Dezvoltarea Durabilă a Parteneriatelor Transfrontaliere
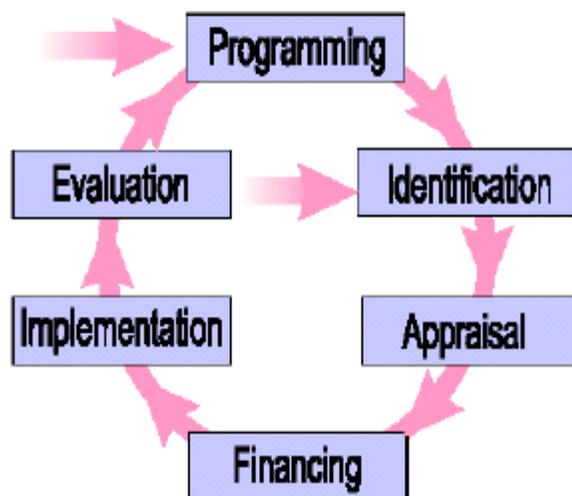
Fundatia ANA

PROJECT MANAGER

Training Kit

1. THE CYCLE OF THE PROJECT MANAGEMENT

1.1. WHAT IS THE PROJECT CYCLE MANAGEMENT?

A development project is usually defined as "a group of inter-related activities, put together in a logical order, in a given period of time and using limited resources in order to reach clearly set targets, fulfilling clear objectives."

A program can be defined as a series of inter-related projects, whose objectives contribute to reaching a common general goal, which is usually relevant at the level of a district, country or even international. (In certain situations, the term "program" is understood as an institutional frame which allows several projects to be implemented in order to reach a specific objective or global task).

It is obvious that the purpose and the impact of a program are much wider than those individual projects. Projects and programs differ due to the extent of the resources used, due to the extent of the time-span, but also due to the objectives, managerial structures and the roles of the team members and the focus on different types of evaluations. Despite al these, the principles and the approach of the project management is applicable in both cases. The individual projects are part of a cyclical process, and each of them contributes on a long term, to accomplish the country's priorities.

The cycle of a project management is an integrated approach of planning, projecting and managing development projects. This approach insures that the major principles and the policy of each financier of the project or any other member interested in the project are systematically taken into account, during the whole project.

The cycle of a project consists of the six stages represented in the table above.

Below these stages are briefly described. Detailed explanations are given in this manual.

1) Programming

At this stage, the principles and the steps needed in order to reach the collaboration between EU and the benefiting country are established in strong relation with the government. A detailed analysis of the problems and of the opportunities of the country, the national priorities and those of the EU for the pre-adhesion, the current and future actions of the financier, as well as the available abilities on a local plan and in the EU represent the basic elements, based on which the decisions regarding the focus of the EU support in a certain domain, on a specific topic and in a certain field are offered. The main programs and projects are also schematically described at this point. At this first stage the main document which is conceived is a country strategy or a document for the support of the national strategy.

2) Identification

In the identification stage, the ideas referring to programs and projects established in the document for the support of the national strategy are being identified and mentioned. From this perspective, the problems, needs and the interests of the potentially interested factors are being analyzed. In order to help the process of elaborating the project, studies on the subject, sector and the potential of being achieved, are made. Based on these studies and analysis, decisions are been made concerning the options that must be analyzed in the future in order to finalize a proposed project.

3) Appraisal

Once the decision regarding what idea is put into practice, that particular idea becomes a project proposal during the design/ formulation phase. At this stage takes place also beforehand evaluation. The key aspects of the project are analyzed in detail (as it will be explained in the next chapters).

The key, valuable elements are taken into account and the main factors interested in the project are directly involved in the elaboration and analysis of the project.

The logical frame of the project is created, including the main, strategic elements, the objectives, the results, the variables, the risks and the hypothesis, together with the essential planning instruments, as well as the implementation and resources graphics. These are used to evaluate the key elements which help to predict the impact of the project: its relevance, its accomplishing potential and its validity.

The result is a final decision whether the project is being sent or not to be financed by the EU.

4)   Financing

The financing proposal is completed and then analyzed by the adequate commission, either internal or external. A decision is made regarding the financing or not of the project.

It is signed by an official agreement between the EU and the partner Government or another entity. This includes the arrangements essential for implementation.

Implementation

The implementation refers to accomplishing successfully the activities according to the plan, using the available, planned resources, delivering the expected results in order to fulfill the immediate objectives of the project.

At this stage the permanent monitoring activities are taking place in order to establish the progress made in accomplishing the planned activities and to update the activities according to the changing conditions, in case they occur.

There will also be intermediary evaluations to establish chances of reaching the predicted impact. Based on all these, further decisions are made on whether the project ends or continues.

6)   Evaluation

As it will be further explained in many details in this manual, the role of all these evaluations it to determine the relevance and the potential of reaching the objectives set, the efficiency and the rated capacity of the project as well as its impact and validity.

The evaluation can take place:

• During the implementation stage – immediate evaluation – when it can be decided whether the project continues, or it changes or it is cancelled

• At the end of the implementation stage – the final evaluation – when the obtained results are analyzed

• At the end of the project – the afterwards evaluation – when the consequences are being analyzed and could be used for future projects.

1.2. THE PRINCIPLES OF THE PROJECT CYCLE MANAGEMENT (PMC)

The most important principles applied during the PMC stages are:
• To systematically respect the major principles and the EU policy, as well as of those of the beneficiary country and of other donators
• To design and implement the projects based on clear and realistic objectives
• To have relevant, efficient and valid projects
• To permanently deliberate and involve the main factors interested in the project during its whole duration
• To use LFA (The Logical Framework Approach) to design, manage, monitor and evaluate the project
• To establish key, high quality factors at the beginning of the project.

The high quality factors that insure both the validity of the project as well as its positive impact are:
• To bring and involve the beneficiaries in the elaboration and in the whole process of the project
• To insure the political support of the representatives of the local and central authorities
• To use adequate and proper technology in order to fulfill the necessities of each particular activity
• To adapt the strategy of the project to the socio-cultural aspects specific to the target area
• To apply systematically the principles and the practices which insure equal chances for both men and women
• To protect the environment
• To insure management and institutional development
• The financial and economic validity of the support that the project brings to the target group

2. THE LOGICAL FRAMEWORK APPROACH (LFA)

2.1.   WHAT IS THE LOGICAL FRAME APPROACH – GENERAL PRESENTATION AND TERMINOLOGY

The Logical framework approach – LFA is a set of instruments for the projects' design and management. This approach involves a repetitive process of analysis and a specific format for presenting the results of this process. It also establishes in a systematic and logic way the objectives of the program, as well as the causative relation between them, because the purpose is to verify the way in which these objectives were met and also to establish the external factors that may influence the success of the program or of the project.

LFA can be a framework which facilitates the logical activity, but it cannot replace the logical approach needed to create and develop the project.

The framework from the below table consolidates the main elements included by the LFA.

CADRUL LOGIC AL PROIECTULUI
Matricea logica

Logica interventiei	Indicatori de performanta	Surse de verificare	Riscuri si ipoteze
Obiectiv extins (SCOP)			
Obiectiv imediat			
Rezultate			
Activitati	Mijloace		
			Preconditii

THE LFA STAGES:

LFA has two stages:
- **The analysis phase**
- **The planning phase**

ABORDAREA LOGICA
THE LOGFRAME APPROACH

FAZA DE ANALIZA > **FAZA DE PLANIFICARE**

- **ANALIZA SITUATIILOR / PROBLEMELOR**
  Identificare / analiza

- **ANALIZA OBIECTIVELOR**
  Deductie

- **ANALIZA STRATEGIILOR**
  Selectarea optiunii potrivite

- **MATRICEA LOGICA**
  Definirea logicii proiectului

- **PLANUL DE ACTIVITATE**
  Specificare si operationalizare

- **PLANUL RESURSELOR**
  Specificare si operationalizare

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LFA starts with the in depth analysis of **an unpleasant and unwanted situation** as a basis for the later planning. The analysis of the unpleasant situation must be done together with the **interested factors** involved.

(The factors involved include: the individuals, the groups or the organizations which may have interests in the project, which may influence or be influenced by the project).

During the analysis stage all the representatives of the different factors interested in the project must meet and be consulted in order to define the **problems** (the first step in the analysis phase), to later on be able to define the **objectives** based on the problems that occurred (the second step in the analysis phase) and to finally decide what other **alternative** strategies are available for continuing the project (the third step in the analysis phase).

The interested factors and the projects easily influence each other, either positively or negatively. It is of great importance to identify and analyze the relevant interested factors, as well as the interests, the problems and their potential at an early stage, in order to be able to integrate them accordingly in the project's design and management. The procedure for analyzing the interested factors is rather open and undetermined. Their analysis is not integrated from a methodological point of view in the LFA sequence. The results of this analysis are rather used to accompany the LFA process and can be viewed as a "transparent" form that develops itself along the LFA process. At the same time this should be seen as an instrument used for later elaborations and evaluations along the whole LFA stages.

The main result of LFA is **the logical matrix.** This can be considered as the "final product" of the LFA process. The matrix is being created based on the LFA instruments applied later on, during the analysis phase.

From **the strategy analysis** (based on analyzing problems, the interested factors and objectives), the objectives of different levels are being placed in the first column of the matrix (the project strategy).

During the LFA planning phase, it is established what are the external factors crucial for the success of the project **(hypothesis),** where can be found the necessary information needed for the success of the project **(indicators and the validation sources),** what methods are necessary to reach the **objectives** of project, as well as the **costs** of the project. Based on all these indicators, **the activity graphics** as well as **the graphics for the usage of the resources** are established.

It is true that the logical matrix comprises 16 "boxes", but it is not true that creating the logical matrix, one must "fill in the boxes". Behind every box there is a logical, analyzed reason which must be followed before filling in the boxes. This is only the final activity, the summary of a longer process. LFA is not a matrix, but it is an approach. The quality of a project summary (presented under the format of a matrix) depends always on the quality of the analysis made before preparing the actual summary.

A logical framework offers the key elements of a project, only the most important aspects, without elaborating the operational details required for creating and implementing the plan. **The graphics for the resources and for the activities** are means by which the required, operational details are provided. Following the LFA sequence, these means are established based on the logical matrix. After following a table for the specific activities comprising the operational details and the established responsibilities required during a project, a detailed **budget** to establish the costs of all the necessary means is created. There are also established the other instruments used during the implementation and evaluation phase, taking into account the major decisions included in the logical framework: detailed working plans, monitoring and evaluation plans.

LFA is a set of instruments needed for the project design and project management. It is of high importance to adapt the LFA every time when required, to complete it with other instruments which respond to different requirements and circumstances (eg. facilitation, visualization, work shops, meetings, conferences, etc.). By applying the LFA in a creative and logical way, this framework becomes a "frame for logical working". It guides the analysis process and the planning and it helps to structure the design the project. It also ensures, for example, that the project is logically consistent.

2.3.   LFA – AN INSTRUMENT FOR PROJECT MANAGEMENT

The above general presentation focused on the role of the Logical Framework Approach (LFA) in the project design. But its practical feature is not limited to identifying and formulating the steps of a project cycle, but it also includes the implementation (monitoring) and evaluation of the project.

One of the major tasks of project management during the implementation stage is to make sure that the project reaches the objectives set. An important means by accomplishing this task is **monitoring**. Monitoring is a continuous, systematic process of collecting and analyzing the data, in order to measure the progress made in a project, with regard to reaching the targets. By monitoring, a regular feedback is provided to the project managers, to compare the progress with the plan. Generally, the feedback is insured by giving reports which contain essential information, provided timely and systematically. **The indicators** and the milestones form the monitoring basis, because they show up to what point the targeted objectives are reached. The logical sequence provided in the LFA between the activities (which if performed lead to) – results (which if obtained lead to) – immediate objectives (which contribute to reaching) – the general goals represents the basis for selecting the best monitoring indicators. The milestones defined in the activities' graph (based on the logical framework) form the basis for monitoring.

Monitoring contributes to establishing the accomplishing level for the objectives set or to notice the potential **deviations** from the initial plan. If it is the case, there can be also analyzed why such deviations exist, what are the

problems that prevent the implementation of the project and if necessary, what other alternatives from the original plan may be available. The transparency and the structure provided by the use of LFA during the elaboration of the project, keeping an open basis for the planned activity and the logics behind the project's design (logical sequences between the different interference levels and the role of the external factors) can greatly contribute to the monitoring of the project.

If monitoring is a continuous process during the implementation, **evaluations are periodical controls of the performance and the impacts of the project,** which mainly provide the actual accomplishments, compared to the planned ones, and also point out the lessons to be learned for future improvements. Monitoring is mainly performed by the project managers, while evaluations are done by external people, independent from the project.

LFA helps to structure and create an objective evaluation of the project. The steps of an evaluation exercise follow closely the hierarchical structure of the project's objectives. By this systematical approach, the different aspects of the accomplishment of the project's objectives are being evaluated. The financial resources used at a certain point are compared to the ones planned; the current activity plan is compared to the initial plan of activities, the indicators are revised to see how activities have turned out in results, or if the immediate objectives were reached and also to evaluate whether the project had contributed to reaching a wider development plan. Just as the logical matrix clearly shows what a project wants to accomplish and the means by which this can be achieved, in a similar way the role of evaluation is to clearly mark what objectives had been and what targets had not been achieved, and also the lessons which must be learned from these.

