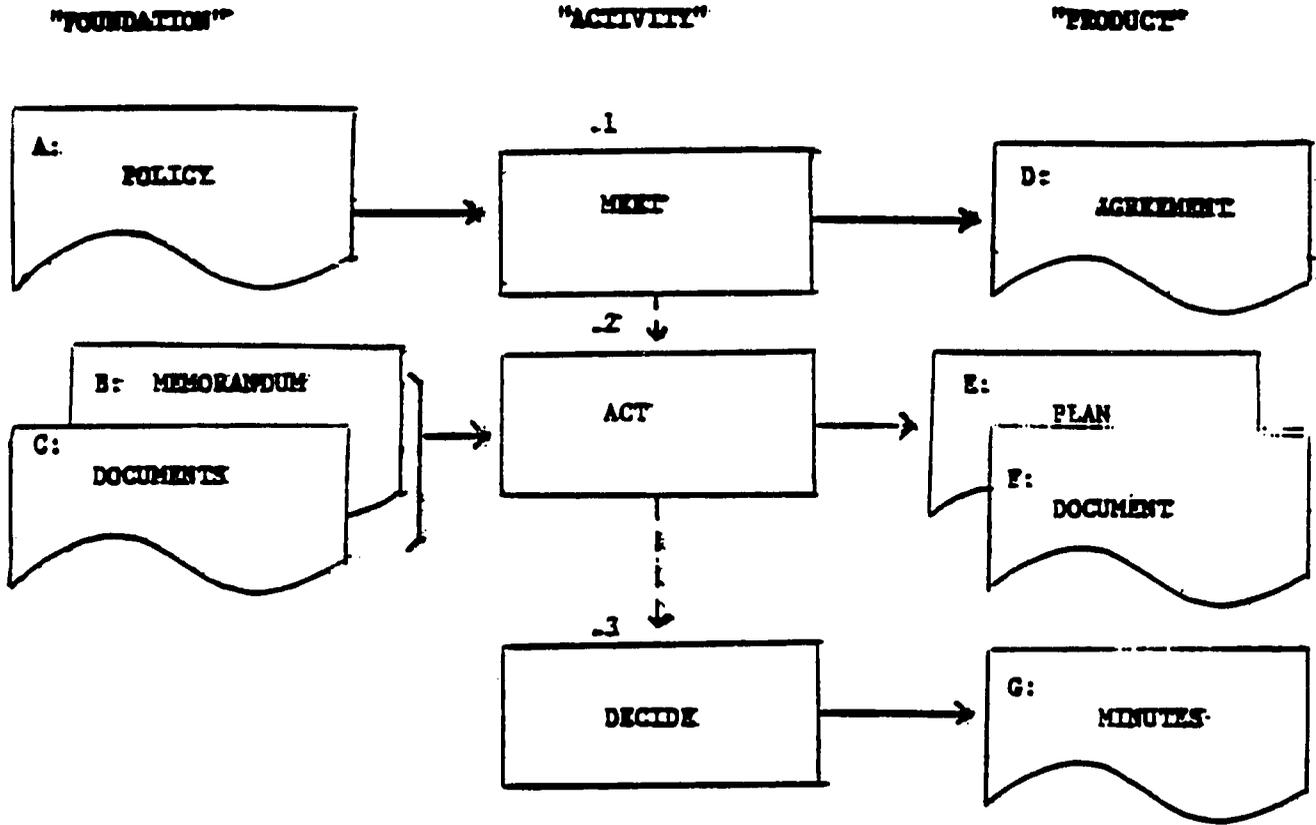
These five steps build the project foundation for successful project accomplishment. This five step model can also be used to analyze on-going projects to highlight gaps in project implementation.

Each step establishes particular information baselines and management systems necessary for project implementations and basic to PMS. The "Five Steps" sequentially create a basis for actual execution of project work. For projects which are particularly innovative, unique or complex, implementation planning must be phased and iterative. The results of project execution of the early activities, and the lessons learned make project implementation/operations plans increasingly realistic and effective over time. These five steps are planning activities which should precede the actual work or execution of the project but can be performed at any time of a project and when identified forms an ongoing process of monitoring, management, and replanning. The five steps of implementation planning are related sequentially as shown in Illustration 4-2.

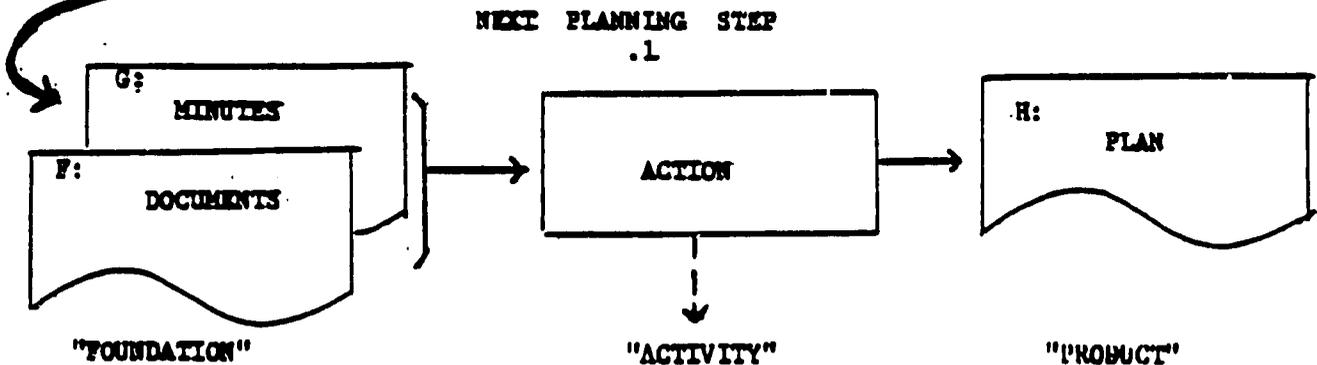
One feature of this approach is the logical sequence of implementation planning steps. The steps are sequential and the information

FIGURE 4-2

The Construction of A Planning Step



Each planning step has a "foundation" from some previous planning stages such as policies, and documents which when complete permit that step to begin. Within each planning step there are a number of "activities" or substeps, involving the work in terms of actions, meetings and decisions, which result in the output or "products" of that planning step. These products in turn become the "foundation" for subsequent steps. In this way the five planning steps logically build a solid base for realistic project implementation.



(Documents & Data required to begin each planning step)

(Actions, meetings, and Decisions: the work of the step)

(Documents, Decisions Data as Output become foundation for subsequent steps)

45

A4.7

generated by one step is used in the subsequent steps. Each step has distinct products or outputs which provide information inputs for subsequent steps. When the stages are completed they form a comprehensive PMS foundation for project monitoring and management.

None of the steps should be neglected or overlooked. But strict adherence to this step-sequence is not possible or even desirable. This approach is a model which requires adjustment to realities which are encountered in each project specific situation.

Each planning step is composed of a set of activities, actions and decisions which result in some distinct "product". These "products" are actually the "pieces and blocks of information" which build for a sound foundation for project management. If any planning step or sub-step is neglected, a project can become stalled. Delays are costly. They often result in frustration and disappointment for the beneficiaries, the administrators and the technical staff. This sabotages motivation and performance.

In Figure 4-1, the Five Steps of Implementation Planning are shown in sequence with the types of baseline information generated or systems established by each step along the bottom horizontal row of the diagram.

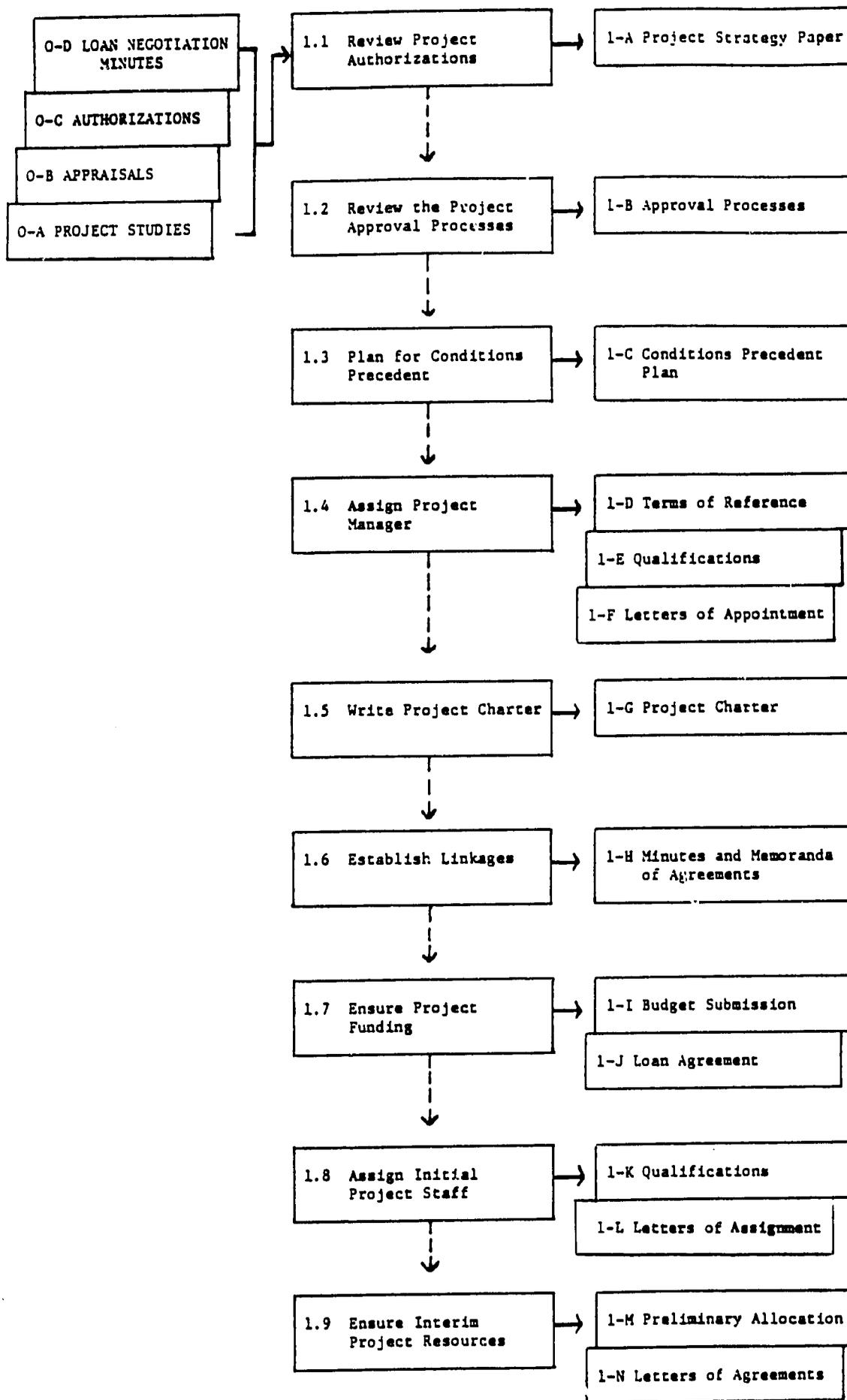
The following brief description illustrates each step in more detail. The figures are illustrative and taken from Planning for Project Implementation of the Jamaican Project Planning and Management Series. Our recommendation is to adapt the methodology to the Malawian context and to meet specific project needs.

Step One: Project Activation*

Project Activation involves obtaining agreements and commitments from all contributing and associated organizations and departments regarding the nature of the project, the respective project strategies, the tentative inputs and the organizational structures. Major products of this step for project are the Project Strategy Paper, the Project Approval Process, the Project Charter and a "CP Plan" to specify terms and times for conditions precedent. The Project Strategy Paper summarizes all necessary decisions for implementation by reviewing the guidelines and conditions established during project authorization (e.g., agreements on the project, sources and levels of funding, project administration, etc.). The Approval Process establishes the initial structures approval and decision-making, identifying decisional latitude at different project levels. The C.P. Plan ensures that all host country requirements for getting project support are clear along with the actual steps necessary to meet to C.Ps.

A well-developed project begins to meet the requirements of Step One through the results of project planning, financial negotiations and the project agreement. However, these sub-steps should be reviewed on all projects.

