Chapter III: The project implementation phase and monitoring process

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Introduction

In Chapter 2, we provided an overview of how to plan and design a project. You read about objectives, activity scheduling, indicators and the logical framework matrix. This chapter explains the implementation process and what you need to bear in mind during implementation and who needs to be involved. We highlight why monitoring is important during the implementation phase of a project and in what way the different stakeholders can benefit from it. We give an overview of the different steps of implementation and monitoring, explaining basic principles, tasks and tools and provide examples from different areas of project work.

This chapter has drawn on the European Union's Project Cycle Management Guidelines for much of its material.

3.1 Project implementation – an outline

3.1.1. What is project implementation?

> **Project implementation**
> The agreed resources are used to achieve the specific objective (the target group(s) receive the planned benefits) and the wider, overall objective. Progress is assessed (monitoring) to enable adjustment to changing circumstances. At the end of implementation, a decision is taken to close or extend the project.

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In line with CBM's policy of fostering ownership, partnership and strengthening institutional capacity, project implementation should, in most cases, be the primary responsibility of implementing partners. CBM's main responsibility is to provide timely financial, management and technical support, to monitor project implementation and ensure an appropriate level of accountability for resources used and results achieved, and to capture and act on lessons learned during implementation and evaluation.

3.1.2 What are the different stages of implementation?

During project implementation, a project runs through several stages. The three main stages can be described as follows:

- **Stage 1: The inception period (ref. p. 127)** – the inception period is when you review theproject context and objectives and, if necessary, revise the implementation plan to fit with the current situation in context. Specific objectives should not change, but the means of achieving them (activities and activity schedule) may be adjusted to take into account the changes that have taken place since the project documents were drafted. Producing an Inception Report can be a useful opportunity to identify key individuals for the project activities (e.g. to select the right trainers and target group for training). The contents of an Inception Report could be a short description of the present situation, on how the situation has changed since the planning phase, and how the structure of the project needs to reflect these changes.

- **Stage 2: The main implementation phase & monitoring (ref. p. 129)** – this is the core part of the project cycle. Here the previously planned activities are carried out and managed in order to achieve the envisioned results. Progress towards a planned objective must be measured at different levels by comparing actual results with planned results using the indicators that were set out in the logframe. An assessment is made possible by comparing milestones that were defined in the planning phase and the achievements of the project in reality. This enables the project team/management to adapt the project implementation in response to the findings. It is therefore beneficial to use regular, timely and structured reporting in order to ensure that the management team is aware of all relevant issues.

- **Stage 3: Closure and final report (ref. p. 146)** – the final report includes a summary of achievements since the project started and a section on lessons learned. Depending on the kind of project it may also include a final financial report covering the whole period of implementation. For some projects, also preparing an exit strategy is crucial. The last section of this chapter gives details on exit strategies.

3.1.3 What are the main tasks during implementation?

In general the following tasks might arise during the process of project implementation. Depending on the project's purpose and on the organisational structure, different stakeholders will be involved:

- **Preparation of implementation documents for service**, works and supply contracts (e.g. contract for printing materials, project agreement, and IT consultancy).

- **Monitoring** of project progress and suggestion of corrective measures if required to support efficient and effective implementation.

- Contribution as appropriate, to regular reviews and **updating of operational plans.**

- Keeping appropriate **records of project progress**, the results achieved and constraints encountered and preparing progress reports.

- Support of timely **disbursement of funds** based on approved planning and budgets and regular review of project performance.

- Facilitation of **communication** and information flow between, and feedback to, key stake-holders.

- **Managing project reviews** and/or evaluations and, once required, providing relevant project information[4].

- Making timely decisions to **solve problems** and support implementation.

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[4] Audits are often mentioned in this context. They are often but not always conducted by an external auditor and primarily concern finances and financial management issues. As an audit does usually not directly influence the planning and implementation of a project, it will not further be elaborated upon in this manual.

3.2 Stage 1: The inception period

Before the implementation of a project can commence, the project management together with the relevant staff members need to take some time to review the project plan and requirements for a successful project implementation as well as take the necessary preparatory steps. This stage is often called the inception period. During the inception period the project team reviews the:

- administrative, financial and technical responsibilities
- logical framework matrix
- activity and resource schedule
- data and reporting requirements

And sets up the organisational setting for the project:
- recruiting new staff members
- organising necessary office space.

Experience has shown that adjustments to the original plan are often necessary as most of the time the context of the project has changed between the planning and approval of the project.