By applying the LFA as a set of instruments, the efficiency of the projects can be improved, since a transparent, involving and flexible structure is provided for the project.

2.4.   LIMITS AND RISKS

If the LFA is improperly applied, then there are certain risks that occur, and just like for any other instrument, the LFA has its limitations that must be correctly understood.

1.   Confusing the logical framework approach with the logical matrix

Very often instead of using the LFA as a guide in the process of elaborating a project in order to create a consistent project, from a logical point of view, the matrix is being built after the project has already been established. This may occur due to a misunderstanding of this approach or just because the financing agencies require this matrix in the file. LFA requires a high level of involvement from all those interested in the analysis phase, a fact which may become time consuming and complicated. In order to reach an agreement for the problems, priorities and the proper strategies, a lot of concentration is required. If this agreement stage is not achieved, the final document may lack the logics. Actually the project may be just as good or just as bad as the analysis and planning process were.

2.   The matrix is not wide enough

One of the LFA limitations is that in the case of complex projects, this matrix may be too simple to describe the design of a project, and in such a way important aspects are omitted. In such a case, the matrix is no more a

complete summary of the key aspects of the project. It is felt the need to add other additional, important information.

3. <u>"Frozen" analysis and the results of the planning</u>

If the matrix created during the design stage is not updated according to the circumstantial changes, then in the implementation phase, this matrix may lead to the lack of flexibility. In practice, any matrix must be periodically controlled and adapted accordingly so that it remains relevant in an environment continuously changing and developing.

4. <u>Focus on the problems</u>

Focusing on the problems during the analysis of the initial situation is very often criticized – as in particular cultures, open criticism and discussing about problems is very often unacceptable, as focusing on the problems may limit the approach on potential objectives.

THE ANALYSIS STAGE

The analysis of a given situation is a substantial part within the planning methods. The present stage must be analyzed through the frame of a project of through some given problems. In our context, the analysis of the situation is focused on problems, on the interested factors and on their social environment. It is a trial of understanding the system which determines the existence of some problems.

3.1. THE ANALYSIS OF THE INTERESTED FACTORS

The main idea is that projects are created to deal with the problems of particular target groups and beneficiaries, to their particular needs and interests.

Any individual, group of people, institutions or organizations may be interested in the project, may influence/ affect or are influenced/ affected by the project and these categories are called interested factors or shareholders.

These different shareholders may be classified in the following groups:

- The group of interests
- The competence group
- The support group
- The decision making group
- The group for information delivery and communication

It is important that all these shareholding groups to be identified and analyzed at an early stage of the project. This can be done either during interviews, meetings and/or studies based on social questionnaires, which simply involve companies' representatives, customers, public authorities, political leaders, etc. There can also be used data bases,

statistics and the media information in order to identify the important supporters and the potential opponents of the project.

The analysis of the factors interested in the project (or the shareholders) involves the following aspects:

- <u>Identifying</u> the most important factors and gathering information regarding their <u>characteristics</u>, concerning: their economic and social situation, gender differences (man/ woman), the structure, organization and social status, the attitude and general behavior.

- <u>Analyzing their objectives, their interests and expectations</u> regarding this project, as well as their <u>potential positive or negative influence</u> on the project.

<u>Determining the strong and weak points</u> of the factors involved in order to establish their realistic involvement along the different stages of the project, the possible actions required in such a case and a strategy for the approach of each particular group.

The below table revises the main conclusions of the analysis:

Stakeholder	Characteristics	Interests, objectives, expectation	The influence degree and type	Potential and deficient	Implications within this project

The factors interested in the project have a role during the elaboration of the project, starting with the identification and analysis of the problems, these parties can contribute to finding the potential solutions and to choosing the most convenient one. These groups should also be involved in establishing the objectives of the project. During the implementation of the project it is important that the project managers have a good communication with the interested parties, to inform them about the progress done and they must also take into account their opinions in the final and intermediary evaluations.

3.2.   ANALYSING THE PROBLEM

<u>A problem may be defined as an unwanted, negative, damaging situation which generates the initiative of launching a project.</u>

In order to identify and analyze correctly a problem, one must start with a detailed analysis of the existing situation in the field of interest. A SITUATION (a fact, a social or economic situation) becomes A PROBLEM when somebody considers it to be negative, harmful.

In the next stage, it is necessary to "view" the problem in the NEEDS of the target group, because the existence of the project stems from the MUST to satisfy the needs of the target group.

The social needs can be classified according to the way they are manifested:

- Normative needs – when they are compared to a standard, or criterion
- Perceivable needs – when the people believe or feel that they need
- Expressed needs – people ask for help to fulfill these needs

- Relative needs – who "needs more than"

A very well defined problem expresses the needs of a target group; it is realistic, clear, serious and urgent. Identifying correctly and convincingly a problem, implies giving answers to the following questions:

- WHAT is the real problem which needs to be solved?
- WHY is it a problem? In other words, what are the causes which created the existing, negative situation?
- WHERE and WHEN does it manifest? (conditions, frequency, the sources for the manifestation of the problem)
- WHOSE problem is it? Who are those affected by this problem: target groups/ other groups?
- WHAT are the consequences/ the impact of not solving the problem?

Another useful method of analyzing the problems and finding the real problem for which the project is designed to act, is represented by the "problems' tree". This "problems' tree" consists of a hierarchy of the different aspects connected to these problems from a certain field and establishing a CAUSE – EFFECT relation between different problems. The "problems' tree" is a diagram which represents graphically the cause – effect relation.

ARBORELE PROBLEMELOR
Stabilirea relațiilor cauză – efect dintre probleme
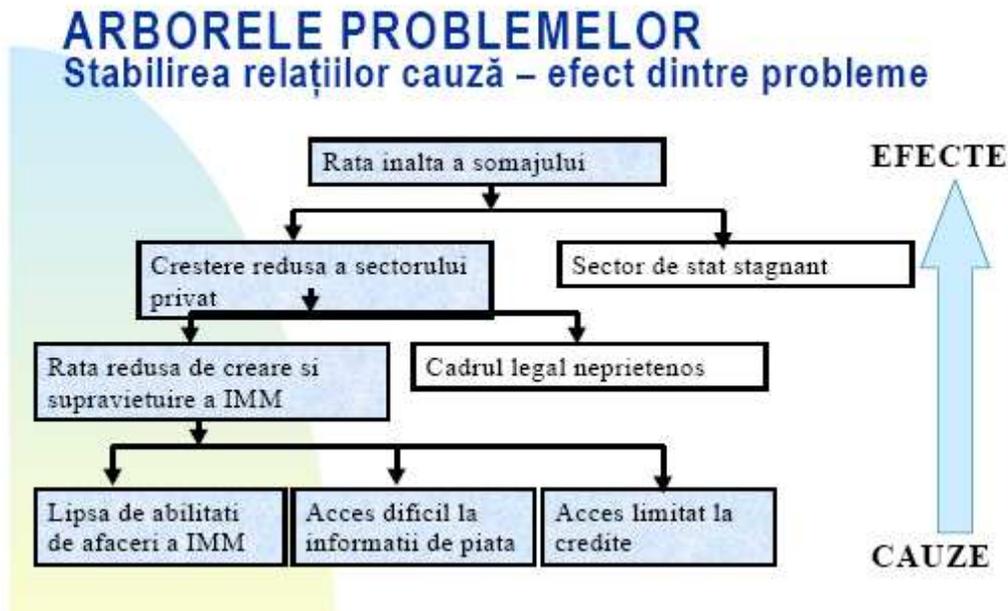
In order to create a "problems' tree" the following steps must be followed:

- Define the initial unwanted situation
- Identify and list the potential / interconnected problems
- Chose a "start problem"
- Set all problems hierarchically

- If the analyzed problem is the CAUSE for the "start problem", this will be placed at the LOWER level of the "problems' tree"

- If the analyzed problem is the EFFECT for the "start problem", this will be placed at the SUPERIOR level of the "tree"

- If the analyzed problem is neither the cause, nor the effect then both problems (the one analyzed and the start problem) will be placed at the same level in the "problems' tree"

Difficulties in creating the "problems' tree"

- One or more steps are missing from the logical sequence
  (the cause – effect relation is not a direct one)
- The same problem is mentioned twice
- More problems are mentioned as a single one

In the above situations the inconsistent logics must be eliminated by an adequate wording, and the analysis must continue in a great detail. Without clearly understanding the type of problem, the causes of the problem cannot be identified either.
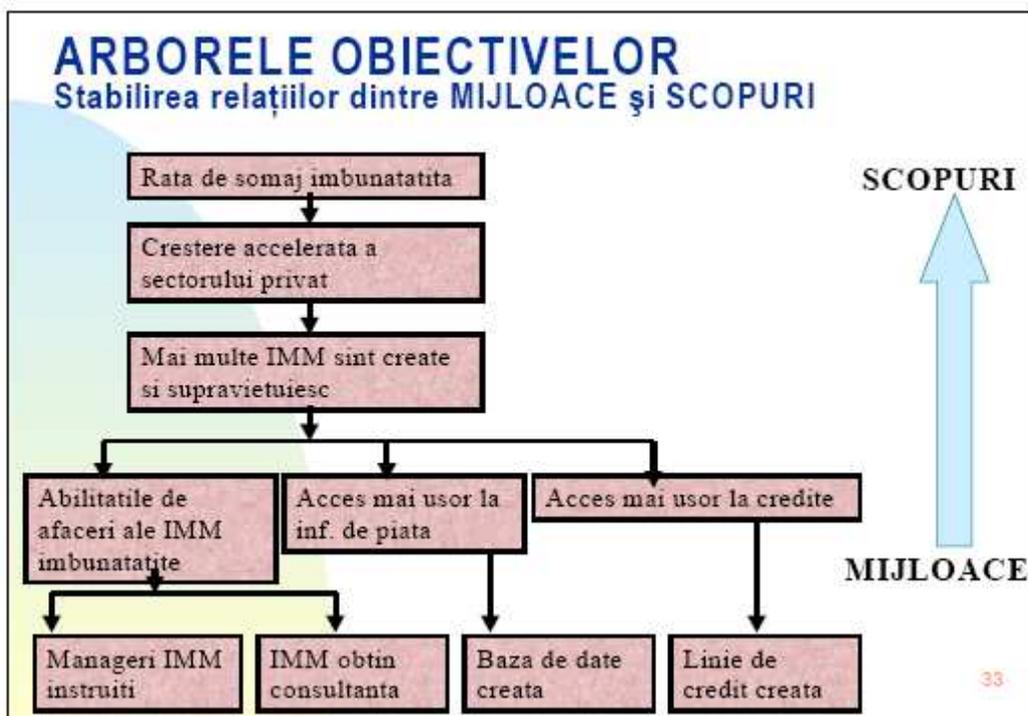
- The problems are not described with enough details (eg. weak management – this could mean: bad financial control, late deliveries, weak abilities to plan, etc). It is necessary to analyze in depth in order clearly establish the kind of problem and the real causes for its existence, so that later on the most appropriate solutions are decided.

- The absence of solutions is expressed as a problem. The absence of solutions is not actually a description of the negative, current situation, but a description of the non-existence of a desired situation in the future. For example, "lack of trained personnel" is not a real problem (represented by the fact that the personnel do not have sufficient or appropriate skills). The risk is that such wording may lead the project towards the lack of a solution, and that is "education/ training", when in fact the problem can be solved by employing personnel or by a better human resources management.

3.3.   ANALYZING THE OBJECTIVES

Analyzing the objectives is the methodological approach used to:
- Describe the desired future situation, after the problems will be solved
- Check the hierarchy of objectives
- Show in a graph the relation between means – and – targets

By converting the "negative situations" (the problems) in solutions in order to obtain "positive results" we define the desired and realistic situations. For instance, "a low agricultural production" is converted in "a high agricultural productivity". Actually these positive results are shown in the graph, called the objectives' tree, in which the relations between means and targets are described. The objectives' tree offers a clear image of the future situation which we wish to achieve, including the activities and the necessary means needed to reach them.

ARBORELE OBIECTIVELOR
Stabilirea relațiilor dintre MIJLOACE și SCOPURI

	SCOPURI
Rata de somaj imbunatatita	
Crestere accelerata a sectorului privat	
Mai multe IMM sint create si supravietuiesc	

| Abilitatile de afaceri ale IMM imbunatatite | Acces mai usor la inf. de piata | Acces mai usor la credite | MIJLOACE |

| Manageri IMM instruiti | IMM obtin consultanta | Baza de date creata | Linie de credit creata |

In order to create the objectives' tree one must take the following steps:

- Convert the negative situations, the problems from the "problems' tree" into positive achievements which are desirable and possible to be reached. In this way the relation cause – effect is transformed into a means – objectives relation.
- Check the means – target relation between the tree's elements to ensure that the established hierarchy is valid and complete.
- If necessary, revise and paraphrase the obtained objectives, add new ones if they are required in order to achieve the targets set at the superior level, eliminate those objectives which you find not to be adequate, realistic or necessary.