FIGURE 4-3
STEP ONE: PROJECT ACTIVATION



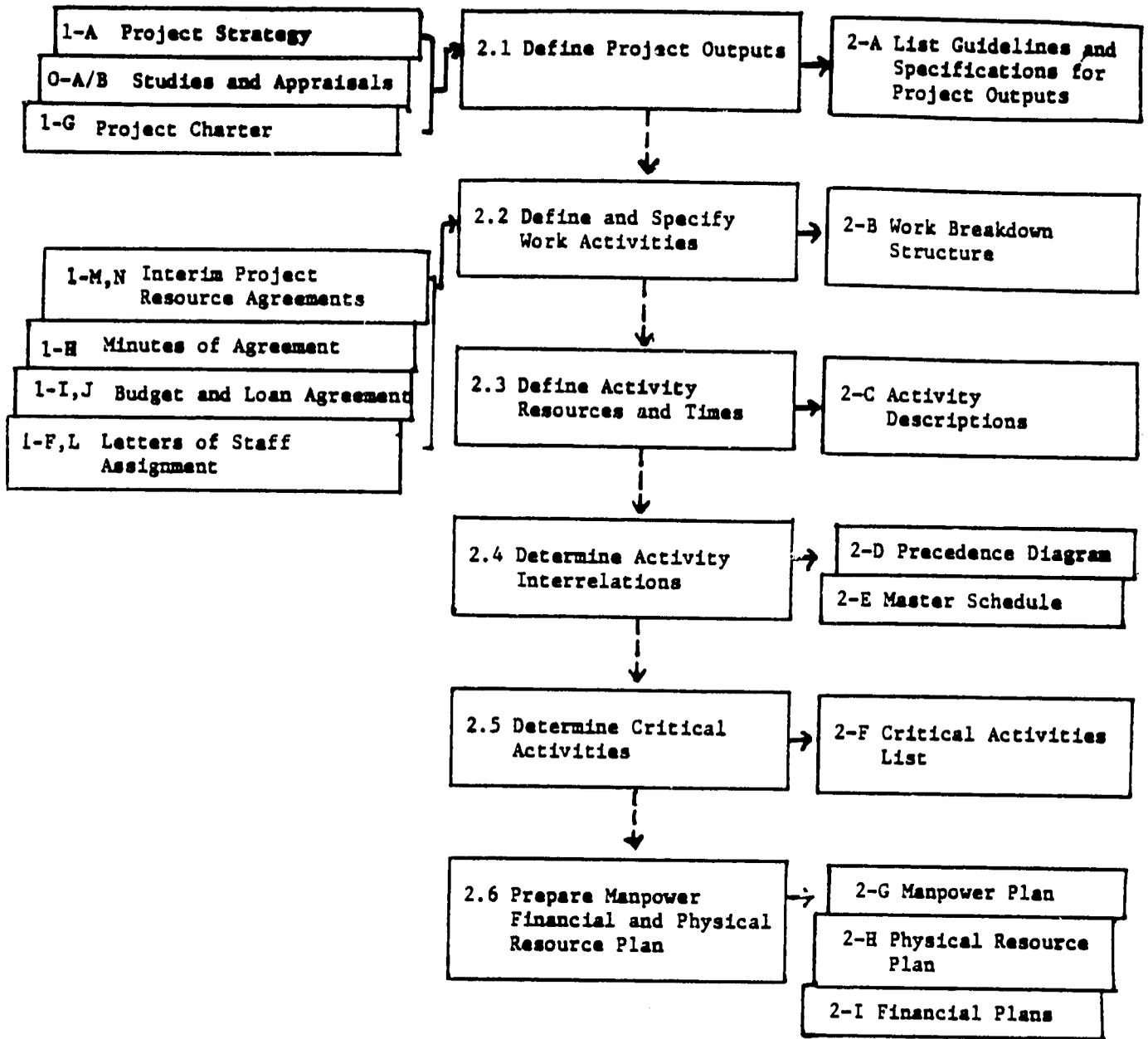
Step Two: Specifying and Scheduling the Work*

The purpose of Step Two is to produce the detailed realistic work plans describing activities necessary to carry out the project. Each major activity is specified -- when, where and how each activity is to be done, and what the outputs are. These are integrated into a Project Master Schedule which is complemented by -- manpower, financial, and physical resource plans. The plans constructed at this point will naturally be revised throughout the project. They form the base lines for a PMS and are the key to effective project management. The schedules are also critical to coordination because project resources and authority are frequently quite dispersed. Many implementation problems can be traced directly to deficiencies in work specification and scheduling.

The plans prepared here should be as detailed and as accurate as possible to ensure that project implementation expectations are realistic. However, plans must be periodically revised. It is not uncommon to overlook even relatively important items, and changes in performance and commitments will demand adjustments in original plans. Therefore, they will require updating as the project moves forward and as new or updated information is available. These plans are the basis for monitoring and replanning. They must be realistic within the actual project context.

FIGURE 4-4

STEP TWO: SPECIFYING AND SCHEDULING PROJECT WORK



100

Step Three: Charifying the Project Organization*

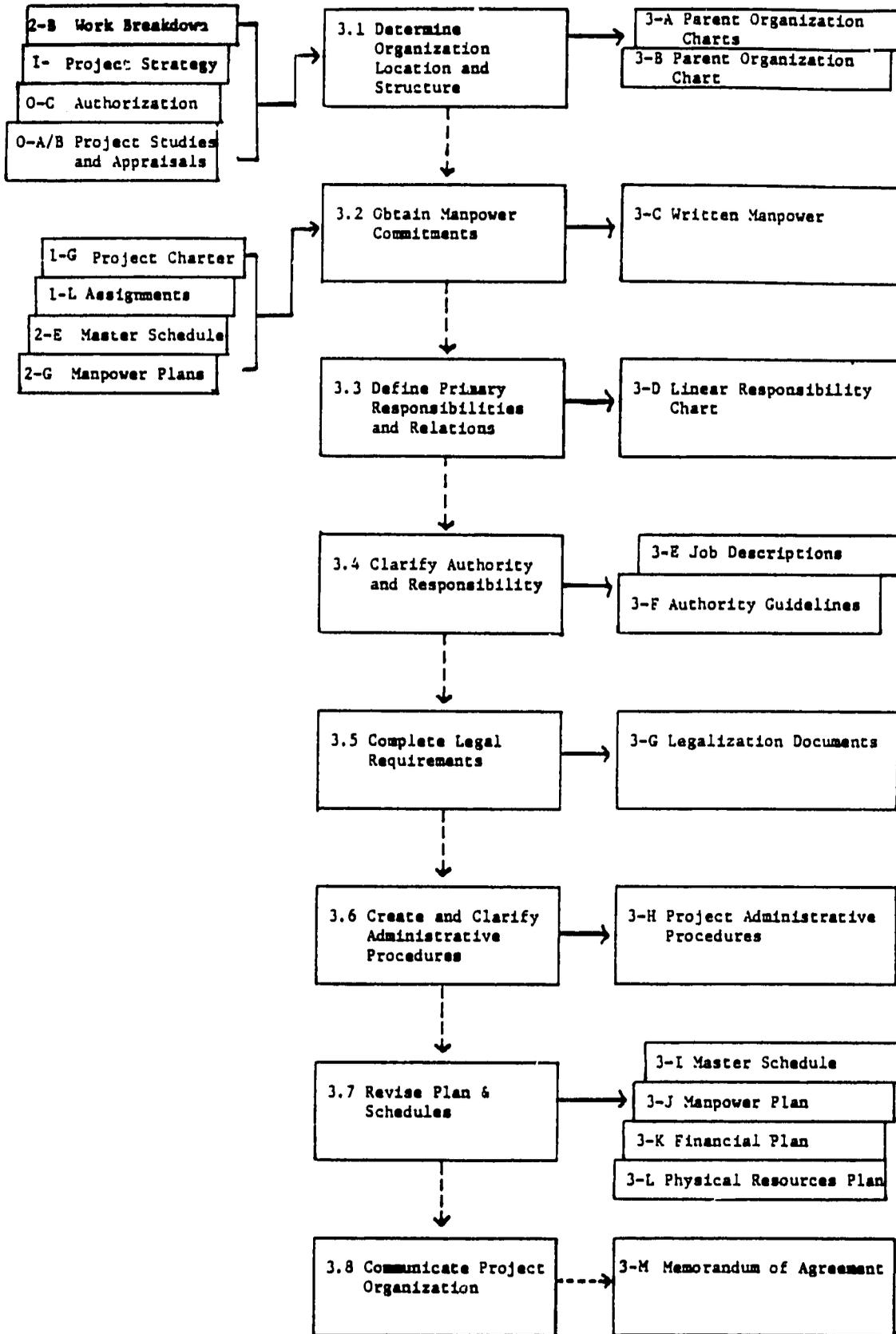
Apart from its technical and economic merits, the success of a project depends largely on the effectiveness of the organization responsible for its execution. Without an efficient organizational form, a sound and viable project may fail. The purpose of this step is to clarify and document all aspects of project authority, responsibilities and relationships. The need for this is often great because of the dispersed organizational authority of the project management situation.

Projects require the functional integration and linking of organizations and their respective administrations, procedures and processes in ways which provide quick response for good project management. The Linear Responsibility Chart is a valuable management tool for negotiating, clarifying and establishing authority and responsibilities for specific project activities and on the project overall. It must be supplemented by the other tools suggested in the illustration.

Without clear organizational plans, there is likely to be confusion, duplication and overlapping of effort, areas of neglected responsibility, lack of effective coordination and communication and, potential or actual conflict. All of these can negatively affect project performance. Many common pitfalls of projects can be avoided by getting the project well organized.

FIGURE 4-5

STEP THREE: CLARIFYING PROJECT ORGANIZATION



102

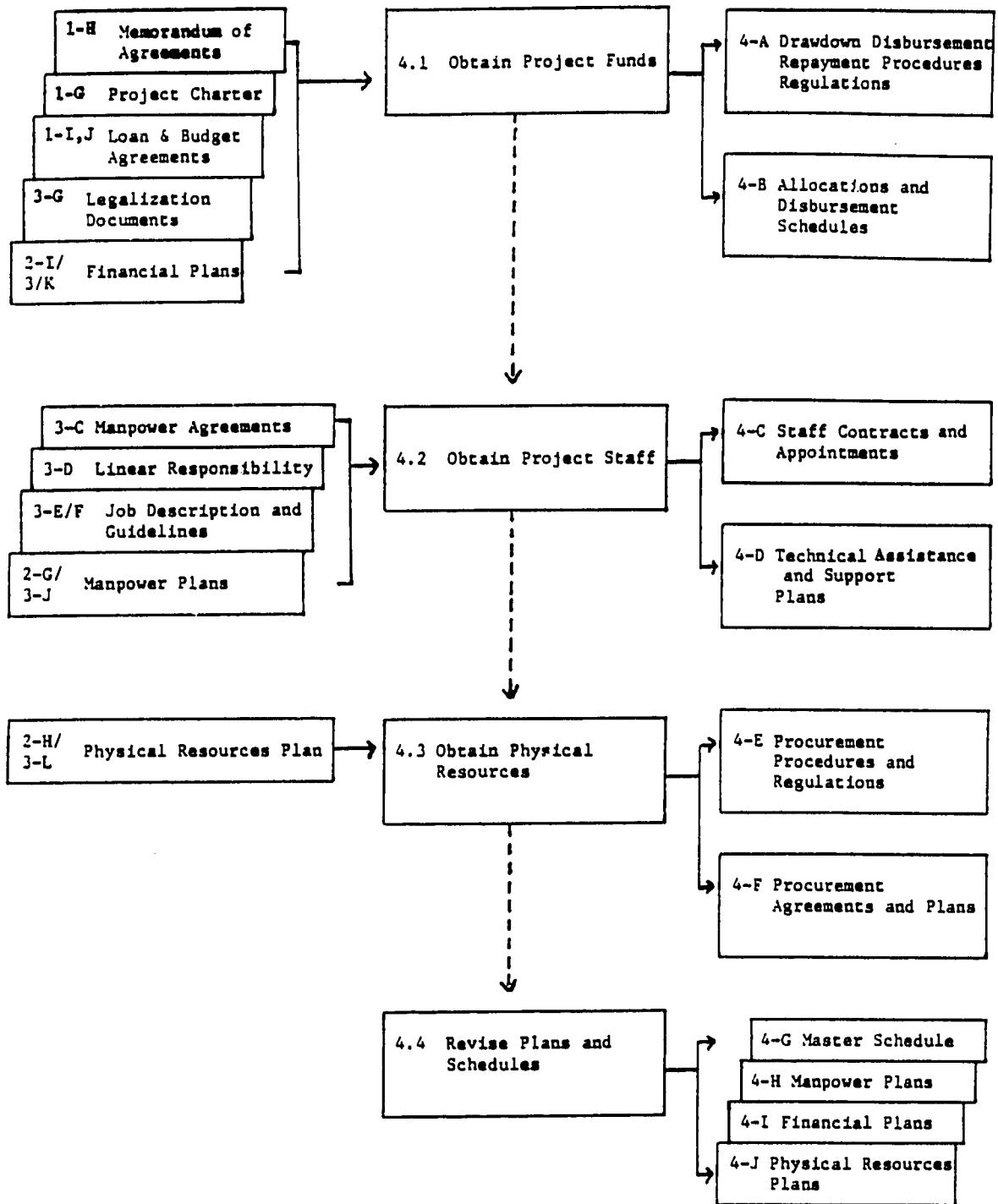
Step Four: Obtaining Project Resources*

The purpose of this step is to provide the necessary guidance and to establish necessary systems so that the kinds and quantities of project resources required are available at the appropriate places and times as needed. The project manager must be acquainted with the processes of procurement, drawdown procedures and requirements, and contract arrangements. The manager must monitor these processes to ensure that resources are available when needed and realistic time-tables for obtaining resources are worked out.

Obtaining resources continues throughout project implementation. It must be planned, well-understood and monitored so that, to the extent possible, activities become routine rather than crisis events. The inability to coordinate all project resources into an integrated schedule is a common project problem leading to ineffective resource use and consequent disappointments. Many delays are associated with administrative sub-routines which are not well understood, not standardized and not documented. Knowing the sub-routines is critical to good management. The task of management is to see that the administrative sub-routines and responsibilities for management tasks are clear and to monitor performance with sufficient lead time that problems are identified early. Maintaining liaison with administrators responsible for these processes and formulating contingency plans is a major part of the project manager's job.

