
ACT – CIVIL SOCIETY ORGANISATION (CSO) ORGANISATIONAL DEVELOPMENT (OD) INFORMATION SHEET

PROJECT CYCLE MANAGEMENT (PCM)

The **purpose** of this OD Information Sheet is for the ACT Programme to introduce CSOs that have not participated in its Training, Coaching and Mentoring support, to the importance of developing their approach to Project Cycle Management (PCM). PCM takes into consideration the context of the situation of the CSO, and it applies each of the phases of the project cycle in order to plan, implement, manage, monitor and learn from a project, and in this video we will share how to do this, and the benefits that it brings to the CSO.

All elements of the capacity development support provided by ACT mainstream Gender and Social Inclusion (G&SI) and a Rights-based Approach (RBA) to strengthen the sustainability of the work of CSOs, whilst fully supporting the adoption of a rights-based approach.

Introduction

What is PCM, Why is it important and When is it used?

This PCM OD Information Sheet will provide practical guidance to CSOs on how to design, develop, implement and monitor development projects and programmes for its effective and ongoing management.

The Information Sheet will help CSOs to understand the content and processes of managing the project cycle in order to improve the effectiveness and legitimacy of their project and programme activities. It will also help CSOs to monitor and measure the results and outcomes of their work and to consider learning to plan future projects and programmes.

In addition, knowledge of the PCM will help CSOs to improve their project design and fundraising techniques as the content will go a long way to develop funding proposals, as well as providing a solid accountability structure. The EU commonly uses PCM and expects CSOs to use it to support their proposal writing. The PCM is a participatory process, so it will ensure that the CSO is engaging with its stakeholders from the planning stage, so they (and their donors) will know that their activities are rooted in the needs of their constituent group. This develops ownership of the CSO's outputs and outcomes at community level.

The components of the Project Cycle will guide the CSO through its project or programme's lifespan, from planning through budgeting, fundraising, implementation to evaluation and learning, and into the next phase. PCM provides a holistic structure for project delivery.

Developing and managing the Project Cycle

How it is done, where it is done, and when it is useful

The PCM is made up of six stages, or phases, through which each project is processed. The project manager and the project team have one shared goal 'to carry out the work of the project to meet their project's (and strategic) objectives'.

The six stages represent the pathway the project takes from the first conversation about the initiative, through to implementation, project monitoring, evaluation and learning, in an optimal order that guides the CSO from the start to the finish of the project. The learning influences the follow-up project. The six stages are integrated, with each stage linking to the previous one. This makes the process easy to understand and easy to manage. At each stage information is gathered and decisions are made by the project team to either continue with or to stop and reconsider the approach.

In collaboration with the project team, external stakeholders participate at all the different stages of the project cycle. Their engagement is encouraged as their involvement brings about their ownership of the work of the CSO; this strengthens the potential for project sustainability. It is, therefore, critical for the CSO to understand the context within which they are situated, so adopting a 'participatory approach' to developing, managing and monitoring a project is very important.

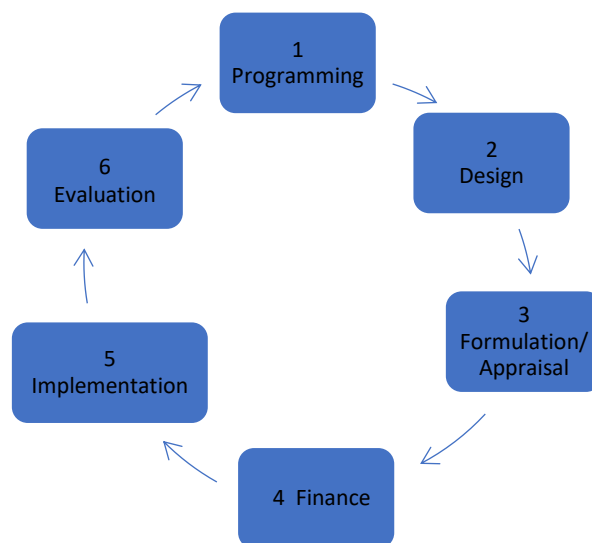


Figure 1: Stages of the Project Cycle

It can be seen from this diagram how each successive stage of the Project Cycle guides the management process throughout the life of a project, from 1 to 6. The content of every Project should align closely with the CSO's strategic plan. Planning the project in this way provides a structure for project delivery that the project team engages with. At each stage of the diagram, good management depends on engaging with the right stakeholders in a participatory way. Management should be focused on one stage at a time, preparing to follow the pathway they've developed.