3.4 ANALYZING THE STRATEGIES

The analysis phase of the logical approach finishes with the strategies' analysis. This analysis has a purpose to select the strategy/ strategies which will be selected to reach the objectives of the proposed project. It is necessary

to decide which objectives will belong to the project and which will be left aside, out of the interest zone of the project.
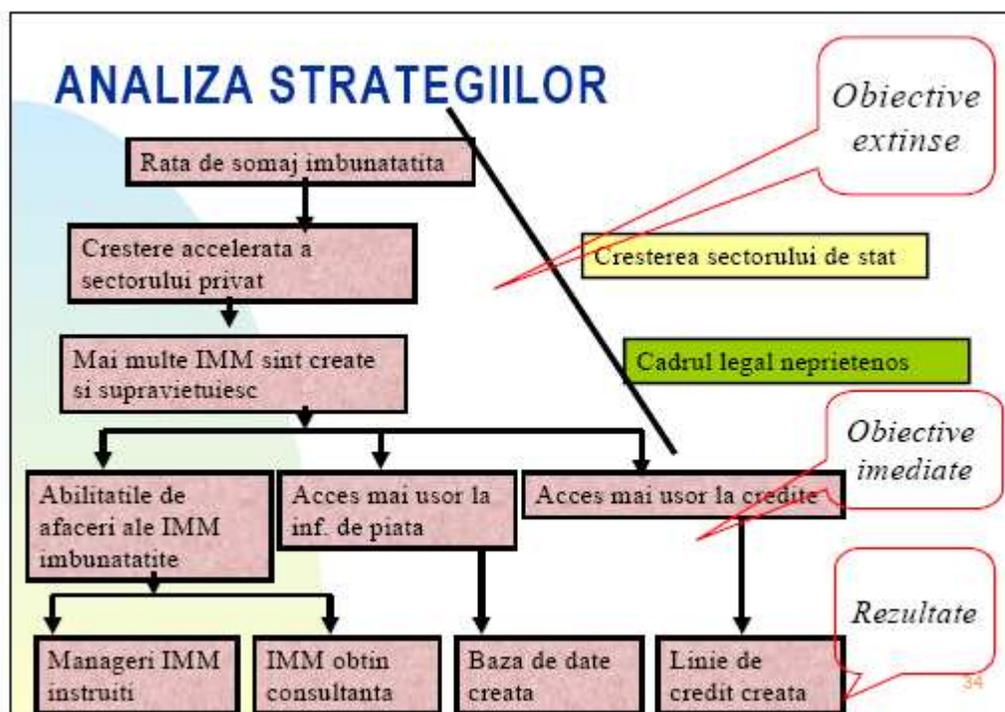
In the objectives' tree, the different groups of similar objectives form a strategy. One must choose one or more of these for the planned project.

The most suitable and accomplishable strategies will be chosen based on clear criteria such as:

the priorities of the members interested, the relevance and the chances to succeed of the strategies proposed to approach the real needs of the target group, the available budget, the time frame required and the one available, the contribution to reducing inequalities, including the gender related ones, etc.

Depending on the extent and amount of work involved, the strategy selected will represent the frame of a program which will consist of several interconnected projects or will represent the involvement of the size of a project.

At this stage it is necessary to clearly state the objectives of the project at all the four levels of involvement, mentioned in the logical framework approach of the projects, according to:

- The wide objective – often called also "the general objective", "the development objective" or "the target"
- The immediate objective – called also "the project's objective" or "the target"
- The expected results – called also "the output"
- The activities

4. THE PLANNING PHASE

THE LOGICAL FRAMEWORK

The first step in the planning phase of the projects is represented by the elaboration of the logical frame. This represents the main document which is at the basis of the logical approach of projects. The frame is the result of the process of logical analysis and it includes the summary presentation of the key elements included in the project. The logical matrix shows how the project will be monitored, it describes the risks and the way they can be handled. The matrix has four lines and four columns, according to the scheme below. Further on we will describe in detail its content.

4.1.1. The first column of the framework: the logics of interference
The first column defines the objectives at the four logical levels and presents in a concise way the strategy chosen to implement the project:

> By performing the activities (using the available means mentioned in column 2, row 4) the expected results are obtained

> By obtaining all the expected results we achieve the immediate objective, the project's target

> Achieving the project's target it contributes to achieving the wider objective.

The wider objective it describes the wider aims, on a long term, local or national. Reaching this objective of the project equals to bringing a CONTRIBUTION.

The wider objective, also called the developing objective or the general objective, describes the targeted situation, the stage at which we desire to bring the problem after implementing the project.

The immediate objective also called the project's target, describes the BENEFICIES that the target group will obtain after using the services provided by the project. The immediate objective represents a set of expected results which must be achieved by implementing the project, as well as the positive impact of the program upon the beneficiaries. It does NOT describe the services offered during the project and it does NOT include the way in which the resources were used.

For each immediate objective, **the expected results** (or the output) describe the SERVICES which the project offers to the target group. The project managers are directly responsible for achieving the results directly measurable of the project activities.

The relation result – purpose is the key of the project's logics.

The fourth level of interference is represented by defining the activities.

The activities are means of reaching the objectives of the project. It shows what YOU WILL DO during the implementation phase, to reach the expected results. The activities have specific responsible people, they also have

well defined resources (people, equipment, time) and are placed in time (they have a clear stated duration and are related to the other activities).

Logică intervenţiei	Indicatori de performanta	Surse obiective de verificare	Riscuri şi ipoteze
Obiectiv extins			
Obiectiv imediat			
Rezultate			
Activităţi	Mijloace		
			Precondiiţii

4.1.2. *The second column of the framework: The objectively verified indexes*

The objectively verified indexes represent a set of criteria which indicate in real, concrete terms the fact that at each level of the interference the expected results were achieved. Their content adds precision to the intention affirmation mentioned in the narrative summary.

The evaluating indexes, both qualitative and/ or quantitative ones, are representative for describing in detail what the expected results of each logical level are.

In order to be valid and useful in monitoring and evaluating the project, these indexes must fulfill the following criteria:

- Clarity in defining the measurement criteria of the success of the project
- The importance or the relevance for the project's objectives
- The credibility – there must be a connection between what is intended to be measured and the way it is illustrated
- Independence – one single indicator / index cannot signal the accomplishment of the objectives from two levels from the objectives' hierarchy, and one indicator must not be just another way of expressing the content of another indicator.
- A medium level of particularization – there must be a number of sufficient indicators / indexes. The ones which are aggregated ones must be separated and the specific characteristics must be mentioned, for instance:
  - quantity

- quality
- the target group
- the place of measurement
- the time and the time gap of measurement

The possibility of an objective control – two independent observers may reach the same conclusion after using the described logics and the mentioned indicators / indexes.

4.1.3. *The third column of the framework: the means and the sources of the control indicators*

The means of control insure that the indicators are realistic, can be objectively measured and verified and they facilitate the monitoring and evaluation process, establishing clearly how the criteria for the success of the project are controlled.

To each indicator there should be associated a verification source.

It is necessary to establish the kind of data that must be collected, the sources of information consulted and the techniques for collecting the data. Depending on these, the complexity and the costs for the monitoring are different.
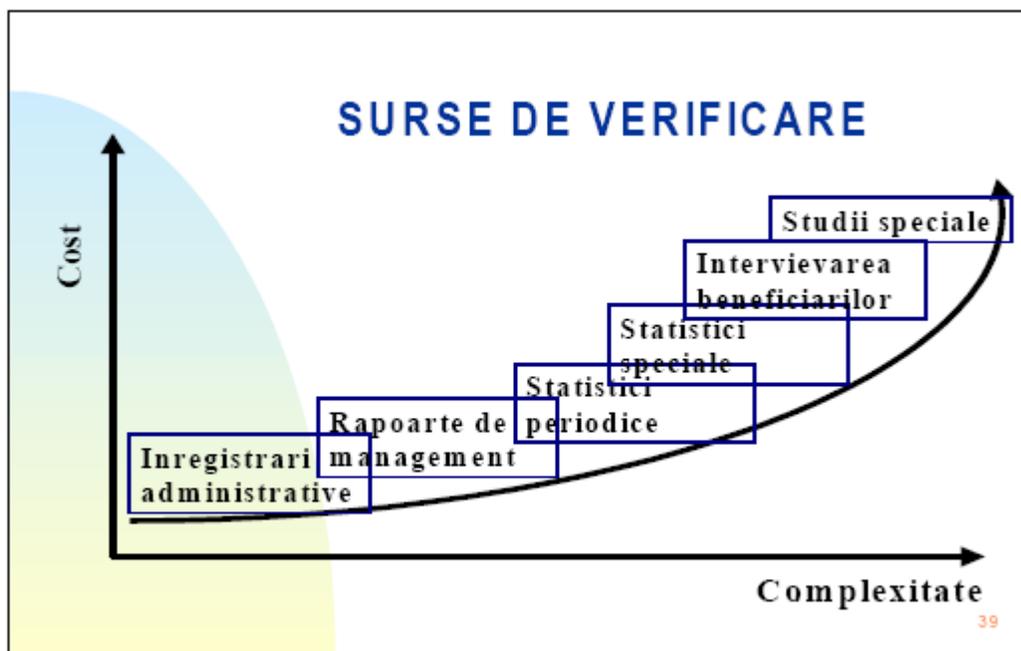
The table below exemplifies what the indicators must reflect, as well as the possible sources of information plus the means of verifying for different hierarchical levels.

The level of intervention	Indicators that can be objectively verified	Verifying methods	
		Information sources	Methods used

General objective	The accomplishment degree of the project's influence	Reports, official statistics, the project's	The file analysis, observations, studies
Immediate	The magnitude of the proposed effects	The project's beneficiaries	Observations, studies
Results	The quantity and quality of the reached results	The project's documents and	The file analysis, observations, studies
Activities	*NECESSARY METHODS*	Mentioned in the evaluation and planning reports and in the agreements with the donor	

Please note that for the activities it is not necessary to have measurement indicators. But it must briefly be mentioned the necessary means for performing the activities, the type, quantity and the costs of the material and human resources.

The fourth column of the framework: risks and assumptions

The last column includes a brief description of those **situations, events and relations** that may help / harm reaching the objectives and define the environment in which the project is implemented. It includes those factors which the project cannot or intends not to control. The project does not aim to address these factors, but it must monitor them.

There are two possibilities of defining such an environment: the aspects that may influence the project in a positive way are called **assumptions.** If one wishes to present the other side of the coin, in other words if one wishes to describe the negative effects of not achieving certain necessary premises required to implement the project, then these are called **risks.**

At every logical level of the approach there is a set of assumptions; estimations whose external conditions may interfere in achieving the causative connections established between the means and the goals defined in the logical matrix.

The possibility and the significance of the external conditions must be estimated in order to establish the level of risk of the project. Certain external conditions of the project are crucial for the success of the project, others have a negligible influence. It is important to choose those assumptions referring to the most significant and most probable conditions.

4.2. VERIFYING THE LOGICS WIHTIN THE FRAMEWORK

4.2.1 The vertical logics
The vertical logics identifies what the project intends to achieve, clarifies the causative connections between the interference levels and specifies the risks and assumptions which are out of project managers' control. See the below graph.

The vertical logics in the matrix, that is, the connection between the first and the last column, works like this:

- if the pre-conditions for launching the project are fulfilled, then the activities can be accomplished
- if the activities were performed (and supposing that the assumptions regarding the results have been confirmed) then the expected results will be obtained
- if the results were obtained (and assuming that the assumptions referring to the next level have become true), then the immediate objective of the project will be achieved
- if the immediate objective has been achieved (and assuming that the relevant assumptions for the development level have been fulfilled), then the project has contributed to reaching the wider objective.

Legături cauzale		Logică
	SCOP	
IF obiective THEN scop	↑	Necesar dar nu suficient
	OBIECTIVE	
IF rezultate THEN obiective	↑	Necesar dar poate nu suficient
	REZULTATE	
IF activități THEN rezultate	↑	Necesar şi suficient
Precondiții necesare pt. implementarea activităților	ACTIVITĂȚI	

It must be mentioned the way of interpreting the assumptions, which affect the above logics: the logical relation IF – THEN works ONLY WHEN the important assumptions are correctly identified and administrated. In other words the relation becomes:

IF and *supposing that* … (the assumption) THEN

4.2.1 The horizontal logics within the framework

The horizontal logics refers to measuring the effects which the project will have, by establishing the performance indicators and the objective sources of verifying them and also indicates the necessary means to achieve the expected results.

5. THE FORMAT AND STRUCTURE OF THE PROJECT'S DOCUMENTS

5.1.   ANNUAL STANDARD SUMMARY PROJECT FICHE

The standard fiche represents the main document which describes Phare project. Its content, according to the Programming Guide for 2003, is presented in the annex to the manual.

The main chapters of the document are the following ones:

1.	Basic Information	Informatii de identificare
2.	Objectives	Obiective
3.	Description	Descriere
4.	Institutional Framework	Cadru institutional
5.	Detailed Budget	Bugetul detaliat
6.	Implementation Arrangements	Aranjamente de implementare
7.	Implementation Schedule	Grafic de implementare
8.	Equal Opportunity	Egalitatea sanselor
9.	Environment	Mediu
10.	Rates of return	Rate de rentabilitate
11.	Investment criteria	Criterii pentru investitii
12.	Conditionality and sequencing	Conditii si secventialitate

Annexes to PROJECT FICHE:

O   Logical framework matrix in standard format.