FIGURE 4-6

STEP FOUR: OBTAINING PROJECT RESOURCES



104

Step Five: Establishing the Information and Control System*

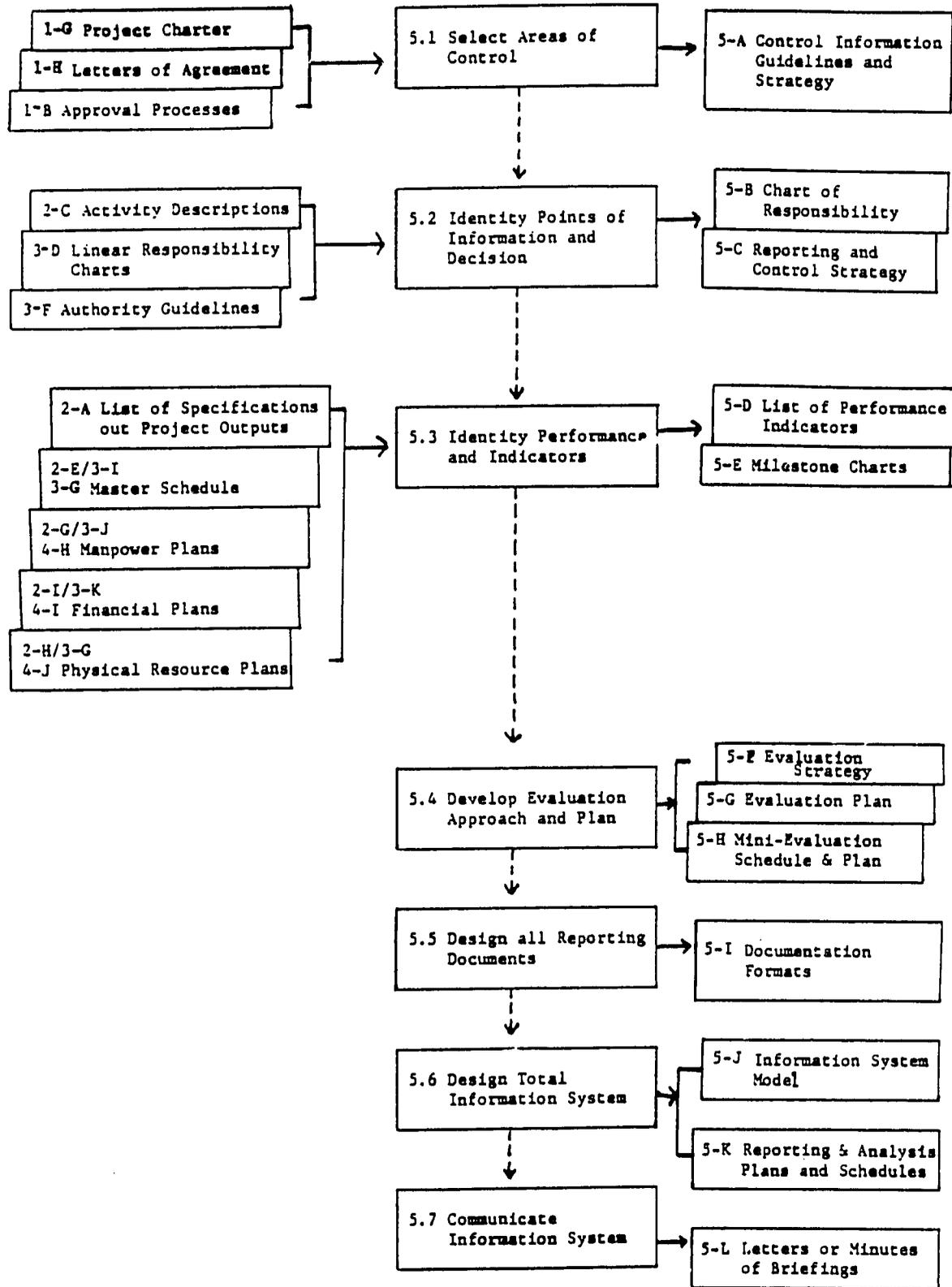
The purpose of this step is to establish a project-level PMS for project control to support the managerial function of keeping the project on its targets and within tolerable limits. The PMS provides continuous project monitoring and evaluation information for managerial decision-making. This is a necessary precondition for good performance-oriented management. Good information is a requisite input for corrective decisions, including rescheduling, rebudgeting, reassigning staff and even reshaping of the project. The products of Step Five establish the systems and the base lines to facilitate decision-making for project control.

The PMS can be used to both monitor and evaluate. Evaluation should be a continuous process integrated with field level activities so that operational personnel are involved in gathering, analyzing and using evaluation data as part of their active responsibility on the project. This is done by creating a formative evaluation plan.

The PMS components produced from the Five Steps of Planning for Project Implementation are illustrative. These provide a checklist of the information and systems needed to create a PMS and which should be in place to ensure that a project is really ready for implementation. With a good PMS, the project manager and the project team are better prepared for their challenging task.

- * PMS = Project Management System, created at the project level through sound implementation planning and providing management information to higher level management & executive offices and agencies.

FIGURE 4-7
STEP FIVE: ESTABLISH INFORMATION AND CONTROL SYSTEM



The importance of planning for implementation cannot be over-emphasized. If any of the significant items on the checklist have been missed or omitted, it is likely to cause trouble at some point. Delays on projects can be traced to avoidable management oversights. Often conflict or misunderstanding can be resolved when the appropriate "information block" is put in place so that the project can proceed. It is better to do this early, rather than wait until the need or problem emerges.

Project work execution is ready to begin based upon the project management foundation -- basic agreements, contracts, information, and systems which the project manager will need to control and direct a project. Through action-training, an important aspect of project management is also introduced, i.e., re planning. Already implementation planning has required the iterative development of manpower and financial plans as part of its process. Together, these five steps dramatically improve the project probability for success.

Integrating Evaluations in the PMS -- The Formative Evaluation Approach

An important component of the model is the integration of evaluation into the PMS created in Step Five of the Model. Formative evaluation can be undertaken by the project team and organization as part of its ongoing management and monitoring responsibility. This promotes early testing of basic project hypotheses, assumptions and strategies. As management information is gathered, strategic evaluative indicators should also be collected and used to judge the effectiveness and appropriateness of specific project components and characteristics.

The Formative Evaluation Approach begins by establishing an Evaluation Focus with the project team during Implementation Planning, as illustrated in Figure 4-7). The evaluation focus produces team decisions on the aspects or dimensions of the project which are most critical to project success and which have the most uncertainty risk or innovation. An Evaluation Strategy identifies the critical indicators relative to the focus and formulates a methodology for collecting data on the indicators. An Evaluation Plan must be created for carrying out the strategy. This involves the focusing and phasing of formative evaluations early in the project so that the effectiveness of the project and its related strategies are tested soon enough to permit responsive refinement. Finally, a Formative Evaluation Schedule is established, say two a year for early project years. This must be related to the AID Evaluation Plan and to Summative or Episodic Evaluations that must be conducted at definite points during or at the end of the project.

The following chart summarizes the "products" of the Five Steps of Planning for Implementation. Illustrations of some of the management documents are attached. This material is excerpted from Manual I: Planning for Project Implementation of the PROJECT PLANNING & MANAGEMENT SERIES by Merlyn Kettering, published by the Projects Analysis & Monitoring Company, Ministry of Finance, Jamaica.

THE PRODUCTS OF THE FIVE STEPS OF PLANNING FOR IMPLEMENTATION

STEP	PRODUCTS
Step One:	
Project Activation	1-A Project Strategy Paper 1-B Approval Processes for Project 1-C Terms of Reference (Manager) 1-D Qualifications of Manager 1-E Letter of Appointment (Manager) 1-F Project Charter 1-G Minutes and Memorandum of Agreement with Supporting Organizations 1-H Budget Submissions 1-I Loan Agreement 1-K Qualifications of Project Core Team 1-L Letters of Assignment (Core Team) 1-M Preliminary Project Allocations 1-N Letters of Agreement for Interim Project Resources
Step Two:	
Specifying and Scheduling the Work	2-A List, Guidelines, Specifications for Project Outputs 2-B Work Breakdown Structure 2-C Activity Description Sheets 2-D Precedence Diagrams 2-E Master Schedule 2-F Critical Activities List 2-G Manpower Plan 2-H Physical Resources Plan 2-I Financial Plans

Step Three:**Clarifying Project Organization**

- 3-A Parent Organization Charts
- 3-B Project Organization Charts
- 3-C Written Manpower Agreements
- 3-D Linear Responsibility Charts
- 3-E Job Descriptions (Project Team)
- 3-F Authority/Responsibility Guidelines
- 3-G Legalization Documents
- 3-H Project Administrative Procedures
- 3-I Revision of 2-E
- 3-J Revision of 2-G
- 3-K Revision of 2-H
- 3-L Revision of 2-I
- 3-M Letters to Communicate Project Organization

Step Four:**Obtaining Project Resources**

- 4-A Drawdown, Disbursement and Repayment Procedures
- 4-B Allocations and Disbursement Schedules
- 4-C Staff Contracts & Appointments
- 4-D Technical Assistance Plans
- 4-E Procurement Procedures & Regulations
- 4-F Procurement Agreements & Plans
- 4-G Revision of 3-I
- 4-H Revision of 3-J
- 4-I Revision of 3-K
- 4-J Revision of 3-L

Step Five:**Establish Information and Control System**

- 5-A Control/Information Guidelines and Strategy
- 5-B Chart of Responsibilities
- 5-C Reporting and Control Strategy Design
- 5-D List of Performance Indicators
- 5-E Milestone Charts
- 5-F Documentation Formats
- 5-G Information System Model Approval
- 5-H Reporting Plans and Schedules
- 5-I Letters or Minutes & Briefings on Information/Control System

THE PROJECT CHARTER

The Project Charter is a succinct statement defining the goals, the responsibilities, the authorities and the principal factors bearing upon the implementation of the project. It should be a short document. If it is too detailed, it will look too much like a contract. If it is too long, very few people will take the time to read and to understand it.

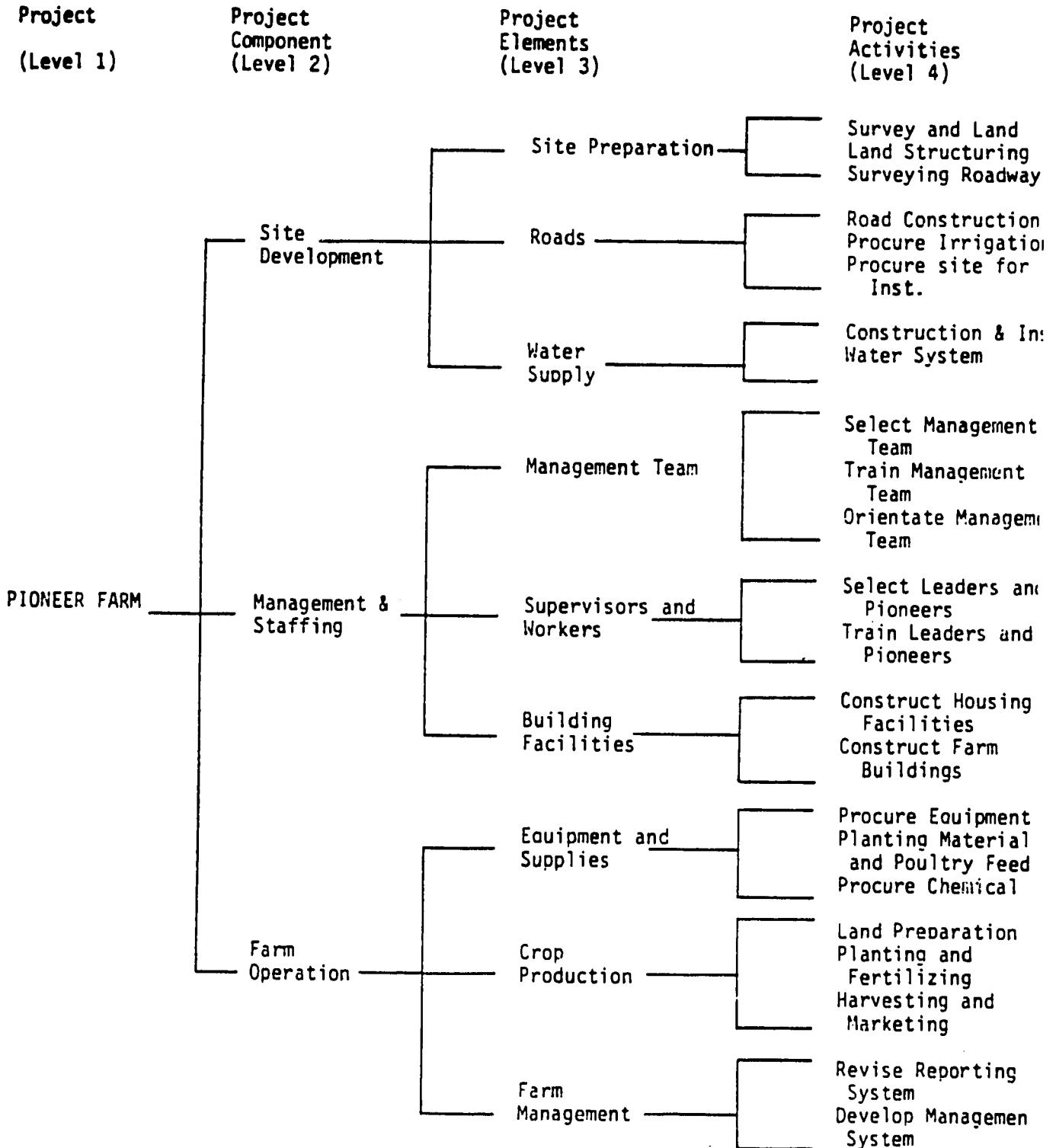
All relevant persons must have the same understanding of the project. The Project Charter is useful for focussing attention on the project, forging consensus regarding expectations of a project and serving as a foundation for developing project authorities and responsibilities. The Project Charter can be used to orient new staff or potential staff as well as to brief interested persons and agencies outside the project.