Who is involved in developing and monitoring the PCM?

Teamwork

Developing a project at any level is a complex undertaking and will have many participants – it requires teamwork under the leadership of the project manager, who also works closely with the constituents and stakeholders of that Project. A project is like a temporary organisation – it usually has its own budget and management. A project can vary in size and requires information, planning and a control system. The actual performance of a Project is compared against its planned milestones and targets.

The role of the project manager is to bring this together. To do this, the project manager must be skilled in:

- The technical aspects of the project
- Leadership/Interpersonal skills
- Personal/self-management skills
- Knowledge of sustainable change
- Gender, diversity and equality

PCM Stages	Who is involved	What happens	Decisions made
1. Programming	National, Regional and Local Government, beneficiaries and other stakeholders and partners Programme Management	Assessment of regional and local socio-economic conditions, policies and an analysis of other initiatives and CSOs engaged in similar initiatives.	The policies, sectoral themes and geographical areas to be included and addressed by the project; strategic programme and project decisions.
2. Design	Identification of Design and Project Development Team Identification of potential partners	Identify target group and other relevant stakeholders (stakeholder analysis), problems, objectives and strategy options - based on analysis of the local situation.	Relevance of objectives to problems and capacity of participation by potential beneficiaries.
3. Formulation/ Appraisal	Beneficiaries, other stakeholders, partners and technical advisors. Design and Development Team	Project detail is developed using the Logical Framework and – its logic and rationale is prepared and checked. Budget developed.	There is a solid basis that the project is feasible and a sustainable flow of benefits will continue.
4. Finance	Funders and their authorised agents, are identified whose objectives align with the detail of the project. Programme Management/CSO's Appraisal Team	The project proposal is appraised in relation to achieving the Project Purpose and best value.	To finance and commit resources and staffing to the project.

5. Implementation	CSO, beneficiaries and those involved in activities/monitoring. Monitoring and mentoring supporting Team	The project is carried out and monitored using the workplan, indicators and assumptions designed in the Logical Framework. Risks are analysed and managed. G&SI is mainstreamed.	Based on project monitoring findings, decisions made about continuation, amending or stopping the project.
6. Evaluation	Evaluator, beneficiaries and other supporters. Project management and monitoring Team	Assessment of what and how the project was carried out and if it achieved its Project Purpose.	To support similar projects based on lessons learnt.

Figure 2: A typical description of the kinds of stakeholders involved and the decisions that should be reached in each stage of the project cycle.

How to progress through the 6 stages of PCM in detail:

1 Programming

The ‘Programming’ stage is the first in the Project Cycle and establishes the framework in which a project can be planned, funded and implemented: the task is to set broad priorities for a given period in a given location. In addition to a process of research, lessons learnt from similar project evaluations should be reviewed to inform the strategy. At the end of this stage there should be an outline of the project’s scope and strategy, with a set of funding priorities, and operational criteria. This will support the development of the project’s design.

- a) **Project identification** - an idea or concept relating to a specific problem or need that directly aligns with the CSO’s Strategic Plan. The decisions during project identification will guide the operational framework for the project.
- b) **Context analysis research** to assess local conditions, to identify and consult with/learn from LGAs/TAs/other CSOs/communities with relevant knowledge and experience and to ensure that the CSO can complement the work of others, but not replicating a project which is already underway. Depending on the CSO and the complexity of the issue, this may include:
 - o Environmental and social assessment (possibly a Political Economy Analysis, or access to analyses or project evaluations that have recently been carried out in the State/location).
 - o Policy context analysis – what legislative framework(s) is/are in place that legitimise the demands of the constituents that the project will support? What policy gaps exist, limiting the legitimacy of their CSO’s demands? Consider the most relevant human rights of the constituents.
- c) **Gender and Social Inclusion (G&SI) analysis:** this is a cross-cutting theme of all development projects. Disparity based on gender, disability, age, ethnicity, religion, HIV/AIDS status, etc, is entrenched in policies, legal practices, households and social relations. During the PCM process, integrating inclusive practice should be adopted from the outset by the CSO to ensure that traditionally marginalised people are not being left behind, and sustainability is addressed. Analysis should identify how or if the problem impacts any disadvantaged groups disproportionately and work with marginalised actors to tailor activities that are specifically responsive to their needs and to fulfilling their rights. The **EU-ACT Gender and Social Inclusion Toolkit** provides useful examples of tools

and processes that can be used by a CSO to support mainstreaming, using a G&SI Lens, and how G&SI Analysis.