O   Detailed implementation chart

O   Reference to feasibility/pre-feasibility studies

O   List of relevant Laws and Regulations

O   Reference to relevant Government strategic plans / studies

Describing the content on chapters

1.   Information of identification

1.1. Désirée Number is a registration number used by the Commission for the Phare projects. When the fiche is released, it is not necessary to have this number filled in.

1.2.   The title

The title must entirely describe the project, to offer the correct image and to help at getting the maximum support for your project idea. A well chosen title will help you to get the attention and the "lighten up" the imagination, both in Romania and in the Commission. Remember: a common title suggests a common project. A long title suggests bureaucracy.

You can decide to have a main title and a subtitle which offers more explanations, but use these subtitles carefully. Both the title and subtitle must attract various readers with different professional education levels and with different language knowledge degrees. As a minimum request, the title and subtitle must be estimated at the same level both by the Romanian responsible and by the people within the Commission, who manage the Phare program.

Often, it is a good idea to discuss on many possible project titles within your institution and also with people from outside your institution. The latter might include one or 2 people from other nationality. Testing the options with them, might ensure you that the title is correctly translated.

1.3.   The Sector

Defining the sector of your project will send you to the priority axis of the Adhesion Partnership and of the National Program for the Adhesion of Romania to the EU. It was proved that it is adequate to indicate that the project belongs, let's say, to the sector *Justice and Home Affairs* or *Regional Policy and Cohesion.* You can let this final decision in the hands of the Coordination Assistance Secretariat

1.4.   Location

- it defines the geographical or institutional location of your project.

For most of the investment projects, the location of your project can be easily determined. The bridges over the Danube or a modernized frontier point have a clear *geographical location.*   The location can be hard to establish in a project of institution building. If, for example, the laboratory assistants within the public health department are offered to take part in courses regarding new methods of processing the samples, these courses can take place at their work or at a central laboratory from the country or from abroad. In this case, you have to mention the *institutional location.*

Within the project from 1999 regarding public health in Hungary, the location was described as follows:

Central and regional laboratories of the National Public Health and Medical Officer's Service (NPHMOS), including the specific institutes of József Fodor National Centre of Public Health as well as the Budapest and county institutes of NPHMOS.

2. Objectives

2.1. General objectives

The general objectives are taken from the logical framework of the project, which we recommend you to fill in before the standard summary fiche.

Examples of general objectives:

The general objective of the project is the effective implementation of the acquis-ului in the field of justice and internal affairs according to the priorities established in Promoting Partnership and in the Romanian National Program for Adopting the Community Acquis.

We also recommend you to include in the formulation of your objectives a performance indicator, which offers the image of the extent to which the objective will be reached. In the above mentioned example, the following performance indicator was suggested:

The legal frame and the management of the Romanian border in accordance with the Acquis.

2.2. Specific objectives

Like the general objective, the development one, the specific objectives are taken from the logical framework of the project.

The multiple objectives make the project's monitoring and the evaluation of its results more difficult. If you confine to only one immediate objective, the project's progress is easier to measure and it is also easier for you to permanently inform your project managers about the project's results.

As in the case of long term objectives, try to quantify the immediate objectives through some relevant indicators. In some cases, you will discover that the Adhesion Partnership and especially the National Plan give measurable objectives that need to be reached before Romania enters the EU. These objectives can be a starting point in defining your objectives.

Using another project from 1999 as an example, the authors of the project fiche established the following immediate objectives:

The traffic depletion from the frontier borders from Ártánd, Gyula, Tornyiszentmiklós and Záhony

The work capacity in the scientific field from the central customs laboratory from Hungary reaches the level from the EU's state members.

Eliminating the illegal traffic and trade regarding the forbidden products in all the important border points

Note that the long term objective and the intermediary objectives from the above examples were mentioned as an accomplished state of fact. From the methodology's point of view, it would be incorrect to say that the objective is meant to *contribute to eliminating the illegal* trade or, in other words, *to combat the illegal trade.* The contribution or fighting against something are activities which can or cannot lead to accomplishing the objectives. The difference between objectives and activities is important when it gets to measuring if the project really accomplished what it wanted to accomplish.

Try to be as concise as possible. Try to transpose the long term objective in a sentence or immediate objectives in no more that 5 sentences.

2.3. ***The priority according to the Adhesion Partnership (AP) and the National Plan for Adhesion (NPAA)***

Identify and present the priorities in which your project fits, as they are reflected in the above mentioned strategic documents.

For example: *The project reflects the AP priorities on short term regarding ..... It is also in accordance with the medium term priorities of .... -In NPAA, the priorities and actions of the project are elaborated/detailed in chapters ...*

2.4. ***The Contribution to the National Plan***

This part must be included in your project only if it belongs to the *Investment Support to Economic and Social Cohesion* category. In this case, we ask you to underline the relevant parts of the National Development Plan or of the Preliminary Development Plan and to explain in what way you project contributes to the strategies of the competent authorities in the target region. As a minimum request, please fill in the following text:

The objectives of the project reflect the NDPP priorities, based on the sectorial strategies and on the development strategies regarding the target regions. .... represent a key priority. The improvement of ....will contribute to the success of the efforts made to strengthen the economy from the target regions and to acknowledge their development potential as it is described in other projects financed by Phare 2002 – Economic and Social Cohesion.

2.5 ***Cross border impact***

This part will be filled in only in the case in which your project is financed by a Phare Program of Cross- border Cooperation. In this case, as a minimum request, please introduce the following text:

The program will contribute to stopping the disparities/ differences present if the regions from both sides of the border and to contribute thus to the gradual alignment of the economic and social development.
The project encourages the development of the relationships between the community's institutions from both sides of the border. In generally, the character of the project guarantees a high revelation at a cross border level.

If your project DOES NOT belong to a program of cross border cooperation, then write: Not applicable.

3. ***Description***

3.1. ***General frame and justification***

This sub-chapter must synthesize the results of the problems' analysis and must briefly and convincingly explain the reason to be of the proposed project.

The minimum content of this sub-chapter must include:

• Explanations regarding the origin of the project and the motivation

• Involving the civil society

• Relations with other projects

• Anticipated results

The description of your project must lead to a clear understanding of the use you intend to give to the expected Phare funds. First of all you must argue on the origins of your project and on what past and present relations can your project have with similar other projects. Then, you will have to describe what are the results you expect to achieve from the planned actions and what will these actions be.

For example:

The project is based on the Strategic Program of Customs and Financial Guard from Romania from 1999. The gaps and needs identified in the program were reexamined, being confronted to the relevant chapter of the Blueprints.

3.2   Connected activities

Try to be concise when you describe the activities related to your project.

Briefly present the previous relevant Phare projects and the connections with the proposed project. Also, make a summary of all the similar activities accomplished by other parties (the Romanian government, private projects, and bilateral donors). If there are such projects, you should stipulate this thing clearly and underline their involvement. In some cases, involving an important member of the state increased the importance granted to a project proposal by the clerks of the Commission.

For example:

HCFG benefited from the Phare support since 1991. The financing involved almost 8.4 millions ECU for the program of using computers in customs and almost 40 millions ECU for direct support measures, mainly for the reconstruction and monitoring of the most important points for crossing the frontier. Support was also given for.................Human resources development

Sketching the laws and settlements (law projects) in accordance with the EU standards

A part of the activities foreseen will continue the 1997 union project, regarding the training of the institutions which apply the laws (Phare project nr. HU97/IB/JH/02). The project supports the HCFG and other law institutions from Hungary. The staff HCFG takes part in seminars and study visits regarding the drug and vehicle traffic money wash and data processing.

3.3. Results

You must describe what is the implementation method you want to use in the project and how will this method contribute to accomplishing the immediate objectives. A summary of the description will be inserted in the logical framework.

The results should be defined and structured according to the internal logics of the project. The structure will also be used in the description of the project and in some sections from the fiche of the budget and the implementation chart of the project.

3.4. Activities

Define the activities, other contracts or settlements which have to be accomplished in order to reach the direct results of your project. The description can cover one or more of the following activities:

- The contraction of some services, for example, of the technical lecturers of experts - in this case, you will have to say how many lecturers do you need in order to train **how many** people and in **what** domains or you will have to say how many experts are needed for **what** tasks and for **how long.**

- Signing the *Twinning Arrangements* – here, you will have to say what constraints of the administrative capacity will be removed from the twinning and what *guaranteed results* ("benchmarks" – in terms of the Phare language) will prove that the twinning arrangement fulfilled its goals. If you plan twinning arrangements, you should try to put the twinning Phare fiche in the project's fiche. In this way, you will be absolved of the task to prepare two different sets of documents which differ in format and thus you will avoid two separate approval procedures.

- The acquisition of equipments and materials- mention at least what type of equipment and

machinery will be purchased and be very concise as regards the technical details and the quantity, if possible.

- The contraction of the public works – describe what buildings or constructions will be built, their size or capacity and the location.

Other descriptions of activities cam be more complex, usually being written in more pages in the project proposal. This can be applied especially for the project's fiches which present twinning arrangements. In these cases and given the formal requests of the Commission, you cannot avoid a certain level of complexity. In your own projects, you should be as clear and as concise as possible.

The Phare rules prescribe that only the projects that are not *ready for auction,* when the financial agreement between Romania and the European Commission was signed, will be taken into consideration. To be ready for auction you must complete all the preparing activity of the project.   The training must embody the entire technical, institutional, economical and financial necessary conditions in order to accomplish the project's objectives. In practice, only a few projects will be able to satisfy these requests. Despite of all these, in your description and implementation plan you must be careful not to be late regarding the preparations with reference to the planning. You should also pay attention not to seem too optimistic. Keep a realistic balance and explain your position if necessary.

3.5   *Learnt lessons*

Say in what way you incorporate in the project's design the conclusions and recommendations from the previous evaluations and from the monitoring and evaluation reports.

4.   *Institutional Framework*

For the presentation of the institutional framework of your project, you are expected to list the main institutions involved in the planning and accomplishment of the project, and any foreseen organizational constraints. If the project will change this framework, you will have to indicate the changes.

In most of the investment and institutional projects, the institutional framework is simple. Things might get complicated if you intend to sing a twinning agreement. In such cases, you are asked to identify a *contact person* within the partner institution from Romania. You should also describe the purpose of the twinning agreement in the partner institution's development plans. This can be a general presentation as you can notice in the following example:

Institutional Framework

Generally, the technical and administrative aspects of the implementation will be the responsibility of the Phare Agricultural Office within the Ministry of Agriculture.

The Health Department of Animals and of Food Control within the Agriculture Department will supervise the professional implementation. Other participant institutions are: The National Institute for Food Investigation (food hygiene, equipment supplies for laboratory), The National Institute for Veterinary, Biological and Nutrition Medicines (equipment supply for laboratory) and the National Institute of Agricultural Qualification the animal identification).

The project follows the same direction as the Institutional Building Plan/ the Institution of Planning the Buildings within the Ministry of Agriculture and Regional Development.

If your project involves more institutions, you are kindly asked to give more details. How will you share the responsibilities of the project and how will you ensure the necessary coordination? The coordination arrangements must be very transparent and having as less complications as possible. In this way, you have to explain who establishes the coordination arrangements and who play the role of the coordinator.

For the investment projects, especially for those involving work on the basis of a contract for certain procedures, you have to explain who is the project's *engineer* (responsible with the building's location and with

the payment of the contractor), who is the *employer* and who becomes the owner of the properties after the ending of the project and who uses and maintains the properties on long term.

You can identify the project manager in the stage of conceiving the project, if possible. The project manager is the one who organizes the tasks of the project, who allots the resources, motivates the staff, reports the different supervising bodies – and is responsible with ending the project in time and respecting the limits of the given budget. If the people responsible are known, this thing can lead to an acceleration of the activities' unfolding during the implementation of the project.

In the end, if possible, offer a short description of the institutions' and the project manager's capacities to take on the responsibilities within the project. If you don't foresee any problems, confirm that capacity necessary is ensured. If you anticipate any problems, for example: a precarious management experience, be prepared to explain how you will overcome it.

5. *Detailing the budget*
The project's budget should be divided in components that mirror the structure of the project's description. All the investment projects financed by Phare have to have co-financing from national public funds. A series of projects of institutional construction will also have national co-financing. This should be quantified and included in the chart below.
Quantify the co-financing from national sources (including the private sector if needed). Quantify and mention the certainty degree of the IFI co-financing – International Financial Institutions (for example approved, still being evaluated, etc.) All the investments (for Institutional Development or Socio-Economic Cohesion) have to be co-financed from national public funds. For twinning, clearly mention the twinning conventional budget.

5. Budget:						
Component	Investment	Institution Building	Total Phare (=I+IB)	Recipient*	IFI*	TOTAL *
Short Name of Subproject (or component) 1.						
Short Name of Subproject (or component) 2.						
Etc.						
TOTAL						
* In cases of co-financing only						

6. *Implementation arrangements*
This subchapter describes the administrative structure of the project related to the law in force.

6.1 *The implementation agency*
- Contact details: title, PAO name, address, telephone and fax.
- The Office for Contact and Payments Phare (OPCP) and its role (or the Central Financing and Contracting

Unit - CFCU); describe the tasks given to the ministry and/or the beneficiaries.