The Project Charter must be carefully developed as it represents the written consensus of the project authorities. The process of composing the charter draws together all responsible officials. The signing of this written document ensures that active support has been given and can be referenced in the future. During project execution, the Project Charter can be used to confirm commitments which may, over time, fall into lower priority, neglect or become confused.

There is no established format for a Project Charter; it just needs to be an adequate statement of what the project is to achieve and what authority and power have been given to get the project done.

ILLUSTRATION 3²¹

MODEL OF A WORK BREAKDOWN STRUCTURE FOR A PIONEER FARM



A4.23

ILLUSTRATION 3: ACTIVITY DESCRIPTION SHEET

PAMCO, PDRT
Resource
Material

Activity: To construct 2 miles of farm road to link farm settlement to existing Parish Council Road				
Activity Manager: Works Overseer			Duration: 4 months	
Start Date Planned	Actual	Completion Date Planned	Actual	
INPUTS				
DESCRIPTION OF RESOURCES	QUANTITY	UNIT PRICE	TOTAL COST	SOURCE(S) OF RESOURCES
Bulldozer	2	\$20/hr/bulldozer	\$ 2,800	Private Contractor
Grader	1	\$16/hr	\$ 1,280	Private Contractor
Time Keeper	2	\$8/day/keeper	1,360	
Roller	1	\$15/hr	1,800	Private Contractor
Marl	4000 yd ³	\$5/yd ³	\$20,000	Private Quarry
Labourer	200 man-days	\$7.30/day	1,460	Surrounding Areas
			\$38,700	
<p>PRODUCT (Output) - Scribed, Graded and Rolled 2 miles of farm road</p> <p>SPECIFICATION (Output) - 16 ft. width road with 6 ins. depth marl</p> <p>HOW TO PERFORM ACTIVITY (1) - Excavating earth and stone; cut 16ft. width road to grade, marl and roll.</p> <p style="padding-left: 40px;">(2) - Work to go to tender after approval of Regional Director</p>				
Authorization				
.....			
Project Manager		Date		Works Manager
.....			Date
Prepared By:				
Site Manager			Date 20/10/79	

112

ILLUSTRATION 7: RESOURCE PLAN AND BUDGET ²⁵

PAMCO, PDRT
Resource
Material

Project Component: PREPARE 5 ACRES OF LAND AND ESTABLISH IN VEGETABLES

GANTT CHART

		- weeks -							
		1	2	3	4	5	6	7	TOTAL
A. FACTORS	Clear Land	////////							
	Plough Land		////////	////////	////////				
	Harrow Land			////////	////////	////////			
	Sow Seeds and Plant Seedlings					////////	////////	////////	
MANPOWER REQUIREMENT									
	1) Field Supervisor (mandays)	2	2	2	2	4	4	4	20md
	5) Labourers "	4	-	-	-	25	25	26	75md
	2) Tractor Drivers "	-	4	8	8	8	5	5	38md
MANPOWER COST									
	Field Supervisor @ \$20/md	\$ 40	40	40	40	80	80	80	\$400
	Labourers @ \$8/md	\$ 32	-	-	-	200	200	200	\$632
	Tractor Drivers @ \$12/md	\$ -	48	96	96	60	60	60	\$546
	TOTAL MANPOWER COST	\$ 72	88	136	136	376	340	340	\$1488
MATERIALS									
	a) Herbicides: 2 litres @ \$60/litre	\$ 120	-	-	-	-	-	-	\$120
	b) Fertilizers: 2½ tons @\$260/ton	\$ -	-	-	217	217	217	-	\$651
	c) Fuel:	\$ -	20	40	40	40	20	20	\$180
OTHER COSTS									
	Travelling Expenses	\$ 50	50	50	50	50	50	50	\$350
	Long Distance Telephone calls	\$ -	-	-	-	-	-	-	
	Other	\$ 10	10	10	10	10	10	10	\$ 70
	TOTAL MATERIAL & OTHER COSTS	\$ 180	80	100	317	317	317	80	\$1391
	TOTAL MANPOWER & MATERIAL COSTS	\$ 252	168	236	453	693	657	420	\$3229

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Resource
Material

ILLUSTRATION 10
LINEAR RESPONSIBILITY CHART:
TRAINING COMMUNITY WORKERS 30

Project Activity	Division Officer	Parish Officer	Department Head	Min. of Local Govt.	Min. of Finance	Director of Training centre	Public Training Inst.	Project Consultant	Tutors
6.1 Design registration system	C	R	A	I					
6.2 Initiate and monitor registration and recruitment		R	S	I					
6.3 Design payment scheme		C	S		R				
7.1 Prepare procedure manual		L	A			S		R	
7.2 Design supervision and support procedures	C	C	A			S	R	L	
7.3 Develop curriculum	C	I	A			S	R	C	
7.4 Train tutors			I				S	R	
7.5 Conduct 1st course						A	C	S	R
7.6 Evaluate 1st course	C		A			S	R	C	C

R. Does the work (project staff)
S. Supervises' (activity manager)
L. Advises, review, or otherwise supports (liaison person)

A. Must approve
C. Must be consulted
I. Must inform

114

support and understanding of the project. If they are involved positively they will be more committed to giving maximum assistance to the project with supplies, facilities, etc. from that commitment.

In all the above processes of obtaining the financial, human and physical project resources, it may be useful to construct detailed Linear Responsibility Charts to outline all groups and agencies and their major inputs and responsibilities in the procurement processes.

ADMINISTRATIVE STEPS IN OBTAINING FUNDS

Activity	Schedule Responsibility	Schedule																
		Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1. Issue policy guidelines to Ministries, including budget ceilings	Chief Budget Bureau	■																
2. Prepare supplementary instructions. Issue guidelines to Units, Institutions, Provinces	Permanent Secretary, Ministry	■	■															
3. Review guidelines, prepare and submit budget proposal	Parish Officer Project Manager		■															
4. Review Provincial budget proposals Submit to relevant Ministries	Parish Officer, Finance Officer			■														
5. Review Ministry proposals, submit to Budget Bureau	Ministry Budget Review Committee				■													
6. Review/approve budget proposals	Representative for Budget Bureau				■	■												
7. Review/approve budget proposals	Parliament					■	■	■										
8. Establish allotments for Ministries	Ministry of Finance Representative for Ministry						■	■	■									
9. Adjust Ministry spending ceilings. Inform Ministries	Min. of Finance Representative for Ministry									■	■	■	■					
10. Submit request to spend against the allotment	Project Officer Parish Officer											■	■	■				
11. Approve allotment request	Ministry Controller Ministry of Finance													■				

PAMCO, PDRT
Resource
Material

ILLUSTRATION 17 ⁴⁶

ACTIVITY LOG

(REVERSE SIDE OF ACTIVITY DESCRIPTION SHEET)

Date	PROBLEMS (deviations from schedule, expected results, resources, etc.)	Initials
15 May	Test of registration system in district A to be delayed until District Administrator returns from travel	
7 June	Some traditional officers express reluctance at attending course. First course not filled. Stipends to be offered in addition to kits.	
10 Aug	Procedures manual requiring more time for completion than scheduled	
1 May	First course delayed one month	
1 May	Interest of community volunteers exceeds first course capacity - second course scheduled immediately after completion of the first	

DO NOT DUPLICATION WITHOUT PERMISSION

ILLUSTRATION 18: ACTIVITY FOLLOW-UP (TECHNICAL ADVISORY COMMITTEE)⁴⁷

Activity Number	Activity Name	Activity Manager	Starting Date		Completion Date		OK ✓ In danger ✗											
			Planned	Actual	Planned	Actual	J	F	M	A	M	J	J	A	S	O	N	D
2.1	Prepare description of functions, procedures	Parish Manager	1 Jan	1 Jan	15 Jan	10 Jan	✓											
2.2	Prepare budget	Parish Manager	1 Jan	1 Jan	15 Jan	15 Jan	✓											
2.3	Establish Regional Secretariat	Regional Director	1 Jan	1 Jan	15 Jan	1 Feb	✓											
2.4	Review and approve 2.1, 2.2, & 2.3 (by *P.S.)	*Permanent Secretary	15 Jan	15 Jan	30 Jan	1 Feb	✓	✓										
2.5	Selection of meeting site	Regional Director	1 Feb	1 Feb	1 Feb	1 Feb	✓											
2.6	Document functions and procedures	Parish Manager	1 Feb	15 Jan	1 Mar	15 Feb	✓	✓										
2.7	Do promotion to establish membership	**P.I.O.	1 Feb	1 Feb	1 Mar		✗											
2.8	Finalize membership	*P.S.	1 Mar	1 Apr	7 Mar			✗										
2.9	Distribute membership list and procedures	Regional Director	7 Mar		15 Mar			✗										
2.10	Prepare first meeting agenda and materials	Regional Director	7 Mar	15 Mar	21 Mar	28 Mar	✓											
2.11	Hold inaugural meeting (1 April)	Permanent Secretary	1 Apr		1 Apr													
2.12	Prepare and distribute minutes	Parish Manager	2 Apr		7 Apr													
2.13	Disseminate public information	**Public Information Officer	3 Apr		10 Apr													

DO NOT DUPLICATE WITHOUT PERMISSION

E. ANNEX 5

IMPLEMENTATION PLANNING WORKSHOPS
STARTING UP PROJECTS ON THE RIGHT FOOT

- WORKING PAPER-

MAY, 1984

Merlyn Kettering
USAID/MALAWI
DPMC/OICD/USDA

IMPLEMENTATION PLANNING WORKSHOPS

- WORKING PAPER -

THE GENERIC ELEMENTS OF PROJECT SUCCESS¹

Research conducted by DPMC and others has resulted in a simple set of principles which we believe captures the essence of successful projects. These principles have been derived by studying scores of development projects worldwide and boiling down the multiple factors which influence project outcomes into what are called the five "generic" elements to achieving project success requires:

1. Consensus and commitment to project objectives and strategies by key organizations and individuals.
2. Realistic and agreed upon work plans, budgets, and schedules.
3. Clearly defined and understood roles and responsibilities for project tasks and activities.
4. Appropriate mechanisms to direct, coordinate, and control task execution, and
5. Suitable monitoring, evaluation, and adaptive learning mechanisms to assess progress and respond to changes and lessons learned.

Despite variations of project type, size, scope, sector, and country, successful projects shared these common characteristics; while other projects did not.

The list appears logical enough and most project managers would agree these are necessary conditions. But these conditions donot automatically happen; they must be made to happen. In most cases, little attention is given to building the necessary "management foundations" But if such foundations are not established, the predictable, inevitable result is confusion, delay, limited achievement, wasted resources, and disillusionment. Project teams can build these foundations through a deliberate process of planning for project implementation. Project Implementation Workshops facilitate implementation planning and set up good management process which are most likely to lead to successful projects.

BRIDGING THE HAND-OFF GAP

But why, the reader may ask, should such a planning process be necessary after the hundreds of hours invested in designing the project and preparing the Project Paper? The answer is that project designers are not the project implementors; and even detailed Project Papers cannot serve as implementation plans.

¹ An excerpt from Management Methods for Project Success by Terry Schafdt and Merlyn Kettering, DPMC/OICD/USDA, (draft) 1984.

During the lengthy project design process, designers may develop a thorough understanding of the strategy, objectives, tasks, and so forth.

But implementation involves operational level staff who seldom participate in design. Surveys of project implementing teams show that most don't even read the entire Project Papers and related documentation! Even when the implementors do read design documents their understanding is limited because they were not involved in the deliberations which lead to the design.

Project implementors must go through their own "learning process" to reach a shared understanding of the project objectives, strategy and implementation approaches, even when these are defined in existing documentation. They must negotiate and agree to the roles and responsibilities of all participating organizations and individuals, establish methods for updating and revising plans and budgets, develop techniques for monitoring and reporting progress, and think through these issues as a team to internalize understanding of the project design and make it their project. Experience and common sense show that transferring project "ownership" is essential.

ACTION-TRAINING WORKSHOPS

Action-training workshops are an ideal format for transferring ownership and understanding to project implementing teams. Action-training brings together project teams, under the guidance of an experienced trainer, in intensive 3 to 5 day sessions to build the project's technical and managerial foundations.

Action-training workshops yield significant benefits. Through these sessions, the team reaches agreements on key aspects of the project. Teamwork, operating norms, and effective working relations are developed as the team develops plans, schedules and budgets.

In addition to developing project plans of immediate value, action-training builds team members skills in problem-solving, decision-making, monitoring, planning, and controlling. Team members learn these project management concepts by applying them to their project. The process is effective because learning is reinforced by application. By planning project implementation together as a team, team members develop mutually understood tools for use throughout the project life.