The inception period should also be used to develop the necessary reporting tools, set up a monitoring system, establish a baseline (reference Chapter 2, p. 110) against which the performance of the project will be measured and clarify responsibilities for the project implementation.

Notes

Note
During the inception period only the activities contributing towards the achievement of the projects results should be altered. Where the specific objective of the project is no longer relevant, the project management should refrain from going into the implementation. You should also inform the respective CBM Regional Office about any changes to the project plan after the project has been approved.

The following checklist can be used to reflect on the essential issues during the project implementation:

Administrative, financial and technical responsibilities:
- Who is responsible for the administrative tasks during the project implementation?
- Who is responsible for financial aspects of the project? Who is the signatory?
- Who are the technical experts responsible for the adherence to quality standards?
- Have there been any changes since the project has been approved?
- Have the relevant people been informed about these changes?

Logical framework:
- Is the specific objective still relevant to the target group, or are there changes in the planning necessary due to contextual changes?
- Are the results contributing to the achievement of the specific objective still relevant?
- If not, which changes are necessary? How does this change the resource requirements?
- Are the chosen indicators of the logical framework still relevant? Are there indicators that are easier to measure and more cost effective while having the same quality?

Activity and resource plans:
- Are the activity and resource plan still up to date?
- Are all necessary resources (human, material, equipment, facilities and others) available for the implementation? Which ones have to be acquired?
- Are there major adjustments that affect the overall budget and have to be approved by the respective CBM Regional Office?

Data and reporting requirements:
- Which data need to be collected during the project implementation?
- How often does the data have to be collected? Who is responsible for the collection of the data? Who is responsible for the assessment of the data?
- Is the relevant baseline information available to measure the performance of the project against? If not, which baseline information has to be updated?
- Who needs to receive which type of report? How often?

3.3 Stage 2: Monitoring, learning, adjusting and fine-tuning

3.3.1 What is monitoring?

> **Monitoring**
> Monitoring is a continuous and systematic process carried out during the duration of an intervention, which generates quantitative or qualitative data on the implementation of the intervention, but not usually on its effects. The intention is to correct any deviation from the operational objectives, and thus improve the performance of the project as well as facilitate subsequent evaluation.

As mentioned above, continuous monitoring, through which the progress of a project is checked, should take place in any project and should be integrated into all stages of the project cycle, by comparing indicators, timeframe and tools laid down in the logframe matrix. As such, monitoring activities should appear on the activity schedule (ref. Chapter 2, p. 94) and should involve all stakeholders.

Monitoring should highlight the strengths and weaknesses in project implementation, enabling managers to deal with problems, find solutions and adapt to changing circumstances in order to improve project performance.

It is therefore an information gathering exercise based on:
- knowledge of project documentation, current status and general project environment
- compiled information of all stakeholders and levels involved to get an holistic project overview;
- structured opinion on progress;
- a facilitator for good project management;
- a transparent exercise, whereby all parties are aware of project progress and difficulties;
- a speedy and effective way of providing brief and informative reports;
- an overview of project implementation at a given point in time, which is carried out against a clear set of objective criteria.

Monitoring should focus on collecting and analysing information on:

- **Physical progress** (input provision, activities undertaken and results delivered) and the quality of process (i.e. stakeholder participation and local capacity development)
- **Financial progress** (budget and expenditure)
- Preliminary **response by target groups** to project activities (i.e. use of services or facilities and changes in knowledge, attitudes or practices)
- **Reasons for any unexpected or adverse response by target groups**, and what remedial action can be taken.

Caution

Monitoring is NOT:
- A substitute for weak project management
- An evaluation, mid-term review or financial audit
- A process without guidelines of clear parameters
- An inspection with a checklist in hand

Monitoring is the responsibility of the project management, although it may be complemented by external monitoring inputs. These external monitoring inputs can be useful in providing objective verification of results, additional technical advice and a big-picture view for senior management.

The use of logframes and activity schedules are highly recommended as practical tools which directly support effective management, monitoring and review.

External monitoring by independent experts does not substitute day-to-day monitoring by the project management unit. However, external monitoring provides added value to other information already available and can therefore be complementary to internal monitoring information.

External monitoring should look at the entire logframe with an emphasis on the results, specific objective and overall objectives. Sustainability is considered throughout the lifecycle of a project and not just towards its end. The European Commission for example also appropriately calls external monitoring by the term Results-Oriented Monitoring (ROM).