OPCP assumes the bidding, contracting and all the administrative and financial responsibilities, except the SAPARD agency. All the functions and coordination of the projects are assumed by a Senior Program Officer in the institutions where a project is unfolded.

You are expected to mention which of the three options are to be used for your project

6.2 Twinning Specify the implementation arrangements, the beneficiary institution, contact person.

6.4   Non-standard aspects. Describe any non-standard contracting procedure/ auction (for example, mechanisms for grants or other financing) or confirm which step shall be strictly respected. For twinning indicate the project's value and components that are referred to.

6.5   Contracts: the estimated number of contracts and the value in € of each contract.

EXAMPLE

The Ministry of Education shall name the Superior Officer for Phare (OSP), who will be responsible for the technical management of the project. CFCU shall be responsible for the administrative and financial management of the projects, under the responsibility of the Officer for the Authorization of the Program.

The components 1/1, 2/1, 2/2 and 3/2 shall be implemented through grant schemes elaborated on the basis of Vandemacum by the SCR and taking into consideration the accumulated experience within the project RO/9504 (Social Assistance), where the final beneficiaries will be selected through an open call for proposals.

The 1/2 component will be implemented through a catering offer and through one or various local offers for jobs/work. The 1/3 component will be implemented through a request/ international open offer. The 3/1 component will be implemented through an international offer of work.

All the acquisitions will be achieved according to the DIS Phare rules. In what concerns the technical feasibility, the components will be combined.

5.2.   THE REFERENCE TERMS

The document called reference terms represents the first document that launches the period of the implementation of the project. It has to be filled immediately after the project has been approved for financing in order to ensure the right selection of the contractor who will implement the project. The document has a complex content, relevant for the definition of the responsibilities.

The reference terms have two goals: on one hand to assign what the consultant has to do and how is to be measured the success and on the other hand to assemble an answer of the consultants to an invitation to auctions, that will allow the comparison of various offers.

It is important that the reference terms are centered on the objectives and constraints and not on details concerning the accomplishment manner: these are to be proposed by the contractor and will be part of the contract.

The reference terms are to be oriented towards the results. In this way it is being facilitated the measurement of the success. If the resources are limited (for example sums of money, the maximum budget for equipments), this has to be accommodated in the reference terms.

The format of the reference terms it is not standard (even though Phare imposes certain elements). From case to case, the accent will fall on different aspects and additional information will be given.

The content of the reference terms

A. General Information

B. The contract's objectives

C. Risks and Hypothesis

D. The Description of Responsibilities

E. Logical Arrangements

F. Selection Criteria

G. Reporting

H. Monitoring and Evaluation

A.   General Information

The first section presents the reference terms in general, explains the general idea, presents the other sections and shows what is expected from the consultant as answer to Reference Terms.

The general information has to be as clear as possible. The possible documents of substantiation have to be included in the annex. The general presentation has to accommodate details regarding:

- The beneficiary country
- The contracting authority
- Relevant information about the beneficiary country
- The description of the existing situation in that sector
- Other programs and activities of other donors in that sector

B. The contract's objectives

The section has to accommodate a clear display of the accomplishments which the project proposes,

decomposed if possible, in concrete objectives which can be used in monitoring the subprojects. The clearer

the presentation is the easier will be to measure the progress made.

The objectives that are to be fulfilled by the contractor are clearly described:

- What is his function within the project
- Special responsibilities, if necessary

C. Risks and Hypothesis

The risks and hypothesis in ToR are the same with the ones in the project's fiche, but are adapted to specific requests of the future contract

- ■   Hypothesis of work of which the contractor can beneficiate are being described.
- ■   The risks which can prevent the contractor to fulfill his objectives are described.

D. Description of responsibilities

It is one of the most important sections of the reference terms. It comprises general and detailed information on what the contractor is supposed to do.

- Specific activities that will unfold the contractor for the implementation of the project.
- Display of general services that are to be ensured and the detailing of concrete tasks that need to be executed, as well as the type of the work
- The responsibility of the management and the liability of the contractor

- Resources, period, place. Here have to be specified:
- a. All the constraints that affect the consultant's contribution

    - If consultants are foreseen (in special in a long run), what training do they have to have, what experience, what foreign languages does he/she has to know, what personal characteristics does he/she have to gather

    - All the constraints regarding the way in which the project has to be managed (for example that there has to be a project manager, that someone has to be permanently in the country, so as the experts with short term contracts to be announced one month earlier);

    - The maximum budget or the specified one for some categories (for example equipments, study journeys, etc)

    b. All the resources that are to be ensured by the beneficiary, and those that do not fit this description need to be specified: spaces for offices, telephone, fax, administrative support, translators

    c. The period and the calendar graphic: declaring the maximum foreseen duration and if possible, mentioning eventual critical moments ("milestones") – for example the laying down of documents that are to be advanced to the authorities

    d. The location: as much as possible, the place where all the services will be performed

    e. The budget: any indications concerning the budget that can be useful, for example the relative information of the project's components

- The anticipated results of the project. Inasmuch the possibilities: the results have to be measurable. Many offers received by Phare are not clear enough about the results, fact that makes difficult the measure of the project's progress.

E. Logistic arrangements

The location of the project:

- ■   The implementation period
- ■   The development in time of the contractor's activities.

F. Selection criteria

- Legal minimum conditions that must be fulfilled by the contracting firm.

- Expertise minimum level and experience which the contractor and its team of experts must fulfill.

- Financial minimum conditions that the contractor has to fulfill.

- The advertising that has to be made by the contractor to the project and to the contribution to the European Union.

G. Reporting

The reports are necessary to the final contractor, and also for monitoring and management of the project. Any project on long term has to report quarterly the detailed situation of the accomplishments and planned actions. The section has to specify:
- Reporting requests
- The minimum content and the desired form of reports
- The presentation and approval of the reports

H. Monitoring and Evaluation

- Defining the key evaluation indicators

- Special requests.

- Cooperation and coordination with other parts involved in the project or with other relevant donors from that sector.

6. ASPECTS REGARDING THE IMPLEMENTATION OF PROJECTS

6.1. IMPLEMENTATION, MONITORING AND REPORTING

Once a project was conceived and received the funds, you can start implementing it. The established resources are used for reaching the goal of the project. This usually involves contracts for studies, technical assistance, works or equipments.

The expected results of the implementation

The expected results of the implementation are:

- A successful project is meant to reach its Goal and to contribute to the General Objectives

- The proof that the financed money was used efficiently and in a transparent way

6.1.1. Implementation and monitoring at the level of the project: General Presentation

In general, the projects and programs are implemented in many years. The project manager is responsible with the implementation of the project, which is made of the following periods:

1) The preliminary period

2) The major implementation period

3) The final period

Along the implementation period of the project and depending on the methods foreseen in the financial/ contractual agreements, you can apply the following general principles:

1. ***Planning and re-planning.*** The initial implementation program, the logical framework and the resources and activity charts are periodically and adequately revised, remade and updated.

2. ***Monitoring.*** The project management has the task to establish the control of the project, control which ensures the right direction of the project towards the reaching of its objectives. This is made through the process of internal monitoring which consists in gathering the data, analyzing and using the information for the management control and decision making. Implementation is a continuous learning process in which the experience is analyzed and used in the planning and updating of the implementation approaches.

3. ***Reporting.*** The management of the project/ the implementation agency must offer you the reports regarding the progress. The purpose of these reports is to ensure detailed information in order to verify the stage of the project according to its objectives. These reports also include the budget details. The reports regarding the progress are handed in usually trimestrially. These principles are reflected in the approach of the documentation during the implementation period.

6.1.2. The approach of the documentation during the implementation period

The preliminary period	The major implementation period	The final period

The preliminary report	Semester reports regarding the progress, 1st year	Annual report regarding the progress, 1st year	Semester reports regarding the progress, 2nd year	Annual report regarding the progress, 2nd year		Final report
Includes:						
The updated logical framework	The updated logical framework	The updated logical framework	The updated logical framework	The updated logical framework		The updated logical framework and the justification of changes
General working plan = the general activity program	Updated general working plan = the general activity program	Updated general working plan = the general activity program	Updated general working plan = the general activity program	Updated general working plan = the general activity program		Updated general working plan = the general activity program
General resource program	Updated general resource program	Updated general resource program	Updated general resource program	Updated general resource program		Updated general resource program
The annual working plan = Annual activity program, 1st year	The annual working plan = Annual activity program, 1st year	The annual working plan = Annual activity program, 2nd year	The annual working plan = Annual activity program, 2nd year	Annual working plan = Annual activity chart, 3rd year		
Annual resource chart – 1st year	Annual resource chart – 1st year	Annual resource chart – 2nd year	Annual resource chart – 2nd year	Annual resource chart – 3rd year		
The updated implementation chart	The updated implementation chart	The updated implementation chart	The updated implementation chart	The updated implementation chart		The final implementation chart

For the entire implementation, *The Implementation Chart* is a very important tool. It is an administrative planning and monitoring document which covers the administrative stage marks and the succession from the preparatory stage of the project to the ending and evaluation stage. It gives an idea about how are these reference stages met and if some delays are possible to appear. During the implementation, this can underline the need to re-plan, taking into consideration the fact that, for example, the remaining period may not be enough for finishing some works, studies, etc. Like any other planning documents, the Implementation Chart must be updated by the project manager and should be included in the progress reports. The Implementation Chart underlines the resource categories who might need budget obligations and /or of offer, as well as other administrative reference points, for example the reports that can also lead to closing the payment.

6.1.3. Details regarding implementation – the preliminary period

The project's implementation starts in the preliminary period, which often lasts for a few months, time in which the organization of the project is settled, including the administrative, financial and technical responsibilities, and in which the evaluation planning activity is updated and checked upon. The development mechanisms and tools are then used during the future implementation periods. The preliminary stage is usually consists in the following elements:

- Setting up the project's working point and recruiting the staff;

- If necessary, making a study in order to update the basis information;

- Discussions with the main interested factors, including, if possible, the target groups, filling in and updating the Logical Framework in order to prepare the General Working Plan and the Resource and Activity Charts. Ideally, these should be made within some meetings (which can last for 3-5 days depending on the project's complexity);

- Preparing and handing in the General Working Plan (including the internal Monitoring and Evaluation Plan) and the first Annual Working Plan.

Very often, between the preparing and implementation periods, there appear some changes regarding the project. This means that you also have to make changes in the Logical Framework, changes which reflect these new circumstances. A new study will have to be made in order to update the basic information and to describe the situation from the beginning of the project. The results will serve as an initial reference point for the Indicators. The detailed indicators will have to be developed and included in the Logical Framework and in the Activity Chart before the project's activities start. Despite of all these, you mustn't let this revision replace the basic evaluation indicators.

Using these indicators as a reference point will allow the staff of the project to periodically monitor the project's progress along its implementation. It will also allow to evaluate whether the project reaches its goals, or to prove the technical quality of the project and, if necessary, to take the appropriate measures in order to ensure the project's success.

6.1.4. The main implementation period

The main implementation period starts with implementing the first annual plan. Based on the contractual/ financial agreement, the implementation agency will have the following responsibilities:

- Preparing the working plans for the project's each year, taking into consideration the time set for the approval process;

- Planning and monitoring the implementation;

- Preparing and handing in the progress reports;

- Preparing and handing in the Annual Report every 12 months from the beginning of the project;

- Collaborating with the external consultants responsible with the evaluations and audit, if necessary.

6.1.5. The Final Period

The final period involves covering all the necessary steps in order to finalize the project. It will usually consist in giving up the human resources and handing over the goods achieved from the project's budget. Moreover, a final report must be prepared taking into consideration that you have to give concrete recommendations regarding any previous action from the same field. The lessons learnt and the conclusions drawn from the project must help you at making a decision regarding a possible continuance of the project. The report will have to offer sufficient information in order to be used in the discussions regarding the preparatory stage of the next project, and to a certain extent, to some future programs.

6.1.6. Planning and re-planning: what, when and how?

The planning and re-planning are parts of the project management which need to be periodically made. Besides the weekly, monthly or semestrial planning, the project's management must prepare an annual planning and, at the beginning of the project, the planning of the entire implementation period. These working plans are important managerial tools. As mentioned above, the periodical update of the Implementation Chart is also the task of the project's managerial team.

The general working plan

The general working plan covers the entire implementation period.

The key functions of a working plan are:
- To guide and allow the project's team to create a joint perception on what needs to be done, when and by whom, to ensure that the project is on the right track;
- To lay the basis of monitoring the work done and to ensure the project's direction towards the set objectives;
- To ensure the implementation of the project in an efficient way;

The general working plan indicates:

- What results are expected to be reached until the end of the project (results and goal and afferent indicators);
- What does the project's team intent to do in order to reach the Results: Activities and Time Chart for the activities;
- What resources do you need in order to be able to do the work and who is responsible for the tasks.

This needs to be handed in together with the preliminary report, at the end of the preliminary period, usually after 3 months.

Annual working plans

The annual working plan is conceived on the basis of the general working plan, the latter also being conceived in its turn on the basis of the logical framework. While the general working plan gives a general presentation of all the aspects regarding the project's implementation, the annual working plan gives precise details about the activities which have to be fulfilled, when they are fulfilled, how much will they cost and also details about the financial plan. It also gives a complex presentation of all the activities that will be unfolded in 12 months, helping at improving the planning of activities and at avoiding their overlap. This aspect is important in the case of complex projects in which the financing is given by the European Commission, the Government and other donors.