DESIGNS FOR IMPLEMENTATION WORKSHOPS

The particular designs of workshops will vary significantly. Attached are the scopes of work suggested for two projects which USAID/Malawi will soon be undertaking. It can be seen that for

these two, the stages, activities and duration of implementation work varies significantly.

Despite the variations in projects, and organizations involved in project organization, the purpose of the workshops is the same to create the necessary management and technical foundations to undertake the project successfully. The "Implementation Checklist" developed by the working sessions of the Ministry of Finance and USAID is a partial basis for workshops design. Agreements must be reached and adequate documentation prepared on the items in this checklist. A more complete description of the approach is in the Project Planning and Management Series (Manuals I - Planning for Project Implementation and Manual M - Project Management) and Management Methods for Project Success (DPMC Manual by Merlyn and Terry Schmidt).

Figure portrays five implementation planning steps and lists typical tasks in each. (See Annex , Project Implementation Planning). Each task builds cumulatively on information developed in prior steps. Several steps also produce distinct "products" (documents, agreements, or management tools) of operational value to project management.¹)

Figure serves as a handy pictorial checklist of key steps and task. But the model is illustrative. Rigid adherence to this step-sequence is not necessary. Creative adjustment is recommended to fit the project; certain tasks may be deleted for some projects; additional tasks may be added for others. The process is iterative, and the tasks can be completed in other sequences than that escribed. But none of the 5 major steps can be neglected, or the project implementation foundation rests on sand rather than on firm ground.

A pre-implementation workshop has three points of focus: (i) the work to be accomplished, such as agreements, actions or documents; (ii) how the team is working together, that is the process and the relations; and (iii) learning, that is how are we learning to be more effective as a team, as managers and as technicians on the project and as professionals in general. These three areas determine the actual activities and their sequence through a workshop. Nonetheless, a general sequence can be prescribed, with the understanding that it will vary for every pre-implementation workshop.

A SUGGESTED SCHEDULE FOR A WORKSHOP

Pre-Workshop Activities:

Interviews with officials of the participating organizations and project team to determine the needs and issues which must be resolved in the workshop.

¹ This discussion simplifies a methodology originally developed by Dr. Merlyn Kettinger. For a more detailed treatment, see the Planning for Project Implementation manual available from DPMC.

PLANNING FOR SUCCESSFUL PROJECT IMPLEMENTATION

1. Activate the Project

Establish Project start-up WORKING GROUP 	REVIEW Project Documentation PROJECT PAPER - Loan/grant agreement - Drawings/technical documents - Other legal, technical, & pastoral guidelines	CONFIRM PROJECT APPROVAL PROCESSES Clarify responsibilities of Ministerial, Departmental, local offices for processing project plans, schedules, and budgets.	Develop plan to meet CONDITION PRECEDENTS - U.S. origin - U.S. origin - And complete other legal requirements	Develop Brief PROJECT CHARTER which describes project goals, objectives, responsibilities, relationships	Establish LINKAGES with - Ministries and Departments - Universities - Local government Units - Project Beneficiaries - Other Donors - etc. Clarify roles & responsibilities of each	OBTAIN INTERIM Project Funds & Resources
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2. Establish Project Organization

Assign PROJECT MANAGER & INITIAL STAFF 	Determine Project Organization Structure & Location 	OBTAIN OTHER MANPOWER COMMITMENTS 	Reach clear agreement on RESPONSIBILITIES, AUTHORITIES & RELATIONSHIPS Local inter-agency cases 	Write Job Descriptions Covering - Education / experience requirements - Responsibilities - Performance measures 	DEVELOP Operating Procedures 	Communicate Project Organization & Procedures
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3. Develop Implementation Plans & Schedules

Clarify Understanding of Project Goals, Objectives, Strategy & Means "LOGICAL FRAMEWORK" 	Define Key PROJECT OUTPUTS SPECIFY - What? - How much? - Where? - By When? the project will accomplish	Prepare Realistic Project Schedules 	DETERMINE Activity Relationships & Critical Activities 	Develop Realistic PROJECT BUDGETS 	CLARIFY Individual Action Plans Specify what each person does by when & with what resources 	Get approval if modified plans for using PHYSICAL FINANCIAL MANPOWER
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4. Obtain Project Resources

MONEY		PEOPLE		THINGS
CLARIFY PROCEDURES TO OBTAIN & USE PROJECT FUNDS PROCEEDURES FOR: - Drawdowns - Disbursements - Reimbursements - etc...	Develop Disbursement Schedules Ensure Funds Requests are made!	OBTAIN OTHER NEEDED Project Staff MANPOWER - COMPLET - PARTIAL - TEST - RASBY - RASBY - RASBY	Acquire Needed Technical Assistance 	CLARIFY Resources Needed & write specifications for needed items. a) Make Decisions on: - local origin items - local non-orig items - U.S. origin - Code 841 origin
				Carry Out PROCUREMENT VEHICLES - OFF EQUIPMENT - CS SUPPLIES - TOOLS - COMMODITIES - ETC.

5. Establish Information & Control System

CLARIFY Information Needs and Decision Points 	Select AREAS TO MONITOR & CONTROL 	Develop Evaluation Strategy and Plans Why evaluate? When evaluate? What to evaluate? Who evaluates? Data requirements?	DEFINE PERFORMANCE INDICATORS FOR MONITORING PERFORMANCE 	IDENTIFY INFORMATION SOURCES - Ministry records? - Field observation - Household surveys - Special data collection - Project records - etc.	Design Reporting System and Determine THE RESPONSIBILITIES OF THE PEOPLE AT THE VARIOUS STAGES 	Design & Commission TOTAL INFORMATION SYSTEM - Design & Commission - Design & Commission - Design & Commission - Design & Commission
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- Session 1: Purpose of the implementation workshop, agenda and objectives.
- Session 2: An overview of the challenges of project management and predictable management difficulties; characteristics of successful projects.
- Session 3: Primary agreements on project goals, objectives and strategies for achieving the objectives, including how to communicate these to other parties and basic documents.
- Session 4: A review of the project organization and structure for technical and management activities; agreements in general on authorities for decision-making and adaptations.
- Session 5: Project outputs and technical standards, a breakdown formats, schedule of activities and critical activities list.
- Session 6: Determination of the planning process; first drafts of resource, manpower and financial plans and budgets; critical linkages for obtaining resources.
- Session 7: Linear Responsibility Charts for project activities; responsibility charts for supporting activities review of job descriptions and authority guidelines.
- Session 8: Review of all critical administrative procedures and sub-routines related to obtaining and using project resources, including finances, personnel and technical assistance, and physical commodities and resources.
- Session 9: Establishment of basic monitoring and information systems, development of project management system and relating this system to the systems of parent and oversight organizations; decision-making and project review procedures and systems.
- Session 10: Evaluation strategy and plans for formative and summative evaluations of all involved organizations.
- Session 11: Action-planning for follow-up to the workshops and next steps in project implementation.
- Session 12: Evaluation of the workshop, lessons learned, and implications for the project.

HEALTH INSTITUTIONAL PROJECT -- USAID/MALAWI

OBJECTIVE:

The objective is to establish all the necessary agreements, understandings, workplans, documents and systems to ensure that all organizations involved in the Health Institutions Development Project are prepared to undertake implementation in a manner that meets the regulations and requirements of both AID and the Government of Malawi, lays the foundation for effective and efficient coordination of the organizations and establishes management systems and process for project implementation.

SERVICES:

The contractor shall be responsible for the planning, preparing, conducting and evaluating a Project Implementation Workshop to be held for the Health Institutions Development Project (HID) of USAID/Malawi and the Government of Malawi. The Project Implementation Workshop shall be conducted in Malawi with the participation of the various organizations involved in the implementation of the project.

ACTIVITIES:

The specific activities to be carried out by the contractor shall include, but not be limited to, the following:

Discussions with USAID and Government of Malawi officials to establish the specific objectives and schedule for the implementation workshop.

Interviews with key officials of the cooperating agencies before the workshop to ensure that all relevant information and content is included and to ensure understanding of the purposes of the implementation workshop.

Prepare a detailed agenda and schedule for the implementation workshop for review and approval of USAID.

125

Conduct an implementation workshop with participants of the organizations involved in the project, using an action-oriented training approach which establishes (a) norms of collaboration, (b) mutual support among the organizations and (c) agreements on:

- * clearly defined goals, objectives and strategy for the project;
- * clearly defined organization, roles, responsibilities and authority for carrying out the project;
- * clearly defined work planning processes, a general plan for the total project and an initial work plan for the first year of project for review and approval of the USAID and the Government of Malawi;
- * clearly defined mechanisms and review processes for coordination and execution of project activities and programs; and
- * clearly defined management systems, including information and reporting systems, management review monitoring and decision-making systems, and evaluation plans and systems.

Prepare documentation of all agreements, plans and systems or processes developed during the workshop in a working reference to be further developed by the project team.

Develop action plans for follow-up to the implementation workshop with and for the primary organizations.

Evaluate the implementation workshop for effectiveness and efficiency and make recommendations for changes or modifications of similar future efforts.

Present a model of the workshop to USAID and the GOM for use in designing and carrying out future implementation start-up workshops.

LEVEL OF EFFORT

Two trainer/facilitators with experience in implementation workshops

on AID projects will be required to carry out the implementation start-up workshop. The estimated time requirements for the major sets of activities follow. Two persons should be involved in each of the activities.

days

- 5 team planning and preparation
- 6 seminar on Development Project Management and Team Planning Meeting for Howard University in Washington .D.C.
- 5 discussions with USAID, GOM officials and officials of other participating organizations and establishment of a detailed schedule for the implementation workshop
- 12 preparing and conducting the implementation start-up workshop
- 5 documentation, evaluation and follow-up planning
- 4 travel

Total for two persons is seventy-four person-days, plus transportation and perdiem in Malawi.

The Government of Malawi or USAID will provide facilities and materials and support for the workshop. Some materials and support services should also be written into the consultants contract.

QUALIFICATIONS

- * Experience on implementation and management of development projects, preferably in Africa.
- * Experience on training and facilitation with intercultural interorganizational and interdisciplinary teams and work groups.

- * Experienced in facilitation and training for project implementation start-up, using approaches, methodologies and techniques consistent with those adopted by USAID/Malawi and the Government of Malawi.
- * Familiarity with AID implementation systems and procedures
- * Familiarity with Malawi and the Malawian management context.

PROJECT READI -- USAID/MALAWI

OBJECTIVE#:

The objective is to establish all the necessary agreements, understandings, workplans, documents and systems to ensure that all organizations involved in the READI project are prepared to undertake implementation in a manner that meets the regulations and requirements of both AID and the Government of Malawi, lays the foundation for effective and efficient coordination of the organizations, and establishes management systems and process for project implementation.

SERVICES:

The contractor shall be responsible for the planning, preparing, conducting and evaluating a Project Implementation Workshop to be held for the Rural Enterprise and Agricultural Development Institutions Project (READI) of USAID/Malawi and the Government of Malawi. The Project Implementation Workshop shall be conducted in Malawi, with the participation of the various organizations listed below which are involved in the implementation of the project.

INDEFUND
MUSCCO
AFRICARE
CUNA/WOCCU
USAID/Malawi
DEMATT
MOF
MOT
SEDOM

ACTIVITIES:

The specific activities to be carried out by the contractor shall include, but not be limited to, the following:

Discussions with USAID and Government of Malawi officials to establish the specific objectives and schedule for the implementation workshop.

Interviews with key officials of the cooperating agencies before the workshop to (a) ensure that all relevant information and content is available and (b) ensure understanding of the purposes of the implementation workshop.

Prepare a detailed agenda and schedule for the implementation workshop for review and approval by USAID.

Conduct an implementation workshop with participants of the organizations involved in the project using an action-oriented training approach which establishes (a) norms of collaboration, (b) mutual support among the organizations and (c) agreements on:

- * clearly defined goals, objectives and strategy for (a) the project and (b) each participating organization;
- * clearly defined organization, roles responsibilities and authorities for carrying out the project;
- * clearly defined work planning processes, a general plan for the total project and an initial work plan for the first year of the project for review and approval of the USAID and the Government of Malawi;
- * clearly defined benchmark of organizational development for participating organizations;
- * clearly defined mechanisms and review processes for coordination and execution of project activities and programs; and
- * clearly defined management systems, including institutional information and reporting systems, and financial monitoring systems, decision-making systems, and evaluation plans.

Prepare documentation all all agreements, plans and systems or processes developed during the workshop in a working reference to be used and expanded by the project team.

Develop action plans for follow-up to the implementation workshop with and for the primary organizations, including Quarterly Project Implementation Reviews.

Evaluate the implementation workshop for effectiveness and efficiency and make recommendations for changes or modifications of similar future efforts.

Present a model of the workshop to USAID and the GOM for use in designing and carrying out future implementation start-up workshops.

LEVEL OF EFFORT

Two trainer/facilitators with experience in implementation workshops on AID projects will be required to carry out the implementation start-up workshop. The estimated time requirements for the major sets of activities follow. Two persons should be involved in each of the activities.

days

- 5 team planning and preparation
- 7 discussions with USAID, GOM officials and officials of other participating organizations and establishment of a detailed schedule for the implementation workshop
- 14 preparing and conducting the implementation start-up workshop
- 8 documentation, evaluation and follow-up planning
- 4 travel

Total for two persons is seventy-six person-days, plus transportation and per diem in Malawi.