Monitoring may also be complemented by financial audits. In particular, project managers are in a position to signal the need for an audit and request that one be launched.

Regular internal and external reviews during the project implementation provide an opportunity to reflect on progress, agree on the content of progress reports and follow-up action required. Monitoring provides an 'early warning system', which allows for timely and appropriate intervention if a project is not adhering to the plan.

> **Impact monitoring** – In addition to what has already been mentioned in Chapter 2 (p.113), it is important to monitor impact. Impact monitoring considers project impact during implementation. Information on project impact for each activity can be gathered at different stages throughout the project period. This allows project managers to respond to negative impacts and build on positive impacts. Impact monitoring seeks to establish the impact of activities and is formulated using project objectives and the activity indicators. Impact monitoring then feeds directly into considering impact of the whole project during an evaluation.

3.3.2 What do you need to consider when designing a monitoring system?

When building a monitoring system into a project, several aspects need to be considered:

- **Project objectives**
  During the inception stage of the project, the objectives of the project are reviewed. These should form the basis of the monitoring exercise.

- **Information requirements**
  Decisions will need to be made on who in the management needs what kind of information and in what detail. This can be supported by a review of implementation procedures to determine who in the organisation does what. In this way, roles, functions and responsibilities are clarified and information needs become apparent.

> **Note**
> The perceived need for information might change over the time of project implementation, so the monitoring system might have to be adjusted. Therefore suggestions from users concerning format and content of reports should be encouraged and taken seriously.

- Reporting requirements
  Reporting requirements should to be made clear to the different stakeholders.

> **Caution**
> Do not request more information than you really need.

- Indicators
  Project indicators need to be reviewed: even though the logical framework matrix will define indicators for the different activities and results, these might not be pertinent, might be too numerous or too complex.

  The performance of the project will be measured against these objectives and indicators and its success or failure will be determined. It is therefore essential to define the correct indicators and objectives right from the beginning of the implementation and monitoring phase (see Chapter 2, p. 103).

3.3.3 Who benefits from monitoring?

The following stakeholders can benefit from an effective monitoring system:

- Implementers who will have a valuable management tool.
- The direct and indirect target groups who should have the benefit of a better project.
- The representatives of the national authority or other stakeholders, signatory to a financing agreement or agreement with similar status, who can judge the extent to which the project is achieving the results.

> **Caution**
> A monitoring report alone will not solve problems identified, but it will indicate the key actions required and who should implement them. It is the responsibility of the parties identified to take action.

3.3.4 How do planning, implementation and monitoring relate to each other?

The illustration below shows the close relationship between planning, implementation and monitoring. It demonstrates that:

- Planning defines the structure of a project and as such gives a framework for the kind of information that should be taken into consideration for monitoring purposes.
- Implementation and monitoring should be guided by the project activity schedule, which will be revised on a regular basis as needed.
- Monitoring provides information for project (re-) planning and implementation (both for the current project and future projects).

There is a close and mutually reinforcing relationship between planning, implementation and monitoring. They should therefore be used in conjunction with each other rather than in isolation.

Figure 26. Monitoring and review cycle

Re-planning

Reporting

Regular
review

Implementation &
Monitoring

Implementation &
Monitoring
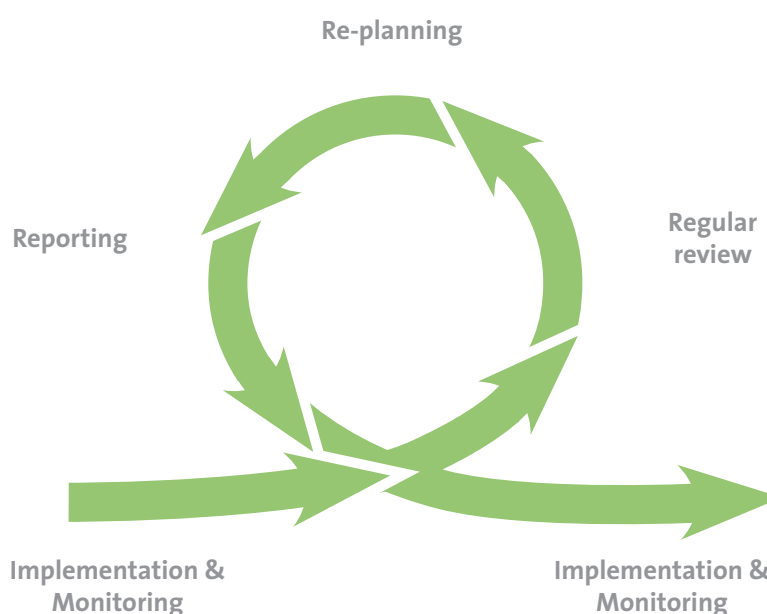
Plans are best estimates of what will happen in the future, but **must be modified on an ongoing basis to take into account what actually happens during implementation**. The logframe, activity and resource/financing and cost plans must therefore be periodically reviewed, refined, and updated based on experience. This may sometimes

require changes to the scope of associated contractual documents and required resources including finances.