The working planning process helps at adjusting the project according to the changes and the new settlements from the operational field. It also helps at integrating the lessons learnt during the implementation for future processes, developing project analyses.

Planning the managerial activities

Usually, the managerial activities are not included in the framework. Despite of all these, they need to be planned like the project's activities and their planning can be added to the working plans (they will also need human and financial resources). The management activities of the project include the following:

1. The quality control

2. Information, communication and reporting

3. Financial planning (budget control)

4. The staff management (training, team building, etc.)

When planning and implementing management activities, the project managers must have in view the following major aspects:

For the quality control:

- To define what type of information needs to be collected, how must it be stored and systematized
- To define the moment of monitoring the activities, how to organize them and whom to get involved in them
- To define how to use the monitoring results, the conclusions and recommendations
- To define who to inform regarding the decisions and their involvement in the budget, re-planning the activities etc.
- To plan the evaluations which involve a great variety of interested factors.

For information, communication and reporting:

- To define what is necessary in terms of formal communication, when, to whom and in what way should the information be available

For financial planning:

- To foresee the financial resources in time, in all the details
- To establish when to revise the expenses and to ensure the availability of the necessary funds

For the staff management:

- To define tasks and responsibilities
- To identify training needs for achieving the tasks, to organize the necessary training meetings
- To ensure the motivation of the staff and to encourage team work

6.2.   MONITORING THE PROJECT

Monitoring the project is an integrating part of the daily management. It provides information through which the management can identify and solve the implementation problems and also evaluate the progress. The logical framework, the implementation program and the activity and resource charts provide the base.

6.2.1. What must we monitor?

The following basic aspects must be periodically monitored:

- What activities are not eligible and what progress must be made (for eg. weekly)?
- How are the resources used and what costs appear in the implementation progress (for eg. monthly)?
- Are the goals achieved (for eg. semestrial)? (efficient)
- To what extent these results help at achieving the goal of the project (biannual)? (efficiency)
- What changes can interfere? Do the theories remain the same?

Project management verifies the way in which the objectives are reached and analyses the changes that include key groups of interested factors, local strategies and policies. If the progress slows down, you must take correct measures. Each action's details must be included in the next progress report.

6.2.2.   Reports regarding the progress

Along the project's preliminary project, you must establish the communication mechanisms in order to make sure that the information necessary are generated and used efficiently. In this context:

The meetings for analyzing the progress are useful in order to look over the progress in comparison to the plan. This can also be an opportunity for presenting and discussing the written reports or for an oral evaluation of the present problems.

The reports regarding the projects' progress give a summary regarding the project's progress, including key information from the indicators and financers included in the logical framework and in the resources and activity chart.

The reports regarding the progress will be written in a standard format allowing the comparison between the other reports. The purpose of these progress reports is to **give the updates of the accomplishments in comparison to the indicators and reference points (milestones) by using the following structure:**

-Data about the *proposed achievements* are compared with:

-Data about the *present achievements,* in order to identify…..

=important *deviations from the plan,* as a base for…..

= identifying the *problems* and *opportunities,* in order to identify…..
= *correct actions* and *alternative methods.*

6.2.3. Important things about monitoring

The basic steps for the monitoring process are:

- Collecting the data (facts, observations and measures) and documentation

- Analysis and drawing the conclusions (interpretation)

- Recommendation (judgement) and taking the appropriate actions

Monitoring the activities and methods/ resources

The monitoring of activities compares the planned time and the time necessary for unfolding an individual activity. In this way, you can judge if the general working plan can be accomplished. The major tool is the Annual Working Plan, who must be detailed enough to allow such a judgement. In this frame, the deadlines are defined as a certain point in time until a certain activity must end; while the "reference points/ milestones" are key elements in the implementation of the activities who develop the progress and a target which the project's team must reach. Both provide the basis in which the project's implementation is monitored and developed.

The resources must be available at the right time in sufficient quantities and at the right quality. The time necessary for making them available is often underestimated. And you mast take here in consideration both the human resources and the physical ones. To ensure the liquidity of the project, the availability of the future funds must be carefully monitored, including the situation of the public budget, the exchange rates etc. If the target groups contribute to financing the project's activities, it must be ensured that they can accomplish the requests. Buying the equipment, signing the contracts for the works and the necessary things will have to obey the rules of the EU. The project management must make sure that the planning of the activities reflect the time necessary for the mobilization of the resources.

The activity of using the resources is monitored on the basis of the activity and resources charts. The monitoring of the resources' usage means analyzing the resources used in report with the obtained results. This will allow the estimation of the project's efficiency. A proper management regarding the usage of resources means identifying the deviations from the program and taking the correct measures. The control of funds needs periodical budget revisions and updates. The major changes from the budget will need amendments to the contracts or financial arrangements.

Monitoring the results

Monitoring the results is based on the indicators regarding the results. The indicators represent the situation desired at a certain moment in time or at the end of the planning period. Thus, this is not sufficient enough for the management of the project, since decisions are made very often in short periods of time in order to control the implementation. That is why, the results can be split into intermediary results and described by additional indicators which cover the relevant planning period (for eg. You should establish the indicators for the annual working plan).

The progress is evaluated through the initial situation in comparison to the present situation. When the initial situation is established (situation which should have been established during the preparation of the project and updated during the beginning period), you should take into consideration the fact that there is a great variety of methods regarding the collecting of data.

Monitoring the hypothesis

While the activities and results are periodically monitored, an adequate monitoring of hypothesis and risks is rarely made. Like the results, the hypothesis can also be monitored through indicators and verifying sources.

Monitoring the impact

Monitoring the impact refers to:

- The efficiency of the project ("doing the right things") and the consequences, for eg. The target impact;
- The side effects which were not included in the logical framework;
- The negative impact.

These effects and impacts can become obvious during the unfolding of the project or later. The monitoring of the impact must take place during the entire project's implementation. The analysis becomes very important for the evaluations and formulations of future interventions.

The monitoring of effects and impacts is different from other types of monitoring because it takes a longer observation period, for eg: it can be a great difference in time between the reaching of the objectives and the appearance of the benefits and impacts. In such cases, it can be helpful to work with process oriented indicators, for eg: indicators which may show the steps of the targeted impact. These must precisely indicate if the project is or is not on the right track. Usually, the evaluation involves direct feedback from behalf the target groups; a tight relationship between the changes owing directly to a project or program and the surrounding environment and context, for eg: it is always difficult to make distinctions between the changes which appeared due to the project and the changes which would have appeared even without the project ("incremental benefits").

The impact's monitoring procedure and tools are the same as the ones for the results' monitoring: collecting the information in charts, time sequences etc.

6.3.   EVALUATION

Evaluation is a very objective and systematic verification of a project which is unfolding or which already ended, of its design or implementation and results. The purpose is to determine the relevance and reaching of the objectives, the development's efficiency, impact and sustainability. An evaluation should offer credible and useful information, should allow including the lessons learnt in the process of the beneficiaries' and donors' decision making.

An evaluation can be made during the project's implementation ("mid-term evaluation"), at the end ("final evaluation") or after the implementation ("ex post evaluation"), or in order to help accelerating the project or to draw certain conclusions which might be used in future projects and programs. The "ex ante" evaluations refer to the studies during the project cycle preparing stage (pre-feasibility or feasibility studies).

6.3.1. *Major evaluation principles*

■ The impartiality and independence of the evaluation process regarding the release of policies, offering its assistance and management (= separation between the project's/ program's/ policy's evaluation and responsibility)

■ The credibility depends on the expertise and independence of the evaluators and the transparency of an open process, great access to results, distinction between the results of the evaluation and recommendations.

■ The usefulness, presented in a clear and concise way, presents the interests and needs of the involved parts, easily accessible, in time and at the right time – it improves the decision making process

■ The participation of the interested factors (donors, recipients), and, if possible, the points of view and expertise of the affected groups, should form a complex part of evaluation.

6.3.1. *Types of evaluation*

The evaluations can take place:

1. when the project is still unfolding: the intermediary evaluations are usually made in the middle of the project (*mid-term evaluation),* in order to verify the progress and to suggest alternatives for the remaining implementation period;

2. at the end of the project *(final* or *end-of-project evaluation),* in order to check the resources used, the results and progress made for reaching the objectives. The purpose is that of generating lessons, useful for future projects.

3. a few years after the ending (*eg. post evaluation),* often concentrating on the impact.

6.3.2. *Evaluation criteria*

The evaluation criteria are the following ones:

1.   Relevance

The relevance of the project's objectives on certain problems- in report with the social and political environment in which they operate, including an evaluation of the quality regarding the preparation of the project and of its design – for eg. The logic of the project's planning process, the internal logic of the project's design and its coherence.

2.   Efficiency

The fact that the results were achieved with a reasonable cost, for eg: how well were the meetings converted into results in terms of quality, quantity and time, and the quality of the achieved results. This needs to be compared to the alternative methods which aim at achieving the results, in order to see if it the best approach was.

3.   Effectiveness

An evaluation of the contribution brought by the results to reaching the project's goal and the way in which the hypothesis affected the accomplishments of the project.

4.   Impact

The effect of the project in report with the environment and its contribution to the general objectives summed up in the project's General Objectives.

5.   Sustainability

An evaluation of the benefits brought by a project, benefits which also continue after the funds are finished, referring particularly to property factors, support for policies, economic and financial factors, social-cultural aspects, equality among genders, adequate technologies, aspects on the environment, institutional capacities and management.

6.3.3. What is the difference between monitoring, evaluation and audit?

These terms/ concepts are often confused.

Evaluation:

What? – Mainly- analyses on the efficiency, effectiveness, impact, relevance and sustainability policies and support actions.

How? - Detailed analyses

Who? – External evaluators trained on the evaluation process

When? – Once or twice, it is essential that at the end of the project you learn from the past and you orient your future actions correctly, but you can also do these during the project implementation: mid – term evaluation, in order to (re)orient the implementation.

Monitoring

What? - Mainly- analyses of efficiency and effectiveness; it is a management systematic activity

How? – Rapid and continuous analyses, with immediate benefit for the improvement of the unfolding actions; important key in the improvement of performances

Who? – Internal and External   (staff, monitoring people)

When? - Periodically, a few times a year

Audit

What? – Traditional checkouts in order to see if the operations and financial documents are according to the legal and contractual obligations. Recently: *Performance audit* is related to questions regarding the efficiency and a good management.

How? – Checkouts of the financial documents and of respecting some preset procedures.

Who? – External or internal listeners, professionals

When? –During or after the implementation

6.3.4. Evaluation reports
The evaluation reports have to mirror the evaluation criteria presented above, viewing the nature of the project, the stage in which the evaluation is made and the users that project is aimed at. It has to be taken into consideration that the request of information varies a lot considering the different types of users. When the terms of reference are made up, it is necessary to decide the relative importance of each evaluation criterion of the given study: usually an intermediate evaluation will be centered on efficiency problems (impact problems that have no greater importance); the ex post evaluation will be centered rather on impact problems and durability. In any case, the conclusions must be based upon the analysis and the connections between the recommendations and conclusions must be clear. The recommendations can concern this project or any future projects considering the nature of the evaluation.

Generally, the main sections of an evaluation report must be the following:

The Plan of an Evaluation Report

I - Summary	It must be written in a solid form so as to be used as a sole document. It must be short, no more than five pages. It must be focused on the main analytic points; it has to point at the main conclusions, the lessons taught and the specific recommendations. The references must be made on the corresponding page or the number of the paragraph of the main text that follows (main text).
II - Main Text	The main text must start with an introduction that describes firstly the project or the program that needs to be evaluated and secondly the evaluation's objectives. The report's body should trace the five evaluation criteria, describing the facts and interpreting them or analyzing them according to the key questions relevant to each criterion.
III Conclusions and Recommendations	These should be presented as a final, separate chapter. As often as possible, for each key conclusion there should exist a correspondent recommendation. The key points of the conclusions will vary in nature but will often cover aspects of the evaluation criterion. The last valuable element of an evaluation depends on the quality and credibility of the given recommendations. The recommendations should be as realistic, operational and pragmatic as possible. The recommendations should target adequate audiences at all levels.
IV - Annexes	■ The reference terms of the evaluation ■ The name of the evaluators and firms (plus CVs but summarized and limited to one page per person) ■ The methodologies applied for studies (stages, data collecting methods, sampling, etc.) ■ Logical framework (the original one and the updated/ improved one) ■ If it is relevant information the map of the project's area ■ The list of persons / the consultant organizations ■ Literature and consultant documentations ■ Other technical annexes (ex. statistic analysis)

6.3.5. Administrating the evaluation process

Administrating the evaluation process usually involves the following *major tasks* of "the evaluation manager":

1. Identifying the need and evaluating the themes that need to be evaluated
2. Evaluation's design, including establishing the reference terms
3. Editing documents regarding the offer for the evaluation studies and selecting of a contractor according to the existing rules
4. Informing the contractor and the sides involved, supporting the evaluation mission
5. Ensuring the achievement of a high quality evaluation report and disseminating the evaluation's results and recommendations
6. Supporting the use of the evaluation's reports

According to the target, the expected result of an evaluation is a decision taken:

- In order to continue the implementation of the project according to the plan, reorientation or in the worst of the cases stopping the project (intermediate evaluations);

- Regarding whether it is right or wrong that similar projects should be initiated in the future, for example taking into consideration of this type of projects in the future programming or in the identification exercises (usually at the end of the project or in ex post evaluations)
- When it comes to considering the evaluation's results in defining the co-operation strategies and other ulterior programs or identification exercises – in the case of part evaluations, thematic, etc.