The Government of Malawi or USAID will provide facilities and materials and support for the workshop. Some materials and support services should also be written into the consultants contract.

QUALIFICATIONS:

- * Experience on implementation and management of development projects, preferably in Africa.
- * Experience on training and facilitation with intercultural interorganizational and interdisciplinary teams and work groups.
- * Experience in facilitation and training for project implementation start-up, using approaches, methodologies and techniques consistent with those adopted by USAID/Malawi and the Government of Malawi.
- * Familiarity with AID implementation systems and procedures.
- * Familiarity with Malawi and the Malawian management context.

F. ANNEX 6

A FRAMEWORK FOR ANALYSIS OF ORGANIZATIONAL STRUCTURES
AND MANAGEMENT PATTERNS FOR DEVELOPMENT PROJECTS
IN MALAWI

- WORKING PAPER -

MAY, 1984

USAID/MALAWI
MIN OF FINANCE/MALAWI
DPMC/OICD/USDA

173

INTRODUCTION

A project may be described as a "temporary" organization which is to achieve a specified purpose in a limited time with specified resources. Development projects are investments to develop new capabilities to produce additional goods or services to meet some identifiable development need.

By their very nature projects are risky. They are often unique and involve some uncertainty. They are change-oriented and will draw upon important and scarce financial and human resources. Their complexity is exaggerated many times, as well, by the nature of their organizational structure and management.

Apart from its technical and economic merits, the success of a project depends largely on how effective its organizational structure. Without efficient and appropriate organizational structures for management, a technically sound and viable project may end in failure.

The form of organization and management selected for a project will depend largely upon the nature and scope of the project and the setting in which the project is to operate. Most projects involve a donor, as well as at least one primary organization in the host country which has primary responsibility for implementation of the project. Frequently, projects require the coordination of organizations or departments and units which do not traditionally work together and which have limited experience in the type of work and management called for by the project.

Projects, as a temporary form of organization, are often embedded into existing organizations to carry out their assignments. The nature of the relation within the "parent" or existing organization is one key factor to the success of a project. Another key factor is the nature of the relation to the donor.

The factors of relationships to donor and the parent organization and the structural arrangements can be examined systematically to determine the best structures and management patterns for particular projects. There has been little work in this area, but it appears to have significant implications for both the planning and implementation of projects. The following analytical framework is based upon a limited survey of projects in Malawi during the first phase of a USAID-initiated effort to improve management of projects in collaboration with the Government of Malawi, including the Ministry of Finance (MOF), Office of President and Cabinet (OPC), the Ministry of Agriculture (MOA), the Ministry of Health (MOH) and the Department of Lands, Valuation and Water (DLVW).

The following scheme of organizational and management patterns was drawn from a brief survey conducted through interviews with key officials in the above GOM organizations which have responsibilities for development projects. It is not an exhaustive description of all project management alternatives, but a framework for categorizing the alternatives and analyzing the appropriateness of a particular alternative relative to the goals of the project and the nature of its organizational setting.

A6.2

First, it was observed that the management relations of a project to a donor organization can be categorized as:

- (i) the donor organization has the primary management of the project, including the responsibilities for the contracting of technical assistance and the procurement of commodities; or
- (ii) the donor organization depends heavily upon the host country "parent" organization for the management of the project and plays an oversight role to monitor performance and use of resources; or
- (iii) the primary responsibilities for the management of a project are divided between the donor and the host organization, with some (e.g., contracting) being done by the donor and others (e.g., procurement) being done by the host organization.

In the following analytical framework, these three categories are used to describe the alternatives of management relationships particularly the primary management responsibilities.

From the brief survey, it was also concluded that the organizational structural alternatives could be categorized into five major types -- based upon the nature of their organizational linkages with the host organization. The primary factor determining the categorization was the degree of integration within the host institution. The identification of the five types of organizational structures is based upon a project management concept called "matrix management," which is discussed more fully in the resource materials used in the working sessions.

The five categories of organizational alternatives are titled:

1. Program Advisory Structure
2. Integrated Organization Structure
3. Highly Dependent Organization Structure
4. Highly Independent Organization Structure
5. Separate "new" Organization Structure

The analysis of these organizational structures was continued on the basis of six questions of effectiveness and efficiency, listed below, and their major advantages and limitations as a basis for determining their appropriate use for project design were noted.

A6.3

The dimensions for assessing the five major alternatives for organization are:

Effectiveness in achieving technical success

Effectiveness in coordinating Malawian institutions

Effectiveness in liaison with Donor institutions

Effectiveness in institutional and management development

Effectiveness in generating participation of beneficiaries

Effectiveness in generating self-sustaining development

TYPE 1: SEPARATE "NEW" ORGANIZATION

Often development projects are carried out by organizations which are created specifically for the project. Sometimes these "new" organizations are terminated at the end of the project, but more often they are intended to continue as an ongoing organization performing the functions which the project has initiated. Frequently, the "new" organization is a refurbishing or significant strengthening of an existing organization, changing dramatically its mission, its scope and/or its size.

This type of organization requires a high investment of resources from the sponsoring donor institution and is frequently characterized by high donor control (Option A). Because the new or strengthened organization often must become integrated into its organizational environment, the linkage with other existing organizations is critical. Therefore, coordinating linkages are created to support the project and to foster growth for long-term institutional viability. To promote coordination and support, and to provide host country guidance and oversight, an "executive board" or oversight unit is often established with representatives from key institutions. Type 1 is illustrated in Figure 1. Examples of experience with this type of project management structure in Malawi include Rural Growth Centers, Malawi Canada Dairy Project and German Malawi Livestock Project.

Effectiveness Ratings:

Generally technical success is high because of intense focus on objectives and high involvement of specialized technical assistance and adequate resources for the life of the project.

Effective coordinating with GOM institutions requires special arrangements and may be low-moderate, unless given much attention and carefully planned.

Liaison with donor is effective because of high donor involvement and control of resources.

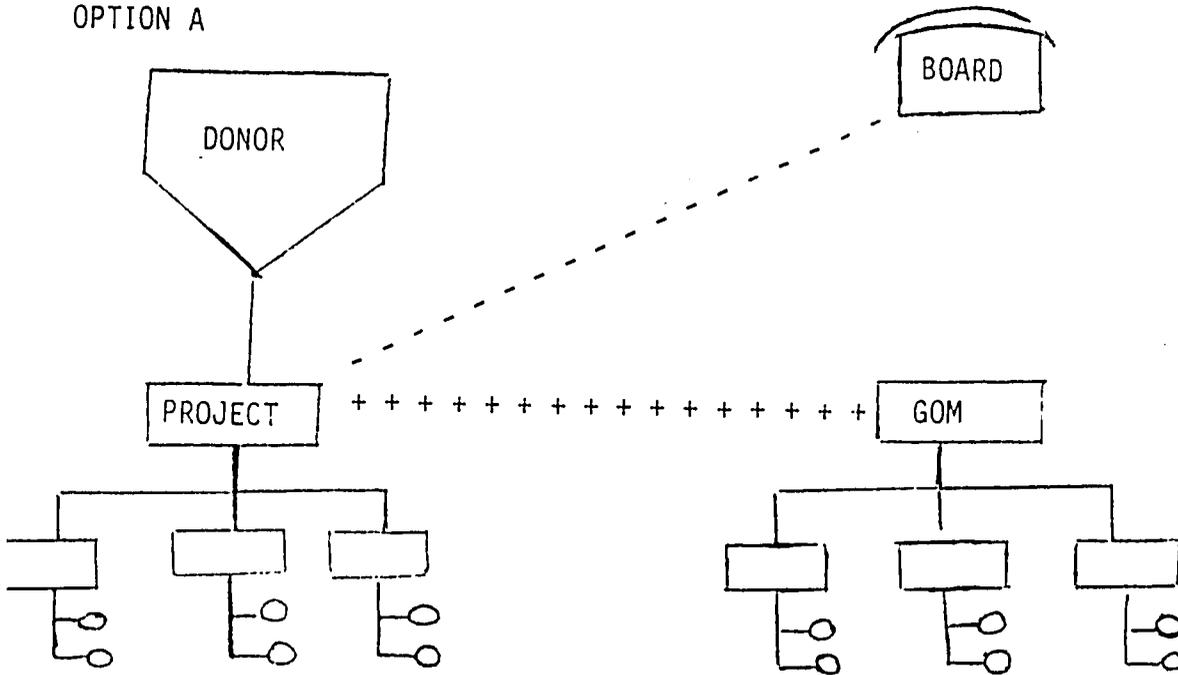
Effective institutional and management development may be low unless there is a specific project component dealing with this aspect. In the case of "new" organizations, the component is often in place, so institutionalization is a major objective. However, the requirements are overlooked in favour of technical project aspects. With focused attention, institutional development can be moderate, even high; however, if the new agency is a threat to any existing organizations or functions of those, then the long-term management and development factors are likely to be endangered when the protective oversight of the donor institutions is terminated.

The generation of participation by this type of organization can be high as there is normally quite a focused attention on the project objectives

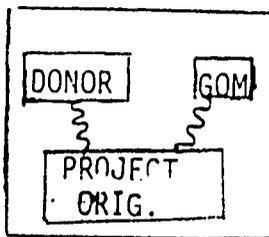
TYPES OF PROJECT MANAGEMENT STRUCTURES

TYPE 1 : SEPARATE "NEW" STRUCTURE

OPTION A



OPTION B



Key to Types of Management Control and Relationships:

- (A) Direct Authority or Control = ———
- (B) Partial or Shared Authority or Control = ~~~~~
- (C) Oversight and Monitoring only = - - - -
- (D) Coordination only = + + +

Experience with this type of project management structure in Malawi. Examples are:

- * Rural Growth Centers
- * Malawi Canada Dairy Project
- * German Malawi Livestock Project

and enthusiasm around new organizations. However, this depends largely upon the technical areas, which may not involve lower level participation at a high degree because of attention to highly technical matters or the need to influence other cooperating or competing organizations. Therefore, overall the participation factor is highly variable and needs attention in design.

The impact for self-sustaining development is high if there is not extensive competition or threat in the functions of the new organization and if there are resources to continue existence after the departure of the donor support. Therefore, it is generally low in the case of non-profit organizations and potentially high in the case of profit-making organizations.

Advantages and Limitations:

The major advantages of this type are:

Independence of operation and autonomy of decision-making which can minimize delays in implementation and technical accomplishments.

High levels of technical specialization and technology can be introduced in an innovative and experimental manner with high tolerance for adaptation and adjustment for achieving project objectives.

Specialized resources, e.g., technical assistance and specialists can be attracted without constraints of the personnel procedures and constraints of existing organizations.

Internal project organization can be created and adapted for best achieving project objectives.

Limitations:

It requires high levels of structure which can be difficult for GOM to absorb and integrate after funding ceases, particularly in terms of manpower, salary levels and overall costs.

There is potential for developing in a unique direction which may be inconsistent or incongruent with other parts of the larger program or organizational context being implemented by the sponsoring or related GOM institutions.

A large staff is required and demand for professionals who may be in scarce supply is high so the competition can lead to weakening GOM institutions by recruiting Malawian professionals from their ranks.

TYPE 2: HIGHLY INDEPENDENT MATRIX STRUCTURE

An alternative to creating a "new" organization is to create a new unit within an existing organization for carrying out the project. This often involves the placement of a fairly large project team within the domain of an existing Ministry of organization which is directly responsible for a project, and which will depend upon the organization for some of its support and functions. In some instances this may involve significant strengthening of an existing unit, but often it is a new unit. The unit may be terminated at the end of the project, however, there is frequently the continuation of at least some of the functions of the unit in some manner within the organization upon its termination.

Frequently, the donor retains high control of the contracting and procurement in such instances (Option A), though there is increasing dependence upon host country contracting and management (Option C) or highly shared management responsibility (Option B). When management responsibilities are shared, coordination must be highly organized and efficient. Confusion and some degree of conflict is likely when management responsibilities are not clearly defined and distinct.

The goal of this type of project organization is often the development of a particular new technology or service which the organization is to use in an ongoing program, so there needs to be high integration with the organization and attention to the impact of the project and its implications upon the parent organizations. Often, the desired coordination and integration is not present and the project may achieve its technical objectives without achieving the desired organizational change and institutional objectives. Therefore, the relationship with the parent organization is extremely important and often the key to long-term success, especially as the organization must take over the functions or technology in some way at the termination of the project.