2 Project Design

The CSO builds on its understanding of the issue set within its contextual, economic and political environment, and develops its project plan to ensure that the project is feasible and appropriate. Throughout the process, the project team should continue to engage with stakeholders to explore the following questions:

- Has the project's scope been reviewed and accepted by the project's constituents/beneficiaries?
- Have the stakeholders been involved in developing the indicators that will be used to measure and record the process of change as a direct result of activities?
- Has the schedule and the budget been reviewed by all the implementing partners?

Who are the beneficiaries and stakeholders of a project?

Beneficiaries (or the CSO's constituents): Those who directly benefit in whatever way from the implementation of the project, there are two types:

- a) Direct beneficiaries:** Those that will directly and positively benefit from the project's activities
- b) Indirect beneficiaries:** The families/communities of those who are direct beneficiaries
- c) Stakeholders:** Those who may – directly or indirectly, positively or negatively – be affected by, or influence, the project

The specific actions that a CSO will undertake to identify stakeholders and to engage them in the project design, implementation and monitoring phases may vary, but suggestions are provided below.

How to Plan a Project from analysing the need?

i) Develop a Project Stakeholder Analysis and Map – Stakeholders are individuals or institutions that may be – directly or indirectly, positively or negatively – affected, or affect the CSO's project. Once the stakeholders have been identified and categorized into their respective groups, the next step is to analyse them by mapping their power and influence as well as exploring the stakeholders' interest. This can be done by using two different tools: a Venn Diagram and/or a Stakeholders' Analysis Matrix.

The quality of dialogue with the project's constituents and other key stakeholders is key to establishing effective cooperation in the project's implementation and can lead to ownership of the process and to its success, as well as building the confidence of donors. Participatory methods enable communities to play an active and influential part in decisions which affect their lives, ensuring they are listened to so their voices shape the project's outcomes.

ii) Develop a Problem Tree - Problem Trees help to analyse the situation at local level and to identify the core problem that the CSO wants to focus on. The tree trunk represents the 'Core Problem or Issue'; roots represent the 'Causes' of that problem, and branches represent the 'Effects' of the problem. This is an ideal tool for gathering information in a participatory way.

iii) Develop of an Objective Tree - Once you have completed a problem analysis and grouped the issues, with the same group of participants, the next step is to develop the

Objectives. During this step, the future interventions are beginning to be identified through seeking the solutions to the issues detailed in the problem tree. A reversal of the wording of the core problem as well as its causes and its effects, can enable the CSO to begin to draft a project's Outcome, Objectives and Activities.

iv) Defining the project Goal, Outcome(s), Outputs and Activities - The Project Team can now further refine the **Hierarchy of Objectives**, based on the levels of Goal, Outcomes and Objectives - the Activities can then be developed in response.

v) Alternative Analysis - The purpose of the alternative analysis is to look at the Objective Tree and identify any possible project options, assess their feasibility and agree on project strategies based on a set of agreed criteria by the project team.

Not all problems can or should be solved by a single project, and likewise not all objectives should be embraced. Hence the need for alternative consideration and priorities.

vi) Risk Analysis and Management - Once risks have been identified and their probability and impact assessed, the next thing is for the CSO to develop strategies as to how they will respond to those risks should they occur. There are four risk response strategies commonly used, separately or by combining them.

- **Risk avoidance** – the risk is avoided, or the approach changed. For example, a project may move its location based on insecurity.
- **Risk transference** – the risk can be shared or transferred to another party, such as a risk insurance agency
- **Risk mitigation** – measures are carried out to reduce the probability and/or impact of potential risk. Eg: a project that is concerned about theft finds a way to mitigate against this.
- **Risk acceptance** – if the perceived probability and impact of the risk is assessed as reasonable, a CSO can choose not to take action but accept the risk and manage it.