While effective monitoring is primarily based on internal project systems, some decisions, especially long-term decisions, that then need to be made cannot (and should not) be made by project managers themselves. In these cases other stakeholders, who have been defined in the stakeholder analysis described earlier, need to be involved. Depending on the size and the time-frame of the project, a project Governing Body or Steering Committee consisting of a selection of stakeholders might be required to make strategic decisions on project scope, including required changes in objectives, targets, budget, management arrangements, etc. Such a Governing Body/ Steering Committee might therefore meet to review project progress and performance on a periodic basis (i.e. six-monthly or annual), and make the necessary decision to keep the project on track.

The box below outlines some of the key things that you need to consider when you are creating a Steering Committee.

Creating a Steering Committee / Governing Body

When creating a Steering Committee, several considerations have to be kept in mind. These concern the members, the size, the internal organisation of the group and the frequency of meetings.

If possible all different stakeholder groups should be represented. This would for example include direct target groups, implementing organisations, people that are affected by the project, and possibly other organisations like governmental agencies or NGOs working in the same area/ a similar field. It is helpful to communicate the purpose, structure and contents of a project to the different stakeholder groups and ask them to choose a person to represent them in the Steering Committee.

At the same time you need to pay attention to not growing the group too large. If the Steering Committee has too many members, finding suitable times for meetings will be difficult, meetings will take too long (everyone will want to speak and add to the discussion), and interests might diverge. It is also useful to have an odd number of members so that votes will be clear.

Once a Steering Committee has been chosen, the internal organisation of the group has to be decided upon. Articles of Association should be drafted covering issues like the necessary quorum for votes / decisions, the possibility and way of

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nominating additional members to the group, ways of calling an extraordinary meeting and meeting frequency etc.
The Steering Committee decides on the general direction of the project, but not on day-to-day matters. Therefore it needs to meet regularly but not too often, for example once or twice a year.

3.3.5 What is the difference between monitoring, evaluation and audit?

Monitoring and evaluation are both concerned with the collection, analysis and use of information to support informed decision-making. Both also look at the relevance, efficiency, effectiveness, impact and sustainability of projects and programmes. Monitoring often generates data, which can be used in evaluations.

Mid-term reviews (MTR) executed by external experts have a more evaluative character, further analysing information collected through monitoring, reflecting on implications and progress, making informed decisions and re-planning the forward programme as appropriate.
Following a mid-term review, the project may be restructured according to recommendations. The person monitoring is in a good position to review the status of implementing the recommended changes to the project, if conducted after a MTR. Monitoring can thus support a mid-term review to see how well changes have been implemented.

Evaluation will be described in more detail in Chapter 4. Evaluation concerns an assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is a more in-depth study of how the project has contributed to the specific objective and overall objectives. It can be distinguished from monitoring by its broader scope, being concerned with whether or not the right objectives and strategies were chosen. Like monitoring, evaluation is an essential part of the project implementation, and is absolutely necessary to determine whether a project is implemented as planned and what the lessons learnt are for future projects.

Audit can be distinguished from monitoring and evaluation by its financial focus on the efficiency, economy and effectiveness of activities. It is an assessment of the legality and regularity of project expenditure and income; whether project funds have been used efficiently, economically and effectively for the purposes intended.

The following table indicates the differences between monitoring, evaluation and audit in terms of who is responsible, when they occur, why they are carried out and what their respective level of focus is in terms of the hierarchy of objectives as summarised in the logframe.