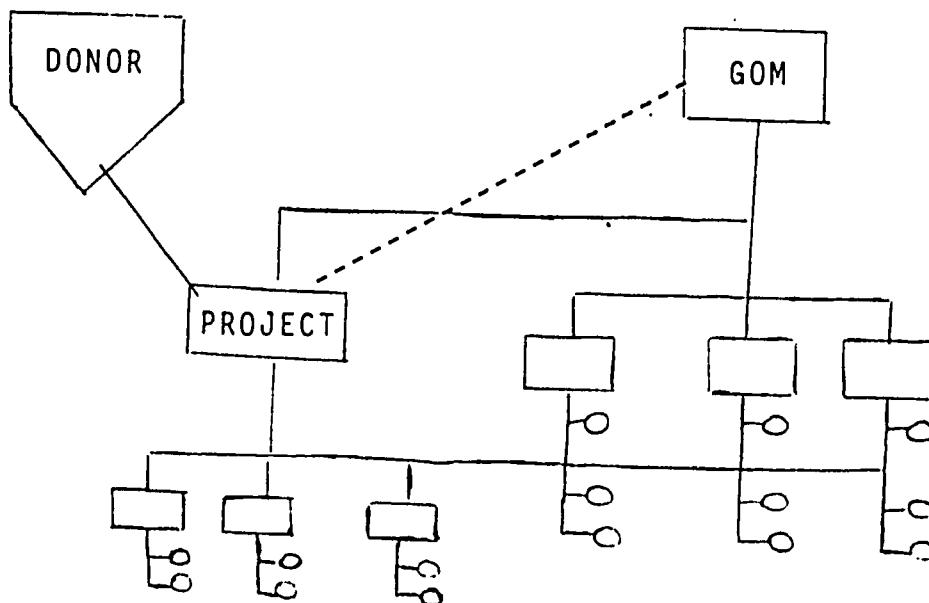
Experience with this type of project management structure in Malawi is exemplified by the IDA Education Project, the Liwande Management Unit, and the USAID Agricultural Research Project.

Effectiveness Ratings:

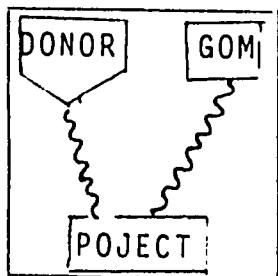
The probability of technical success, achieving the technological advances and technical objectives, is high because of the high degree of attention and resources focused upon the project.

The coordination of GOM institutions can be high, if there is adequate attention to the integration of the project with the parent organization. If, however, the donor retains high control and the project team is more responsive to management direction and control which is external to the parent organization, the coordination may be moderate and even low. Priority must be maintained for coordination to be effective.

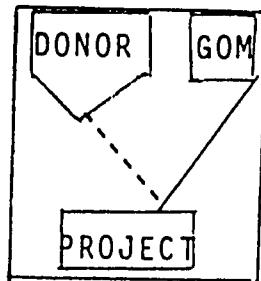
TYPE 2: HIGHLY INDEPENDENT MATRIX STRUCTURE



OPTION B



OPTION C



Key to Types of Management Control and Relationships

- (A) Direct Authority or Control = —
- (B) Partial/Shared Authority or Control = ~~~
- (C) Oversight and Monitoring only = ---
- (D) Coordination only = + + +

Experience with this type of project management structure in Malawi. Examples are:

- * IDA Education Project
- * Liwonde Management Unit
- * Agricultural Research Project (USAID)

Coordination with the donor is generally high because of high attention and management oversight, and because of high donor accountability for project resources.

Institutional and management development may be high. As noted above, this is very dependent upon the attention given to the institutional and management dimensions of the project. Often technical considerations are given higher priority because of the visibility of the project. If not given priority, particularly if the donor retains high management control, the effectiveness of management and institutional development may be quite low.

The generation of participation is generally moderate as the project is seen as somewhat insulated from the ongoing programs and institutional interactions. However, there is a potential for high participation, if properly managed and directed.

The impact for self-sustaining development is moderate. It is often not high because of the "privileged" position given to the project while it has donor support. When these resources and the special attention is lost (or the donor changes priorities to other areas which demand competing resources) the self-sustaining nature of the project unit (or its successor) is quite low.

Advantages and Limitations:

The advantages of this type of organization type can be summarized as:

There is a higher probability of a successful project in technical and short-term objectives because of greater certainty of project resources.

Participation is encouraged because of close linkages with the parent organization and its program. This permits linkage with ongoing programs and with the local communities and can be used to ensure acceptance of the project, leading to its success.

Option C allows for clear lines of authority; to be established between the parent ministry of GOM and the donor and promotes project success.

Limitations:

The potential for vague lines of control and direction is quite high because of the high interests of both the donor and the parent organization, leading to confusion and diffusion of the effort.

11/2

A6.10

Staff requirements may be quite high, particularly for professional and experienced staff, thus competing with and weakening GOM institutions.

Dependence upon technical assistance may be quite high and create a norm of continued dependence for program success.

Potential conflicts of interests and authority between the project, GOM and the donor may be difficult to resolve.

TYPE 3: HIGHLY DEPENDENT MATRIX STRUCTURE

Frequently projects are organized to be highly integrated with an existing organization, using persons and resources within the organization to carry out the project -- but with a small project staff which has responsibility for the direction and management of the project, and perhaps for some specific technical functions or training on the project. This is illustrated in Figure 3.

The project success is highly dependent upon the strength of the existing organization and the most typical situation is for the management responsibilities to be carried out primarily by the parent host organization (Option A). However, it may be the case that the donor retains primary management responsibility and control of the project-specific personnel and resources (Option C), in which case there is higher potential for ensuring that the project receives adequate management attention but at the cost of a lower integration into existing systems.

This type of organization requires less resources from the donor organization than Type 2. The parent host organization must be highly committed to the project for it to work since it draws heavily upon its resources and personnel. If this is not negotiated early, the project confronts delays and difficulties because of the lack of authority to command the resources for project success. This type of organization may be particularly appropriate for ongoing programs which have been projectized or for projects which are rather routine such as some construction projects.

Experience with this type of project management project structure in Malawi is exemplified by National Rural Development Program, the USAID CCD project, public works projects for roads and the USAID Rural Water Project. This is a very common type of project management structure.

Effectiveness Ratings:

In general this project can achieve a high degree of success for projects which are routine or for projects which require existing technologies. However, success for new and innovative technologies is generally moderate or low.

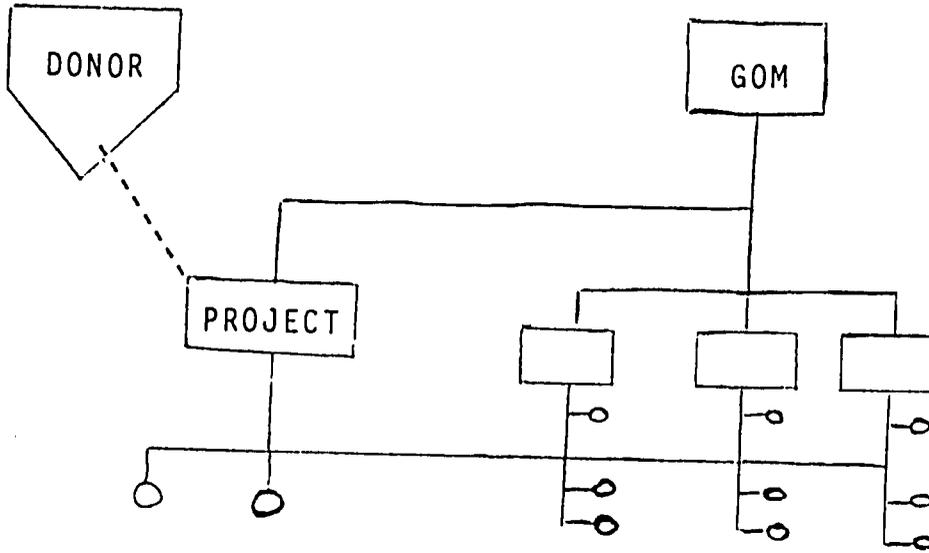
This form can be very effective for the coordination of GOM institutions, if there is adequate agreement in advance and commitment of resources so that there is not competition between the project and other parts of the organization's program.

The liaison with the donor may be moderately effective, but requires attention and special organization which is not typically a part of the patterns of the ongoing parent organization.

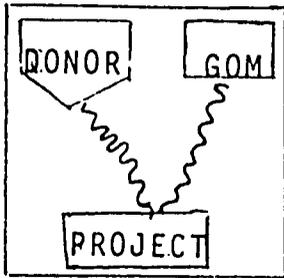
This can be very effective for institutional and management development if it is a successful project because it complements and strengthens existing

TYPE 3: HIGHLY DEPENDENT MATRIX STRUCTURE

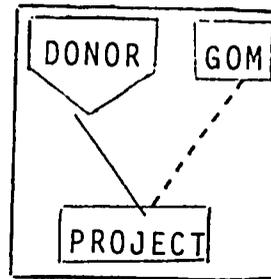
OPTION A



OPTION B



OPTION C



Key to Types of Management Control and Relationships

- (A) Direct Authority or Control = —
- (B) Partial/Shared Authority or Control = ~~~~~
- (C) Oversight and Monitoring only = ---
- (D) Coordination only = +++

Experience with this type of project management structure in Malawi. Examples are:

- * NRDP
- * CCCD
- * Public Works (Roads)
- * Rural Water Project

115

capabilities within the context of the ongoing program of the ongoing Ministry or parent organization.

The generation of participation is also generally quite high, perhaps because of the types of projects organized in this manner, but also because of the need for close interaction with the parent organization and programs if it is to be successful.

The impact for self-sustaining development is also quite high as there are not heavy additional demands for resources and staff to carry out the program. Innovations can be introduced and implemented in incremental ways which ensure adaptation and acceptance within the parent organization.

Advantages and Limitations:

The major advantages of this project management structure type are summarized as:

Integration into the GOM parent institution in incremental and partial manner which promotes institutionalization after the funding ceases.

The technology must be congruent with and built upon those in the organization -- an advantage if it is acceptable and not too innovative or too change-oriented.

The structure is not highly manpower intensive or dependent on external resources for success.

High degrees of participation are possible and often encouraged; communication within the existing programs and organization are facilitated.

The opportunity for broader influence in the organization is possible and more opportunity for on-the-job training and development, with quicker results for routine and incremental improvements.

Limitations:

There is a high demand upon existing organizational resources and this can increase that demand leading to ineffectiveness for the project and for ongoing programs.

There is a high potential for vague lines of communication, and consequently for confusion, conflict and diffusion of the project.

The donor has lower control of the project generally and must find ways to ensure accountability or resources and generate commitment to project success, especially in the case of high-change oriented projects.

11/2

TYPE 4: FULLY INTEGRATED STRUCTURE

A fourth organizational structure type for projects is full integration into the existing organization. This project either uses technical assistance in existing or new organizational positions which are part of the ongoing programs. In most cases, the direct primary management responsibilities will be within the parent organization, and subject to all the conditions and procedures of that organization (Option A). In some cases, some of the management may be reserved by the donor, such as assigning persons on secondment and reserving management responsibility for salary topping or some logistical and support functions.

The experience with this type of project management structure in Malawi is relatively high, especially with some technical assistance programs of the British and German assistance programs. Examples include also the Christian Service Committee Project, Rural Development Linkages Project and some of the Agricultural Development Districts.

Effectiveness Ratings:

The potential for achieving high technical success may be quite low because the program is so closely tied to existing rather than development programs. There are high constraints on the amounts of innovation and change which can be introduced through this structure.

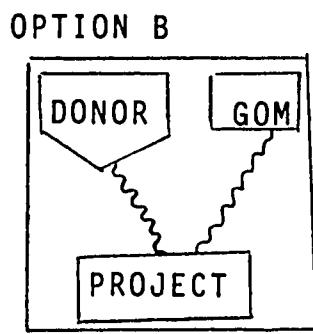
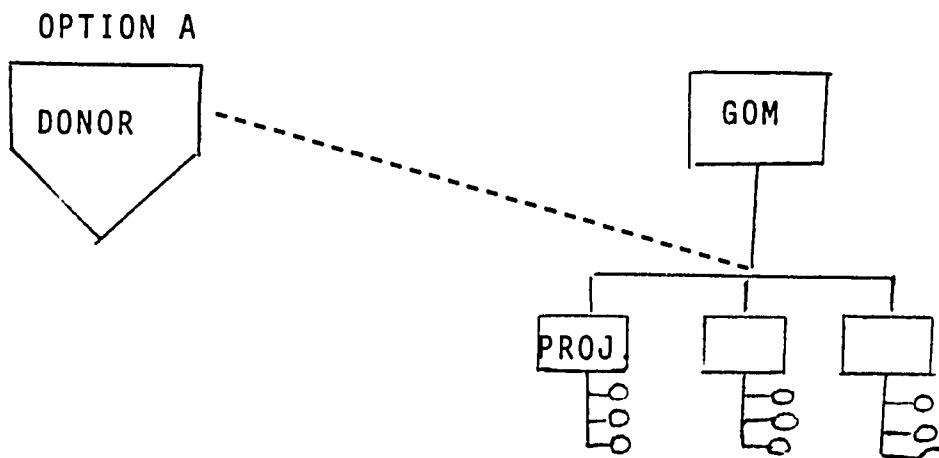
Coordination with the GOM institutions is potentially quite high, but liaison with the donor may be low, or at best moderate unless there is attention to coordination and management mechanisms.

Effective institutional and management development may be high, but only if there is an active component for management development and training, and if over-dependence on the donor-supplied resources for ongoing programs is not encouraged.

Generation of participation is also potentially quite high because of the linkages to ongoing programs and the opportunity to use and influence organizational resources as part of the project.

The impact for self-sustaining development is high if there is adequate attention to the development of counterparts and resources which will maintain the program when the donor-supplied technical assistance and resources are terminated.