3) Formulation/Appraisal

The CSO must ensure that all Activities and Objectives are achievable and realistic, based on the project's scope, from research and analysis of the problem, numbers of beneficiaries to be reached, within an agreed duration, within its sector, within its geographic location(s) (and within the eligibility criteria of donor/donors).

i) The Logframe:

'Logical framework' or 'Logframe' describes an approach to project planning, monitoring and evaluation and - in the form of a 'logframe matrix' – it is a planning and monitoring tool for projects. The logframe is developed during the project design and appraisal stages, and can be updated throughout the implementation, while remaining an essential resource for both monitoring and evaluation.

Checking the feasibility of the project - By assessing the project design quality the CSO will be able to find inconsistencies with the logic, gaps in information and other problems. The logframe should be checked in two ways – one to check the vertical and horizontal logic and the second to check the quality. To check the logic, appraise the Objectives from bottom to top: **using the IF, THEN process, as follows:**

Project Description	Indicators	Means of Verification	Assumptions
Goal			
Outcome(s)			If the horizontal logic is followed AND assumptions hold true; Then the project will likely succeed.
Outputs			
Activities			

The CSO should then appraise the relationship between the Outputs and the Assumptions and decide if the Assumptions are likely to happen. Finally, appraise the Indicators against the Project Purpose and Outputs, ensure that they state quantity, quality, time, and target group clearly and realistically.

Activity Schedule

Following the development of the Logframe, and prior to developing a budget, it is time to develop a detailed Schedule of Activities. This should contain detailed information of activities, timing and the person responsible.

Planning and re-planning: it is rare that all will go perfectly to plan, so the initially prepared Logframe, and Activity Plans and Budgets will need to be reviewed regularly, refined and updated accordingly. Implementation is seen as a continuous learning process where experience gathered is analysed and fed back into planning and updated implementation approaches.

4) Finance (and Project Approval)

The Project Budget - In order to analyse financial needs of the project, and to fundraise, all projects should develop a budget which is based on their agreed project plan. Budgets are necessary to ensure that expenses can be anticipated ahead of time. Many donors require CSOs to submit the Budget following their own specific format.

What is a budget used for?

A budget describes an amount that a CSO plans to raise and spend for a particular purpose over a given period. Budgeting helps us in the following areas:

- **Planning:** Budgets are used to build an accurate picture of what a new project or programme will cost to run, and to help raise funds.
- **Organising:** When spending money and recording it in the accounts, CSOs use their budgets and the associated codes to organise the costs in their accounting system.
- **Monitoring:** Budgets help CSOs to assess the performance against the project's plan. It helps to answer the question, "has the project achieved what it set out to achieve?"
- **Controlling:** When used for evaluation and learning, budgets help the CSO to monitor the use of financial and other resources, ensuring that they are used efficiently, effectively and transparently.

5) Implementation

The purpose of the Implementation phase is to:

- Deliver results, achieve the outcome/purpose and to contribute to the achievement of the Project Goal

- Manage available resources efficiently, effectively and equitably
- Monitor activities and budgets against project plan/logframe, and report on progress
- Document learning and modify plans, as appropriate

All the other stages of the Project Cycle support the Implementation phase, *so if the Programming, Design, Appraisal and Financing phases are not carried out effectively, the Implementation phase will fail.*

The Implementation stage of the Project Cycle is the most critical as it is during this time when planned benefits are delivered. All other stages of the Project Cycle support the Implementation phase, so if the Planning, Appraisal and Financing Phases are not carried out effectively, the Implementation phase will fail.

Project Monitoring – The Monitoring, Evaluation and Control Phase extends throughout the entire life of the project. **Monitoring** is integral to the day-to-day management of a project. It enables management to be able to identify and solve implementation problems and assess progress. The logframe, activity schedules and project budget provide the basis for this monitoring. The following basic issues need to be regularly monitored:

- Weekly: The activities that are underway to check progress
- Monthly: To check the rate that resources (staff/time) are being used and costs incurred against planned budget, and in relation to planned progress of activities
- Quarterly: To check whether the desired results are being achieved
- Six-monthly: To check the extent to which the results are furthering the project towards the achievement of objectives and how is this affecting the achievement at Outcome/Purpose level? Do the Assumptions hold true?
Project Management checks how the objectives are met, and analyses the changes that are coming about (these may be planned or unplanned changes). If progress falls short, corrective action has to be taken – and details of this action should be included in the next progress report.

6) Evaluation

What is a project evaluation and why is it important?