Evaluations are worthless if they are not used. Therefore it should be taken into consideration the following key elements in order to ensure the feed-back by using the evaluation's results:

> • The evaluation is a consultative process: the consultation has to be of a permanent nature and ensures the participation of relevant interested factors, in order to enlarge the connection between evaluations and its results, for example through:
>
>> -consultation in the identification of subjects
>>
>> -consultation when preparing the ToR
>>
>> -informing meetings
>>
>> -continuous discussions with external evaluators

- Evaluation managers are responsible for informing on the services, delegations and other institutions tightly connected, about the progress made in each key stage of the evaluation.
- The evaluation needs an adequate dissemination of the results, for example through seminars and work sessions. Usually the evaluation's results are communicated and explained to the interested main parts involved in the evaluated project.
- The evaluation needs good feed-back mechanisms. It is important the verification if the evaluation's results are taken into consideration in the project proposals or not.

6.4.   TYPES AND FORMATS OF REPORTS

6.4.1. Annual reports

Are a must for each project. The period of time may vary. Any deviations from the plan must be mentioned. The main goal is to summarize the main achievements and changes in the plan of the year. The report compares firstly the actual performance with the planned objectives. Moreover, any change in conditions, unexpected events or the decision to change the plan must be reported. In conclusion, the report must be comprehensive.

The annual report must include relevant updated information on the economic environment, as well as on the changes from the policies in that sector. It must also include the presentation of the sustainability perspectives. At the beginning of each year, it should be presented a short summary addressed to the decisions and necessary actions of the relevant interested factors. The annual reports must be distributed as they are stipulated in the contract, usually in the second month of the next year.

6.4.2. Semestrial Reports

They are similar to the annual reports, but shorter. They must be distributed in the next month.

6.4.3. *Final Reports*

They must reflect the entire implementation period from a critical analysis perspective of the project's success.

Moreover, the lessons learnt should be rephrased in a way which guides the future projects and programs.

7. MATERIAL RESOURCES ADMINISTRATION MANAGEMENT WITHIN A PROJECT

7.1   Material resources within projects
One of the most important chapters within a project (no matter its type) is the material resources. Due to their multitude, as well as to the complex requests which have to be fulfilled, there is a need of a coherent managerial strategy, which will be the approached theme in this chapter.
Material resources administration management is not just a mechanical sum of different stages of a supply cycle, but it contains a prosper combining of activities. Considered a mini-project, supplying includes a series of activities as below:
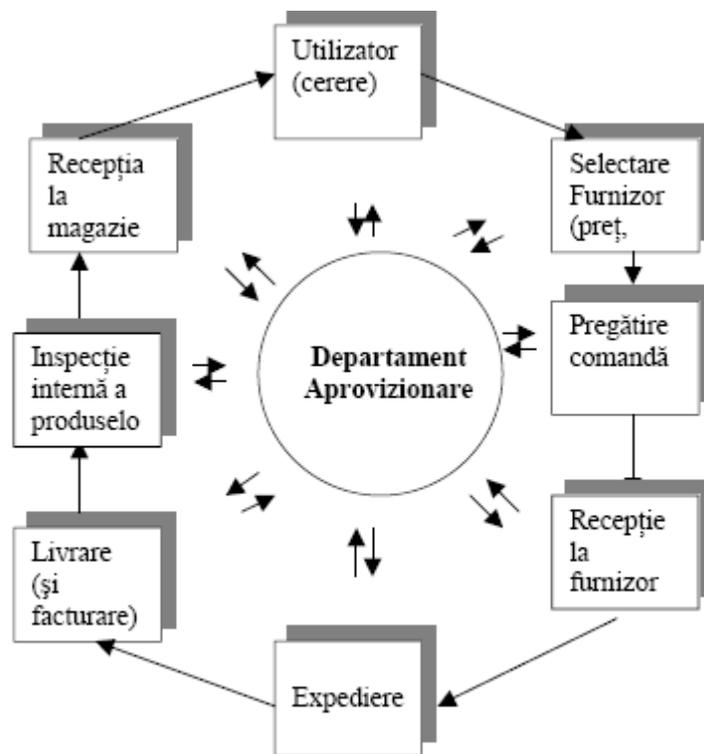
- request for supply, formed by the client on the basis of its necessary of row materials or components. Initiating this type of request is based on a stock control, of warehouses, analyses of technologic projects or production control related to product type organisational management. After the material necessary has been identified, a request for the supplying department follows, though which the renewal of stocks is demanded using certain documents, such as: supply request form, a complete list of materials needed which will contain details regarding the products that will be purchased, necessary quantities, as well as a request for stock renewal.

A special attention must be pointed by the supplier to those products which need a longer time for acquisition and take all the necessary measures in order to comply with the received instructions.

- selecting the supplier concerns the second stage of supplying process and it is related to choosing the source of acquisition based on price quotations, delivery conditions, reputation regarding quality standards, delivery performances and commercial situation. The source of acquisition may consist of one or more suppliers, based on the solicited materials needed. A big importance in the past decades has a Japanese supplying and production system, consisting of reducing the stocks to zero, relying on suppliers to deliver the merchandise at the work place and "exactly at the right time".

- issuing the acquisition order is the routine of an acquisition process consisting either in typing the order, signing and mailing it or in electronic exchange of data. The problems that may occur in this stage are related to time, in the way that this activity, although simple and usual, may take a few days or even weeks, which can lead to an extension of the project duration. It is also known that any acquisition order defines commercial conditions, usually standard and printed on the back of order forms, which oblige the client to accept all the necessary costs and legal implications. The commercial obligations in the acquisition order are actually contractual obligations regarding payment terms, price, established during the contract, delivery deadline, the quality and product describing. Once a contract has been signed, the vendor has no right of modifying unless an explicit authorisation has been given by the company on an official modification form.

In cased where certain changes are mandatory in any aspect of the order, it is possible to issue an amendment to the initial order, with the agreement of the supplier. There are typed on official forms and it has the same regime as the initial order.

Although, if the amendment jeopardises the supply, it is highly recommended o issue a new acquisition order.

The vendor has the right to contract sub-suppliers, under the condition that these are known by the buyer at any time. Another aspect related to the commercial conditions is referred to buyer's right to refuse the products

delivered if these are not in accordance with the order or if the vendor doesn't comply with the order. Any litigation related to the contract will be solved through a referee chosen by both parties or in a court of law.

-confirming the order is the supplier's answer to the acquisition order, in case this is positive a legal contract is registered. In this stage, the buyer has to confirm that he accepts the vendor's conditions.

-Supply urgency is a preventive measure for the delivery delay, requesting information on delivery difficulties in useful time. Although in some small organisations the client is the one who deals also with supply urgency, the rule is that this role is distributed to a specially assigned person within the supply department. Once all the orders were issued, delivering in time the products is a primordial problem.

If this routine process is not working, the responsible person can approach stronger methods such as collecting the merchandise from the supplier's location, a notification which explains in detail the reasons for urgency or any other legal methods which can help.

-expedition – it must be taken into consideration the fact that before leaving the production location of the supplier, the transport must be accordingly marked – a easily recognisable stamp of the supplier.

-delivery and invoicing - the invoices go together with sending documents and it is paid at the moment of receiving the merchandise.

-internal inspection of the products – is carried out by the control factors responsible within the organization.

-products reception, is the last stage of the supplying cycle and it consists of a detailed examination in order to evaluate possible flaws as a result of transportation, delivery or quantity mistakes. If the merchandise complies with the order, it is sent to the warehouse.

When the transport is not received in satisfactory conditions, it can be rejected, being returned along with a rejection note.

7.2 THE IMPORTANCE OF MATERIAL RESOURCES ADMINISTRATION MANAGEMENT

The importance of this subject in a project is related to efficiency in supplying, in order to avoid delays, to purchase the right material, to respect a certain budget.

The importance of supply management has determined the appearance of supply manager function. This function concerns the leading capacity, the capacity of taking the right decisions, which can be seen in practice in issuing acquisition orders, supplying transport, storage, as well as all the aspects related to commercial formalities.

I the decision taking process, the economic aspects always had the most important role, so that a supply manager hat to take in consideration the costs of goods and services acquisitioned. As a result, competitive supply determines the financial success of a project.

7.3 STRATEGII MANAGERIALE UTILIZATE IN ADMINISTRAREA RESURSELOR MATERIALE ALE PROIECTULUI

The stages of material resources administration process
The supply management within projects includes necessary methods in order to acquire goods and services, as to reach the project's goal. The most important are:
- **planning the supply** - shows the products to be acquired and the date they will be purchased
- **planning the request** – research regarding the product's characteristics and identifying possible suppliers.
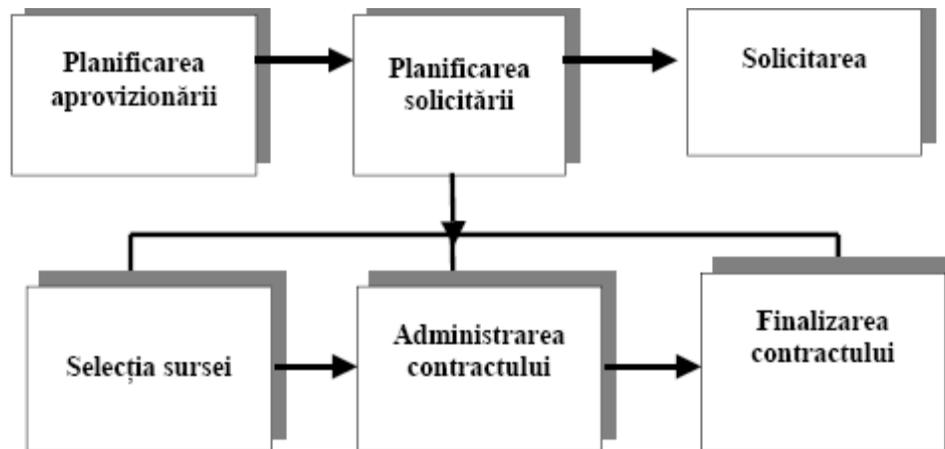- **the request** – analysing the suppliers' offers based on price, delivery conditions, reputation
- **selection of the source** - selecting the supplier
- **administrating the contract** – the contractual conditions
- **signing the contract** – finalizing the contract, products delivery

All these methods interact, the acquisition functioning as a centralized service.

8. RISK MANAGEMENT

8.1 INTRODUCTION IN RISK THEORY

Defining the risk notion in different acceptations

The risk? Nothing easier and at the same time nothing more complex to identify and especially to control. The risks have always been one of the biggest and most fascinating challenges for human kind due to its presence in all activity domains.

What is the risk?

The classical definition is: ***an uncertain element, but possible which appears permanently in socio-human activity process and its effects are damaging and irreversible***.

If the dictionary defines the risk as "the exposure to loss possibility", the insurance companies consider this element as "the hazard or the possibility to loose".

In the advanced statistics in evaluating risks theories, it is presented a more elaborated definition: "the risk reflecys the variation of distributing possible results, the probability and their subjective values".

Other definitions for risk:

- The chance to loose
- The possibility to loose
- The incertitude which affects the result
- Multidimensional concept, which cannot be reduced to a single element, a single number

Taking into consideration all the mentioned aspects, we can see that the definitions given for RISK vary a lot which leads us to the hypothesis that different persons will have a different conception of the same situation.

However, how can we have in this context a whole image over the risk if there are so many different approaches of the same concept? The solution is to identify the commune element in all these definitions – **incertitude and loos**

The reality shows that *incertitude cannot be eliminated* in any intended process in any field of activity. In this context we can conclude that risk and incertitude meet practically anywhere, although combined in different proportions.

Although present I different combinations, risk and incertitude are not identical, between these two there are a series of significant differences, among which the most important says that "while for risk there are certain anticipations that can be made in what concerns the events and the probability to happen, when talking about incertitude, the possible event or events cannot be identified, the less we can estimate the probability of them to take place"

Considering that the risk percent is directly connected to its probability of occurring, we can classify the gravity of risks in accordance with their probability of occurring.

Risk classification:

Any socio-economic activity is developed under the empire of a multitude of risk categories varying depending on the environment, in which it can occur, their type and nature, as well as from the point of view of its magnitude or effects. Due to this complex structure, it is clear that we can define a remarkable number of categories. Trying a classification of risks on a general level, this can be:

RISKS:

➢ More or less severe

➢ More or less known

➢ Easier or harder to avoid
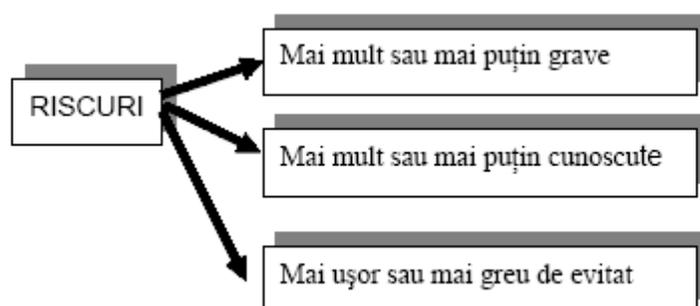
Taking into consideration the size and the evolution of risks we can identify:
- **Macro-risks** - which are the result of the evolution in a certain direction of a institution/organisation
- **Micro-risks** – are determined by specific factors of the activity sector

Obviously, depending on the approached sector we can identify a very large number classification systems of risk examples, but the purpose of this presentation is to identify and mention only the main ones.

