YOUTH COOPS

Module 3

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INTRODUCTION

In this module, you will learn more about Project Cycle Management (PCM) and the Logical Framework Approach (LFA). You will also be introduced with a few tools to formulate your project/business idea.

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Project Cycle Management

Definition

Project Cycle Management" (PCM) is the methodology adopted by European Commission as its main approach for project and programme management. The main aim of PCM is to facilitate a participatory approach in designing and managing projects, starting from the real needs of the final beneficiaries of the activities. This approach ensures a high quality of the project activities (that are targeted to the real needs of the target groups) and, above all, a high level and a strong sustainability of the project results and impacts. A full project cycle is made up of six phases: programming, identification, formulation, financing, implementation, and evaluation.

This cycle highlights three main principles:

- Decision making criteria and procedures are defined at each phase (including key information requirements and quality assessment criteria);
- The phases in the cycle are progressive and linked to each;
- New programming and project identification starts from the results of monitoring and evaluation after every intervention (cycle).

The monitoring and evaluation phase aim to map the new the starting context, the new basic situation to deal with a new project, the initial condition to improve that are to be considered modified by the previous intervention.

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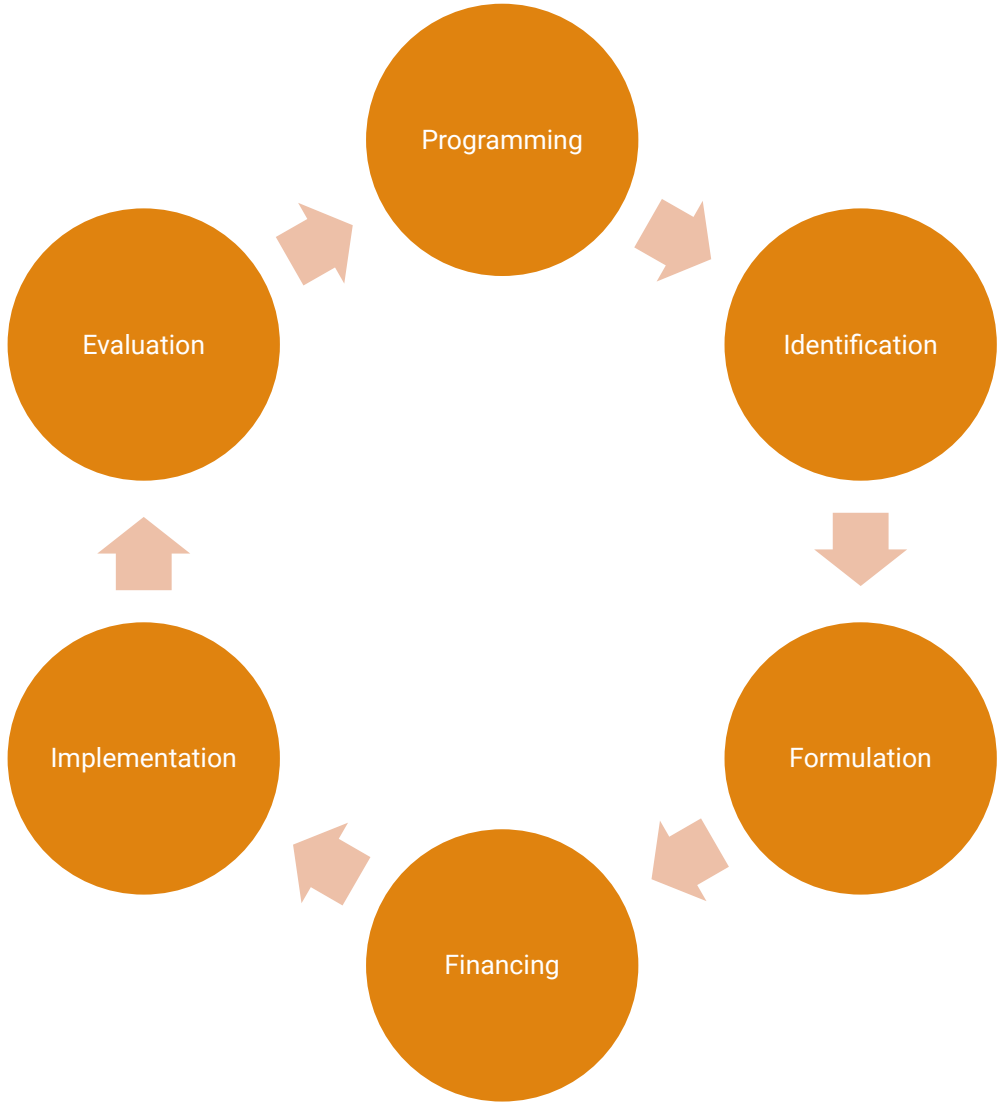
Project Cycle Management

The basics of Project Cycle Management

Project Cycle got its name from the process that is composed of 6 phases, making up a process starting from planning to implementation, from the initial idea to the realisation.