TYPE 4: FULLY INTEGRATED STRUCTURE



Key to Types of Management Control and Relationships

- (A) Direct Authority or Control = ———
- (B) Partial/Shared Authority or Control = ~~~~~
- (C) Oversight and Monitoring only = - - - - -
- (D) Coordination only = + + + + +

Experience with this type of project management structure in Malawi. Examples are:

- * Christian Service Committee Project
- * Rural Development Linkages Project

148

Advantages and Limitations:

The major advantages of this project management structure are summarized as:

There is high participation on the part of the GOM institution and an integration of project-supported functions within ongoing programs.

Small projects may work well in this manner.

Local participation may be generated more easily in relation to ongoing programs.

Ongoing programs can be strengthened.

Limitations:

There may be high costs for the GOM institution which may cut into or interfere with ongoing programs if the donor has objectives which are not entirely congruent with or subservient to those of the parent organization.

The scopes of projects organized in this manner are often quite limited, particularly with respect to technological development, change or innovation.

The project may be subject to unusual amounts of organizational influence which may diffuse the effort and detract from the original objectives.

A degree of dependence on donor institutions may be increased rather than decreased if personnel are required for ongoing support of the existing programs.

TYPE 5: PROGRAM ADVISORY STRUCTURE

Often technical assistance is placed in an existing program, but in an advisory position rather than an existing position or in a more typical project position. This may occur when the GOM host institution has specific needs in programming, planning, policy-making and strategy formulation. The donor-provided assistance is in a special position to provide guidance and influence on the program and help direct it in ways that are agreed upon by the donor and host institution.

The program advisory structure may also be used when the parent institution is small and the program could not support a large team or project. It may also be used as a forerunner to a larger project or program of assistance.

Frequently, World Bank assistance is given in this mode to Malawi. It is also typical of a range of short-term, continuous or ongoing technical assistance programs which help to monitor and guide the development program of an existing organization or Ministry, or which provide assistance for assessing development through special studies, especially at the program management level. USAID is providing such assistance to DEMATT, for example.

In this type of project management structure, the donor often maintains high primary management responsibility for the technical assistance, and the advisor often feels most responsible to the donor organization, and is to redirect the host institution in respect to guidance from the donor.

Effectiveness Ratings:

The effectiveness for achieving technical success is low to moderate as the resources for technical accomplishments are low, as a result, an advisory position is usually not oriented to technical objectives, but program and policy objectives.

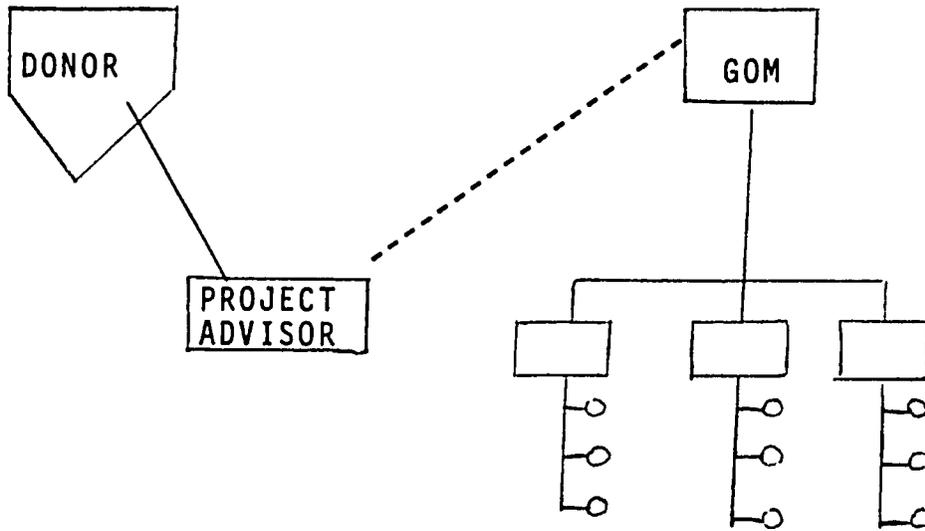
Coordination with GOM institutions can be quite high because of the influential position and status often given to advisory positions, however, the positional and expertise influence common to such positions must be used cautiously until coordination and linkages are established since the position itself lacks permanence.

Effective liaison is possible with the donor because the advisor often has long history of working with the donor and often the donor retains high management responsibility for the technical assistance.

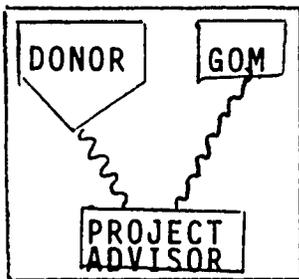
Institutional and management development is generally a by-product of redirecting programs and policies, so the potential for this dimension of development can be quite high in follow-up programs or through indirect influence on the nature of the programs, but direct potential is generally

TYPE 5: PROBLEM ADVISORY STRUCTURE

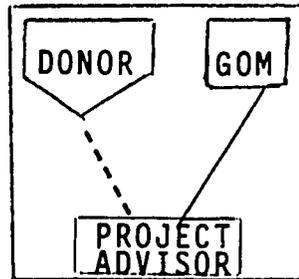
OPTION A



OPTION B



OPTION C



Key to Types of Management Control and Relationships

- (A) Direct Authority or Control = ———
- (B) Partial/Shared Authority or Control = ~~~~~
- (C) Oversight and Monitoring only = - - - -
- (D) Coordination only = + + + +

Experience with this type of project management structure in Malawi. Examples are:

- * MUSSCO
- * DEMATT
- * WORLD BANK

low (or moderate at best). There are seldom counterparts being trained or long-term institutional improvements related to the specific functions performed by the assistance.

The generation of participation is generally low, as the objective is often high-level influence. The impact for self-sustaining development is also low as the functions are perceived as catalytic and temporary.

Advantages and Limitations:

The major advantages of this project management structure are:

The potential for program influence is quite high because of the relatively high status and expertise assigned to the advisor.

The advisor has no professional supervisory role and can concentrate on guidance and advising of top-level officials.

There is minimal resource requirements and low cost for such assistance, with potential for high payoff in the long-term if development policies and directions are properly redirected by the impact at the policy and program level.

The operational dependence of GOM institutions on donor assistance or expatriate manpower is not increased.

Limitations:

The advisor usually has no "real" power or influence, but must create this as a result of establishing relations within the host country.

The role is not permanent and often is not high in influencing actual, immediate performance of an organization.

There are very limited resources available to the project to bring about desired results.

The effectiveness is very much determined by (i) the readiness of the institution to accept and adopt the advice given and (ii) the personal characteristics of the advisor and how these are perceived by the organization.

G. ANNEX 7

A GENERIC APPROACH TO ADMINISTRATIVE
AND INSTITUTIONAL ANALYSIS FOR
DEVELOPMENT PROJECTS IN DEVELOPING NATIONS

-WORKING PAPER-

MAY 1984

Merlyn Kettering
DPMC/OICD/UDSA

153

A GENERIC APPROACH TO ADMINISTRATIVE & INSTITUTIONAL ANALYSIS
FOR DEVELOPMENT PROJECTS IN DEVELOPING COUNTRIES

(DRAFT MAY, 1984)

DPMC/OICD/USDA
Merlyn Kettering

Administrative and institutional analysis is required by AID as a component of project design. Guidelines for this analysis are provided in the AID Handbook series. The following suggested approach is not a substitute for the AID requirements but rather a complement to the handbook.

The basic premise of this approach is that administrative and institutional analysis should focus upon the probabilities of establishing the requisite management "foundations" and facilitative conditions to ensure successful project implementation. The analytic model underlying the suggested approach is based upon several management principles which characterize the essence of successful projects:

- * All key organizations and actors must agree upon and have commitment to the project goals, objectives and strategies;
- * Successful implementation requires a defined, effective planning process which results in realistic and agreed upon work plans, budgets and schedules;
- * The project organization (and its parent organizations) must have the capability and capacity for carrying out the project; roles, responsibilities and authorities must be clearly defined, understood and agreed upon;
- * Appropriate and effective mechanisms must be in place or established to direct, coordinate and execute the project activities toward their overall objectives; and
- * Suitable management, monitoring, decision-making and evaluation processes and mechanisms must be established to assess progress, adaptively respond to changes, problems and opportunities which will be encountered, and document lessons learned.

Each principle constitutes a set of factors and issues which should be examined during the design of the project, and continuously throughout implementation. In addition, it is important to examine the "facilitating conditions" which promote success. These include the following:

A. There is a clearly identified need and pressure for change that is adequate to ensure the attention and priority necessary for the project to succeed.

A7.2

B. The project, in terms of its conceptual or ideological foundations and in terms of proposed technologies and activities, builds sufficiently upon existing practices to be successfully incorporated or incrementally adaptive to the present environment.

C. There is a sense of ownership for the project in the host country and its parent organization; this should be evident by the amount of responsibility to be taken for the project, such as providing guidance and direction as well as more intimate involvement with implementation and management.

A7.3

SOME GUIDING QUESTIONS RELATED TO THE ANALYTICAL FRAMEWORK

Commitment and Agreement to Project Objectives and Strategy:

To what extent has the parent organization understood, accepted and become committed to the project objectives and the change implications for their own organization?

To what extent are the objectives and goals of the project consistent with those of the parent organization, build upon these and are congruent with the long-term directions of the organizations?

How strong is the parent organization relative to other organizations in the environment which will have influence on the program, the project and its success?

Are the strategies for accomplishing the project consistent with those the organization is now using and if not, what are the steps to be taken to ensure that the strategies are understood and will be used in place of the existing ones?

Have key officials been involved in the conceptualization and request for the project and show understanding and commitment? Have officials at the operational level been involved in the conceptualization and in preparation of or review of technical and managerial requirements for the project to be successful?

Are there adequate interim resources to sustain the early stages of project start-up before the project funds begin to flow effectively?

Project Organization and Personnel:

Are the project structures congruent with and acceptable within the parent organization without major unacceptable disruptions and/or distortions of existing organizational and personnel procedures and practices?

Has a single point of responsibility been identified for the project management, coordination and direction? Does this point have sufficient authority for actually coordinating and managing the project at this level?

Do project personnel have the requisite experience and qualifications for carrying out the project? Will technical assistance properly complement the organization's capabilities and capacities without creating further dependence?

Is there capacity for assuming and maintaining the project activities in a self-sufficient, programmatic fashion after the termination of project assistance?

A7.4

Are there procedures and processes for clearly defining and monitoring roles, responsibilities and performance during the project? Are these likely to be effective?

Does the organization have successful experience with similar types of efforts in the past, and is there evidence that the organization has learned and benefited from the projects?

Are manpower and technical assistance agreements likely to be clear and manageable? What is the past experience with such personnel management patterns as proposed by the project?

If several organizations or units must be coordinated to achieve higher level project objectives, are suitable mechanisms and organizational entities in place or to be created?

Work Planning and Management:

Can and are the project outputs clearly identified and consistent with the needs and capabilities identified by both the sponsoring organizations and potential beneficiaries or users?

Are the standards for the outputs clearly identified, or are processes identified for maintaining quality standards throughout the project?

Is there a work planning process or procedures which will lead to well integrated, realistic planning on the project and involving the proper persons at all levels to ensure that plans are achievable and acceptable?

Has the plan dealt with more than the technical work activities? Have managerial and other support activities been anticipated and planned for in the work breakdown of activities and in the planned organization of the project?

Are there clearly identified formats for work plans and clear plan review and approval processes?

Are there mechanisms for coordinating work plans between different cooperating organizations or units?

Are work plans related realistically to budgets and manpower or personnel plans as a part of normal operational practices in the organization, or will special attention need to be given to this aspect of work planning during the project?

Obtaining and Mobilizing Resources:

Are resource (financial, physical commodities and manpower) needs identified realistically and practically?

Have the appropriate mechanisms been identified for funding and drawdowns from the perspective of both the donor and the host institution?

Have arrangements for obtaining manpower locally been clearly identified -- or has a process for obtaining these and integrating them into the project effort been identified?

How effective have similar efforts been in obtaining appropriate personnel in the past?

Are arrangements for technical assistance adequately determined, including timing, schedules, contracting procedures, management procedures, and performance evaluation?

Are the recommendations for commodity procurement clear, practical and likely to be effective, based upon past experience?

Are financial accountability, management and review mechanisms in place and likely to be effective enough to meet AID accountability requirements?

Are the local systems capable of being used, and appropriately integrated with AID systems to provide timely service and accounting for commodities, finances and personnel?

Are the resource requirements congruent with those existing at the present time in the organization and are they unlikely to create special demands or requirements for maintenance, support or other management requirements?

Management Systems:

Do the present management systems provide the type of guidance and coordination required to make the project work?

Are there reliable, timely, relevant data for the management of present programs and projects? If not, how will this capacity be built so that management is able to properly direct and manage the project?

Does the higher level management use the data available for management and decision-making?

What is the management record of the organization on similar efforts or related programs?

What is the continuity and experience of key management personnel?

To what extent are management information systems in place and useful for management of the project and the larger program?

Is there effective coordination of programs and projects within the organization(s) to ensure that higher level objectives will be monitored and managed?

A7.6

Is the organization effective at operational level management and is there experience with management of donor-provided external commodities or technical assistance?

Are there evidences that "formative" evaluations take place to redirect programs in progress and how effective are these?

Is evaluation a part of the normal management of the practice for development projects? Have adequate resources and mechanisms been built into the project to ensure that the host institution management will be involved in and use evaluation as well as USAID? Is evaluation strategy and plan clear, practical?