Figure 27. The key differences between monitoring, evaluation and review

	Monitoring & Regular Review	Evaluation	Audit
Definition	Ongoing analysis of project progress towards achieving planned results with the purpose of improving management decision making	Assessment of efficiency, effectiveness impact, relevance and sustainability of aid policies and actions	Assessment of a) the legality and regularity of project expenditure and income (i.e. compliance with laws and regulations and with applicable contractual rules and criteria); b) whether project funds have been used efficiently and economically (i.e. in accordance with sound financial management); and c) whether project funds have been used effectively (i.e. for the purposes intended). Primarily a financial and financial management focus, with the focus of effectiveness being on project results.
Who?	Internal management responsibility – all levels	Usually incorporates external input (objectivity)	Incorporates external inputs
When?	Ongoing	Periodic – mid-term, completion, ex-post ongoing and upon request	Ex-ante (systems reviews), completion
Why?	Check progress, take remedial action, update plans	Learn broad lessons applicable to other projects and as an input to policy review Provide accountability	Provide assurance and accountability to stakeholders Provide recommendations for improvement of current and future projects
Link to logframe objective hierarchy	Inputs, activities, results	Results, specific objective, overall objective (& link back to relevance), impact	Inputs, activities and results

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3.3.6 Reporting

The main instrument of monitoring is a monitoring report - a tool, which can be used by different stakeholders to improve project outcomes.
Monitoring reports should be designed to provide stakeholders with a global overview of their operations portfolio and on the progress towards results.
Through the application of a uniform system across all regions and/or departments, the information generated can be used for synthesis and analysis, and supporting improved strategic thinking.

Project management of the implementing partner, must provide reports on physical and financial progress to stakeholders, particularly those providing financial resources to support implementation. The **aim** of these reports should be to:

Inform stakeholders of project progress (against what was planned), constraints encountered and any significant remedial or supportive action required.
Provide a formal documented record of what has been achieved during the reporting period, and thus **facilitate future reviews or evaluations.**
Document any changes in forward plans, including budgetary requirements.
Promote **transparency**.

The key concern with respect to project progress reports is that they contain information that is relevant to the reader, that progress against what was planned is assessed (performance), and that the information is clearly and concisely presented.

A monitoring report usually contains a financial and a narrative section. The **financial reporting** contrasts the planned spending and earnings with those actually achieved. It points out major deviations and shows clearly the availability of remaining resources. Often the spending/earning are shown on a monthly basis to ensure that an early reaction to a deviation is possible.
Monitoring reports are usually written in a standard format allowing for comparison between reports over time. The contents of the reports should match closely the logframe and its related outputs.

The **narrative monitoring report** explains developments, contains background information and elaborates on future plans. It should include the following information:

Narrative Monitoring Report
(to be submitted as per agreement, but not later than each 6 months):

Project partner: _____

Project name: _____

Project number: _____

Reporting period: _____

Date of submission of report: _____

Report author: _____

SECTION A: Achievements and Successes (1-1.5 pages)

a.1   Which activities were planned for the reporting period?

a.2   Which activities have been implemented?
       Please report the main achievements and sucesses with the relevant figures and qualitative measurements against the planned results and activities (reporting against the logframe, activity schedule, CBM Statistic Planning Template, Annex 1)

a.3   What progress has been made towards the specific objective? (In replying refer to the logframe indicators for the specific objective.)

a.4   If applicable: Please report on implementation of recommendations and agreements during previous CBM visits.

SECTION B: Changes in the Project Plan and Management (1 – 1.5 pages)

Difficulties Encountered and Lessons Learned:

b.1   Which planned activities and results could not be achieved during the reporting period? Describe any difficulties encountered. Include difficulties which may be outside the control of the project. Outline solutions or strategies used to address difficulties.

b.2   What are the lessons learned (from these achievements, successes and difficulties). How could these be applied the future ? Please make any recommendations for improving the partnership with CBM.

Changes in the Project Plan:

b.3   Please specify if the project plan (specific objective, results, main activities) changed during the implementation period. What are the reasons? Please submit a revised project plan (logframe) in case project results as well as the specific objective are affected.

Changes in Human Resources:

b.4   Please report on any changes in personnel at the management and senior technical level as well as keypositions for the implementation of project activities and reasons for departure. Which solutions have been developed?

b.5   Please report on relevant personnel training (workshops, courses) during the implementation period.

SECTION C: Outlook to the Next Reporting Period (6 months; 0.5 page)

c.1   Please specify the results (qualitative and quantitative) that you plan to achieve during the next reporting period?

c.2   Which activities do you plan to implement?

Financial Monitoring Report:

(to be submitted as per agreement, but not later than each 6 months)

SECTION A: Budget Status

a.1   Please enclose a financial report showing expenditure against the annual budget for the reporting period.

a.2   Please give reasons where line expenditure shows:
I) an underspend of more than 10% of the budgeted amount; or
II) an overspend of 10% or more than the budgeted amount.