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Project Cycle Management

Phases of the Project Cycle

Programming

During the first phase, various analyses are being carried out with the aim of identifying problems, constraints and opportunities that could be addressed by cooperation. The aim is to identify the main objectives and priorities for co-operation, and thus to provide a relevant and feasible programming framework within which projects can be identified. The evaluation results of previous projects are also taken into account, thus providing precedent and direction to the forthcoming projects.

Identification

In the Identification phase, the emphasis is put on the relevance and analysis of project ideas. It is vital that project ideas should address real needs of the target groups. To this end, it is advised to carry out a thorough analysis of the target groups, beneficiaries and stakeholders, dealing also with the problems they face. By carrying out these analyses, potential relevant projects can be identified. Pre-feasibility studies are also done at this phase. At the end of the Identification phase, Project Identification Report is done, explaining the rationale and objectives for implementing a particular project. This phase of the project cycle plays the most important role in terms of relevance, and the basic structure of the project is defined at this phase.

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Project Cycle Management

Phases of the Project Cycle

Formulation

The detailed project idea is made and assessed in terms of feasibility and sustainability by the beneficiaries and groups of stakeholders. The selected project idea must meet both the sustainability and the feasibility criteria. At this phase, project indicators are set, the Logical Framework is elaborated.

Financing

At this phase the financial decision making is taking place and it is decided whether the project will receive funding. Financing Agreements are being signed, setting out the arrangements how the project will be implemented and funded.

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Project Cycle Management

Phases of the Project Cycle

Implementation

Once the project has been planned properly and has been awarded funding, project implementation can begin. Applying principles of the Implementation phase:

Planning and re-planning – during the implementation phase, Activity Plan, Budget, and Log Frame should be constantly referred to, these documents should be also updated on a regular basis in case there has been a change

Monitoring – achieving the objectives must be ensured by constant internal monitoring

Reporting - progress reports are made on professional and financial implementation of the project in order to ensure that the project is progressing smoothly towards the identified objectives.

Evaluation

During the last phase, the Evaluation Phase, the main aim is to evaluate the relevance, the fulfilment of objectives, the sustainability of the results achieved and the impact of the project. The data gathered during the evaluation phase is useful both for the donor and for the applicant and is being fed back to decision making processes for the forthcoming programming periods, as lessons learnt, or new starting point for setting new priorities.

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Project Cycle Management

Project Cycle – From the applicant's perspective

Strictly on the project level, from the applicant's point of view, the Project Cycle can be divided into three parts:

- Drafting the project proposal
- Implementation
- Monitoring, evaluation, follow-up

Drafting the project proposal

- There is a need and an idea
- drafting of the project proposal
- Analysing the sustainability, feasibility and the relevance of the project (e.g. industrial sector analysis, risk analysis etc.)
- setting up the partnership
- defining project objectives
- defining the structure of project management
- planning the activity plan and the dynamics of resources
- finding funding (financial resources)

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Project Cycle Management

Project Cycle – From the applicant's perspective

Implementation

- tendering procedures
- contracting
- management activities carried out by project teams
- monitoring
- administrative tasks

Monitoring, evaluation, follow-up

- follow-up activities
- sustaining the results

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The Logical Framework Approach (LFA)

LFA has two phases that are being carried out progressively: the **phase of analysis** and the **phase of planning**.

Phase I: Analysis	Phase II: Planning
1. **Stakeholder analysis** – involves the analysis of all the potential stakeholders and their capacities	1. **Development of the Logical Framework** How the project will be structured, testing its internal logic, risks, defining measurable indicators
2. **Problem analysis** – "The Problem Tree": Identification of key problems, main constrains and opportunities. Cause and effect relationships are established.	2. **Activity scheduling** – sequencing and rendering the activities in a proper order, determining the duration of activities, assignment of responsibilities
3. **Objective analysis** – "The Objective Tree": transforming problems into objectives, whereby objectives represent solutions to the identified problems	3. **Resource scheduling** – Budgeting of activities
4. **Strategy analysis** – identifying different strategies in order to arrive to the solution – choosing the best strategy	

We have already completed the analysis phase at Module 2. Therefore, we will continue with Planning Phase.