Evaluation is the gathering and analysing of data and evidence to determine either: the overall success of the project, against specific criteria, or progress toward the achievement of outcomes/goal through the delivery of activities/outputs. Depending on its specific purpose, an evaluation provides information that enables the CSO to improve an ongoing project, judge the overall merits of a project, or generate knowledge about what works and what doesn't to influence an organisation's strategy and policy.

Differences between Monitoring and Evaluation

	Monitoring	Evaluation
Who?	Internal Project management responsibility – all levels	Usually incorporates external inputs (objectivity)
When?	Ongoing	Periodic – mid-term, completion, following project completion (Impact assessment)
Why?	Check progress, take remedial action, update plans	Learn broad lessons applicable to this and other programmes/projects, and as an input to policy review Provides accountability

Benefits of the PCM:

Following the steps in the PCM process will help the CSO to organise its Goal, Purpose, Objectives and Activities in a way that is realistic, achievable and measurable, and will ensure that planning is based on evidence-based need, relevant learning and effective monitoring. Participatory planning and monitoring will encourage wider ownership of the project, which should lead to sustainable change. It will guide the CSO towards the best and most appropriate response to supporting the communities they work with, it will consider the sustainability of its activities and the best uses of its resources. It provides a structure for project delivery and enables progress to be tracked across the CSO.

‘Call to Action’

What next?

By following the PCM process the CSO can develop a system that represents the whole of its project or programme, and the guided decision-making processes throughout the lifespan of the project form the basis of learning, modifying and developing best practice.

Following the PCM process will ensure that the CSO has a clear overview of the organising, coordinating and controlling the project throughout all of its stages. Throughout the first five stages, the CSO can demonstrate that its Project Objectives and Activities are grounded in the needs of their constituents, they can be delivered on time and monitored within budget, and reviews and evaluations are based on well-founded and specific criteria. Following this structure the CSO will deliver the project systematically, it can modify the activities based on its ease of tracking and learning, and can demonstrate good governance internally and externally.

More detailed PCM Tools and references can be accessed by CSOs in the [ACT PCM Toolkit](#).

In Conclusion

PCM is important for CSOs for several reasons. It is a systematic approach that helps in the planning, implementation, monitoring and evaluation of projects – as well as forming the basis for donors’ requirements in a Fundraising Proposal.

Here are some key reasons why PCM is important to CSOs:

- 1 **Strategic Planning:** PCM provides a structured framework for CSOs to develop and implement programmes and projects in line with their organisational strategy and goals.
- 2 **Resource allocation:** CSOs often operate within limited resources. PCM assists in the efficient allocation of resources by helping the CSO to identify the most critical project activities, to estimate required resources and plan a budget.
- 3 **Risk management:** PCM includes risk assessment and management at various stages of the project cycle. CSOs work in diverse and often challenging environments, and by identifying potential risks early on, CSOs can mitigate against them, ensuring project success. The [ACT Toolkit on Risk Management](#) will provide more support on developing a Risk Assessment and Risk Management tool.
- 4 **Stakeholder engagement:** CSOs typically work with many stakeholders, eg: communities, donors, government agencies, traditional authorities, LGAs, other CSOs, CBOs, and partners. PCM emphasises stakeholder engagement

throughout the project cycle ensuring their perspectives, needs and concerns are considered leading to more sustained, community-owned and community-driven projects.

- 5 **Monitoring, Evaluation and Learning:** PCM places strong emphasis on MEL activities, allowing CSOs to track the progress of projects, measure their impact and learn from the implementation process. This information is valuable for making informed decisions, improving project performance and demonstrating accountability to donors, constituents and wider stakeholders.
- 6 **Adaptability and Learning:** The PCM framework encourages CSOs to be adaptive and to learn from their experiences. Regular reviews help CSOs to identify what works well, and what needs improvement. This iterative process enhances the CSOs capacity to implement future projects more effectively.
- 7 **Accountability and Transparency:** PCM promotes accountability by establishing clear project objectives, indicators, targets and benchmarks. This helps CSOs to demonstrate their commitment to transparency and accountability to others.
- 8 **Improved Project Quality:** By following a structured PCM approach, CSOs can enhance the overall quality of their projects. This includes better planning, implementation and evaluation, resulting in more successful outcomes and increased impact on the communities they serve.

References/Further sources of information

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Find out more

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