The role of risk management in projects

As we have already said, the risk occurs in all socio-economic activities, for each of them having particular shapes, depending on the type, way of manifestation as well as on its magnitude.

Risk management is defined: "All the methods or means through which incertitude is managed a major base for risk factors, with the aim of reaching the project objectives". The key word for risk management is *systematic* because only an extreme rigorous and constant approach on all project levels can lead to an efficient control over project activities and to reducing the risk factors. Risk management must not be seen only as a component chapter of project's global management. Due to its complexity it can be found in the category of border sciences which implies the corroboration of information from several fields: economical, technical, juridical, statistical and psychological.

Main categories met within projects

Due to this remarkable diversity of activity field, the risks of a project present certain particularities different from any other risk forms met in different domains of activity.

The first category of factors as a part of the general category of technical risks which lead to the invalidation of risks as a result of its fundament on completely wrong starting basis, has a multitude of distinct aspects.

In order to obtain a clearer image on these aspects, here are only a few examples of reasons that generate the rejection of a project, based on wrong starting ideas.

- The objectives of the project are not on the same line with the financing programme's objectives
- He target groups described as beneficiaries are not among those expressly mentioned as eligible in the financing programme.
- The technology wanted to be developed within the project does not correspond with the international standards.
- The activities foreseen in the project have a duration longer than the period expressed by the financer.

For the second aspect, regarding the risk on *financial prognosis* we can exemplify from the multitude of reasons which can lead to rejection:
- A budget that is too big or too small than the limits offered by a financer
- Unequal distribution within budgetary chapters, which can compromise the entire budget
- Inappropriate financial prognosis over the project which lead, even if the project is financed, to the impossibility of implementing it due to insufficient resources
- The project brings benefices on a long term which are difficult to foresee or evaluate, giving thus an uncertain image on its finality.

Regarding the third category or major risks in what concerns the research team of the project, among the reasons:
- The impossibility to carry out the foreseen activities within the project for each of the partners, as a result of the lack of qualification of the person or of the partner institution in executing the objectives.
- Disregarding the attributions given by the project manager for each of the partner institutions
- The persons within the research team are very different, being hard to manage and being exposed to frequent conflicts

As for the 4th category of risks, regarding improper implementation of technology, we can say that reasons for problem causing in a project may be:
- Incompliance with the technical terms of material or equipment acquisition
- Initiating the new technology will have enormous costs
- The quality of the final products, obtained using the new technology is not the same as the one foreseen in the project

The last risk factor is bad management within the project, which under the conditions of approving the project can be one of the most important and, at the same time, the most dangerous risk factor

The main reasons may be connected to:
- The project manager doesn't have he necessary professional competencies in order to properly manage the project
- The project manager doesn't comply with the project's objectives or the activities within it
- The project manager is incapable to manage efficiently the conflict situations occurred during the implementation period of the project
- The project manager takes on certain risks which are unacceptable and which can lead to bankruptcy

The reasons which can lead to major risk situations are significantly much more as number and diversity.
A natural conclusion can easily lead to the idea that risk factors can be met in absolutely all the activities within a project.

The identification of risks
It is the first stage in risk management being the basis for the entire process. For a profile manager, the identification of risks is practically the result of more factors: special abilities, the relevant experience, his art of successfully using the techniques specific to management.
When identifying the risks, there are 4 major distinct categories:
1. Making a list of possible risks. Making a risk profile
2. Establishing the risks based on previous experience
3. The comparison of risks which have occurred in similar projects
4. Establishing the risks which can occur while developing the activities and the budget

Techniques of identifying the risks
In the following there will be identified the ways through which each of the four categories contributes to the risk identification process:
1. Making a list of possible risks consists of consulting every person involved in the project in regard with the

risks which may occur. The means through which a project manager can contact these persons are brainstorming sessions and interviews

2. *Brain storming sessions* are through their structure the most pleasant ways of generating idea in matter of identifying the risks which may occur in a project using two distinct but complementary techniques.

If the first technique is referred to making a list by the personnel who will contain idea in regard with possible risks, the second technique approaches the combination of similar risks and making an order taking in consideration the magnitude and the probability of occurring. It follows the elimination of risks which have a low chance of occurring.

3. *Individual interviews* with the persons involved in the project. It needs a more elaborated structure because in these cases there are usually used groups of special questions aimed to emphasize the opinion of the interviewed person.

4. *Using the risk profile* it is usually useful when project managers can use previous experience. Basically, the risk profile is identified through a questionnaire addressed to the main incertitude areas: the project team, the clients and the technology.

5. *Establishing the risks based on previous experience. The comparison of risks which have occurred in similar projects.*

One of the most important factors of prediction for future activities is using the previous experience. Generally, in this process of identifying risk factors based on previous experience in other projects, the project manager has to be focused on the following factors:

- The analysis of registered performances in parallel with the foreseen ones in the project, may give a pertinent image on the accuracy of estimations made by the manager on costs and activities.
- Identifying the elements which leaded to changes in the project and emphasizing the way the problems were solved.
- Global analysis of activities at the end of the project, it is always a motivation for reflection on critical phases in the project.
- Final results analysis and, were applied, the opinion of the beneficiaries.

Detailed analysis of all these aspects can be a barometer for the risk manager.

6. 4. *Establishing the risks which can occur while developing the activities and the budget*

Diminishing the risks during a project is, in fact, a sum of deductions for each independent activity in a working package, through identifying an adequate strategy for each level of implementation.

FINANCIAL RISK AND ITS SOURCES

As inflation is the shadow of money so the risk is the shadow of winning. What we have to know is the nature of risk, its possible dimensions and main causing factors. The main sources that need to be taken in consideration are: First of all, there are general financial risks which are cause by the market, the socio-economic and political situation:

• Market risk. Because we don't know the action strategies of the project, incertitude appears

• Moment risk. It is caused by the possibility of loosing or reducing the winning when distributing the funds in a less inspired moment.

• The risk of law changing. This risk is generated by the perspective of new mechanisms in the economy which can diminish the market value of the project

• The risk of inflation consists of reducing the buying power and of profit when dealing with projects which have fixed incomes.

Besides the general risks, there are the particular risks, specific to the project which generated the financing source. In this category we can mention:

• The risk of the business is generated by the incertitude regarding the request of products and services offered by the project.

• The optional risk is generated by the incertitude on the project choice, defending the less important one;

• Selling risk is referred to the speed of selling products and services resulted form the project without a significant change of price.

Managing the risk

A risk represents the possibility of a project not to be executed as initially established in regard with costs, specifications and exterior conditions; this difference from the initial plan is considered as difficult to accept or unacceptable.

A risk is not necessarily unfavourable; it is a common characteristic of all projects, no matter their size or complexity. All projects have a certain percentage of incertitude caused by the predictions on the environment they are developed. The risks cannot be completely eliminated; they can be anticipated and estimated.

For medium and large projects we have to include costs for unanticipated risks as part of the budget. There is the possibility of adding 5% of the estimated budget.

There are generally 5 types of techniques to "treat" risk:

• Avoiding / eliminating – changing the project plan in order to eliminate risk or creating protection condition for project objectives.

• Transferring – transferring the risk management to one of the partners. The risk is not eliminated

• Reducing – reducing the probabilities / the consequences of a risk to acceptable costs;

• Accepting – this technique includes the project team's decision to prevent the risk effects which have not occurred yet and to minimize its effects if it occurred.

• Monitoring – carrying out a risk monitoring plan which can include the moments and the places it can occur.

The decision responsibility of investing in a project it is mainly to the financer and the "golden rule" is that the profit has to be as big as the taken risk.

9. PROJECT FINANCIAL MANAGEMENT

9.1. PROJECT COSTS

The global costs conception is a project management method which serves as guide for a best satisfaction of performance objectives, deadlines and costs objectives, taking into consideration the relations within the project, from the first faze up to the end of the project.

The global cost contains all the relative costs of the project during it's entire life(cycle or life). It expresses the updated value of initial investment costs and of the future exploitation and maintenance costs, during the economic life of the project or during a pre established period of time.

These are usually:

-   Research and development costs: only 5% from the project's cycle are used in this stage, but 80% from the project's cycle are fixed in this stage.

-   Production costs: there are methods of estimating the production costs in relation with economic branch and row materials' costs.

-   Using costs

-   Destruction costs:

When the product becomes completely unusefull, we must avoid throwing it in the nature

1. RESOURCE PLANNING – determining the type and the volume of resources (human resources, equipment, materials) needed in order to fulfil the planned activities and it contains:

A. Inputs

Working packages' structure

Historical information

The expressed goal

Potential different resources

Organisational politics

The estimated duration of activities

B. Instruments and techniques

1.   Consulting the experts
2.   Identifying the alternatives
3.   Project management software

C. Outputs

1. Necessary resources

2. ESTIMATING PROJECT COSTS – estimating the cost of planned resources, contains:

A. Inputs

Working packages' structure

Resources necessary

Unit rates of resources

Estimating the duration of activities

Financial information

Historical information

Keeping track of costs

Risks

B. Instruments and techniques

1.   Comparative estimations
2.   Modelling the parameters
3.   Estimating the activities' costs
4.   Software for simulation and statistics
5.   Other methods of estimating costs

C. Outputs

1.   Estimated costs

2. Estimations' fundament

3. Management plan of project cost

3. PROJECT BUDGET – distributing the total estimated within the project, contains:

A. Iputs:

1. Estimated cost

2. *Working packages' structure*

3. Project planning with a beginning and an end

4. Risk management plan

B. Instruments and techniques

1. Instruments and techniques for budget making

C. Outputs

1. Base costs

4. COST CONTROL – the control of budget modifications contains:

A. Inputs

1. Cumulated estimated cost

2. Performance reports

3. necessary redistributions

4. Management plan of project cost

B. Instruments and techniques

1. Control system of distributing the resources

2. Cost control techniques

3. The balance of carried out activities

4. Alternative estimation plan

5. Project management software

C. Outputs

1. Revised estimated cost

2. Revised budget

3. Corrective actions

4. Final estimation of the project

5. Closing the project

6. Historical data base

The project's cost management is first of all, referring to the cost of necessary resources in order to carry out the project activities. It represents the effect of project's decisions regarding the project's results.

10. PROJECT MANAGER'S ROLE

1. Estimating and planning

The project manager or a person under his command must coordinate the data collection regarding what needs to be done and how things must be organised; how much will it cost and how long will it take; which are the relations between different tasks, responsibilities and resources. The result of such actions is the project's plan and budget.

2. Team forming

The project tea is responsible for the good or the bad faith of a project. Often, the project manager doesn't have many things to say in what concerns the persons involved in the project: the team contains the persons with the necessary abilities (if these exist), who are not involved in anything else more important at the moment. The ability of a project manager consists in his capacity of grouping people in a way that would lead to forming a team – to motivate them, to assure a good communication.

3. Reports and contacts

The project manager is the spokesman of the project. Maintaining the connection with the board, with the clients, with the authorities and with all the persons that participate within the project is his responsibility.

4. Using the adequate instruments

In the project manager's efforts of managing the projects and of carrying out activities of estimating and reporting, there are more instruments which can be proven useful. The manager has to be sure that all the necessary instruments are available.

5. Administrating and coordinating the activities

Once the project has begun, the project manager's task is to administrate the developed activities and to coordinate the efforts of different team members and of different groups within the organisation, so that the objectives of the project are reached.

6. Change management

There are very few projects which end exactly as hey were planned initially. During the implementation a series of problems come up which lead to changes of the initial plans: these changes can occur on a short term (for example delaying a certain activity because the needed materials or resources weren't available at the proper moment) or on a long term.

The clients may change their requests while getting acquainted with the product which will be obtained at the end of the project. Also, the legislative and financial climate of the project can be submitted to changes while implementing it.

RULES FOR A GOOD PROJECT MANAGEMENT

- Maintain the objectives clear

- Understand how the requests will be satisfied in terms of final results. Dividing each stage in steps and tasks

covers all the activities that need to be carried out.

- Efficient and continuous communication. This will involve people in the project; they will have access to precise information in order to understand what is going on and what they have to do in different stages of development. Even the bad news should be shared with the project team.

- Detailed estimations are necessary in order to monitor the project's progress and in order to more efficiently fulfil the tasks.

- A project team motivated and of value

- Using the planning in order to be sure that the personnel is constantly "re-motivated" through pointing out short term targets which can be carried out without delay. Carrying out the distributed tasks will consolidate the people's self-confidence.

- Real planning. An essential condition of a good project management is to put in relation the available resources with the activities that need to be carried out in order to reach the goal and the objectives.

- Actively controlled risks and problems through out the entire implementation period. The proper resources don't need to be weakened through distributing too many responsibilities.

- In relation with there Rules, w need to know which are the roles of a "good" project coordination committee and of a "good" project manager.

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