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The Logical Framework Approach (LFA)

Development of the Logical Framework

The Logical Framework Matrix, as a key tool of PCM, is being developed using the results of the phase of analysis, guaranteeing that there is a clear logical coherence between the activities, results, purpose and overall objective of the project.

The LogFrame Matrix consists of four columns and four rows, as shown below:

Intervention Logic	Objectively verifiable indicators	Sources of verification (of indicators)	Assumptions
Activities	MEANS	COSTS	
			Preconditions/ Prerequisites

What is the sequence of filling in the LogFrame Matrix? In the next slides, you will learn step-by-step use of LogFrame Matrix.

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The Logical Framework Approach (LFA)

Column I: Intervention logic

Overall objective: it should be explained why the project is important for the society, what long term benefits it offers to the stakeholders. The project will contribute to this overall objective, but will not achieve it alone.

Specific objective /Purpose (Outcome): answers the question what is the purpose of the project that will be implemented. It should address the central problem and should be defined as a flow of sustainable benefits. Describes the intended situation at the end of the project.

Results (Outputs): concrete, tangible results that contribute to the realisation of the project purpose. These are products or services, or competences and capacities that became available as a result of the project activities.

Activities: listing the activities that are needed to produce the results. The activities should always be sequenced and numbered.

INTERVENTION LOGIC
OVERALL OBJECTIVE (GOAL)
SPECIFIC OBJECTIVE (PURPOSE/OUTCOME)
RESULTS (OUTPUTS)
ACTIVITIES

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The Logical Framework Approach (LFA)

Column 4: Assumptions

ASSUMPTIONS
Specific Objective/Purpose level assumptions
Result level assumptions
Activity level Assumptions
PRECONDITIONS/ Prerequisites

Assumptions are external factors that we cannot influence and over which the project management cannot have direct control. Nevertheless, these external factors can have a direct effect on the project's progress.

Assumptions must be defined on each level of the logical framework matrix in order to eliminate external factors that can potentially have negative impact on the project's progress, or at least, to minimize their impact.

The assumptions should be filled in starting from the bottom to the top.

Activity level assumptions: factors and conditions that are not under direct control of the project management, but they are necessary for results to be achieved as planned.

Result level assumptions: factors and conditions that are not under direct control of the project management, but are necessary to achieve the project purpose (specific objective of the project).

Purpose level assumptions: factors and conditions that are not under direct influence of the project management, but are necessary to achieve the overall objective.

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The Logical Framework Approach (LFA)

Column 2: Objectively verifiable indicators

Once the 1st and the 4th columns have been filled in, meaning that the project has been described and assumptions have been made, the next step is to identify the indicators that will be used to measure the achievement of objectives.

Objectively verifiable indicators
effect indicators
result indicators
output indicators
MEANS

For measuring the overall objective, **effect indicators** are used.

For measuring the specific objective, **result indicators** are used.

For measuring the results, **output indicators** are used.

In the last raw of the column there is no indicator, but instead, **means** are being listed here (e.g. material resources, human resources etc. needed for project management and carrying out the project activities).

The determined indicators must be SMART – specific, measurable, available, relevant and time-bound.

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The Logical Framework Approach (LFA)

Column 3: Sources of verification

The sources of verification should be defined at the same time as the indicators, as they will ensure that the indicators are measurable. Sources of verification are equally important for the purposes of project management and for the controlling body.

The sources of verification can be internal documents, invoices, statistical data etc. The last row of the column is used for listing the costs.

Sources of verification (of indicators)
sources of verification of effect indicator
sources of verification of result indicator
sources of verification of output indicators
COSTS

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The Logical Framework Approach (LFA)

To sum it up, the proper order of filling in the LogFrame Matrix can be described as shown below:

Intervention Logic	Objectively verifiable indicators	Sources of verification (of indicators)	Assumptions
1	**15**	**16**	
2	**13**	**14**	**8**
3	**11**	**12**	**7**
4	**9**	**10**	**6**
			5

Now, it is time to fill your LogFrame Matrix. Please use the previously mentioned steps to fill out the Matrix according to your project planning with the analyses and Canvas that you already completed at previous Modules.

You have 150 mins to complete the the Matrix. Please do not forget to make small breaks between columns.

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