SECTION B: Outlook of Variances*

b.1   Is the expenditure for the next reporting period expected to differ (+or- 10%) from the amount shown for the period in the annual plan budget?

If yes, please explain the reason, any impact on activities and fund flows. Please submit a revised budget if needed.

(* A variance could be caused e.g. by a delay in a construction)

Caution

Monitoring cannot be described as being successful simply because the required information is collected. The information collected must be communicated in the right form, to the right people, at the right time. Only then can timely and appropriate management decisions be made to address problems and ensure that the project is brought 'back on track'.

Note

Good quality monitoring reports are also an essential input into project evaluations and financial audits. Without clearly documented project plans and a documented record of progressive achievements, evaluation becomes an almost impossible task.
For financial audits, clear project budgets and financial progress reports are also particularly important

3.3.7 Ensuring effective communication

In close relation to the above mentioned monitoring and reporting, clear lines of communication have to be defined. As people in organisations typically spend over 75 % of their time interacting with others, it is not surprising to find that poor communication is at the root of a large number of organisational problems. Effective communication is an essential component of organisational success whether at the interpersonal, intergroup, intragroup, organisational or external levels.

Communication can be challenging because at each step in the process there is potential for error, even more so when you are not working face to face. When working globally, clear communication is even more important as we are used to working with different communication systems, such as phone, e-mail or chat. In addition, we are working with non-native speakers in different cultural settings. Effective communication requires deciphering the basic values, motives, aspirations, and assumptions that operate across geographical lines. Given some dramatic differences across cultures in approaches to such areas as time, space, and privacy, the opportunities for mis-communication in cross-cultural situations are plentiful.

The above mentioned factors create complications for communication and it is advisable to counter any potential problems as early as possible. Once interpersonal problems occur it is difficult to overcome them. Therefore we recommend taking the appropriate time to define clear communication structures and to keep regular information exchange with all stakeholders involved. Having regular meetings or information exchange on special purposes, be it face to face or a written report, are crucial to success.

Be aware that in the end you are all working for a common goal even if you are sitting at different sides of the table!

3.3.8 Key assessments, tools and documents

During project implementation there should be an ongoing assessment of:

- the continued relevance and feasibility of the project;
- progress in achieving objectives and resources used;
- quality of management, including risk management;
- prospects for sustainability of benefits;
- action required.

The quality criteria listed in section "Quality attributes, criteria and standards" (Section 3.3.10, p. 143) provide the focus for these assessments.

Key tools that can be used to help make these assessments, and which support effective management and monitoring during the implementation stage include:

- quality criteria and standards (p. 143)
- logframe matrix (see Chapter 2, p. 77)
- activity and financial and cost plans (see Chapter 2, p. 94)
- checklists for planning short visits (especially to field projects), conducting interviews and managing regular review meetings
- monitoring report formats (p. 138)
- guidance on promoting participation and using facilitation skills

The key documents required/produced during the implementation period usually include:

- **Activity schedules**
  Activity schedules are updated periodically (depending on the type of project this could be annually, bi annually or quarterly) and predict the activities to be implemented, the results to be achieved, the resources and budget to be used and the people involved for the upcoming period.

- **Periodic monitoring / progress reports**
  Periodically (depending on organisation internal requirements and agreement with the respective CBM Regional Office monthly/quarterly or semi-annually) the progress of a project is documented and communicated to internal stakeholders, donors and other stakeholders to inform them of any new developments, problems or achievements.

- **Specific reviews / evaluation reports** (e.g. mid-term evaluation)
  At specific points in the project, a review of the implementation or of a certain aspect of a problem can be useful (e.g. only the training component in a project could be looked at in detail) in order to improve this aspect or to show achievements and developments in this area.

- **Completion report at the end of a project**
  There should be a report covering the whole implementation period of a project including both a narrative and a financial part. This kind of report should look at how the project developed over time in comparison with the plan at the begin-

ning, why this happened, what lessons can be learned from the project and how these lessons should be applied to future project planning.

3.3.9 Information collection and use – an overview

Visiting a project is the most important monitoring activity, as the status of a project can only be assessed „on the ground". Interviews with the different parties involved in a project, including the target group, are helpful. Also the collection of data (quantitative and qualitative) is easier when visiting a project, especially in the case of a field project.

The information required during implementation is determined primarily by the scope of the project – namely the specific objective, results, activities, resource requirement and budget – and by the management arrangement (roles and responsibilities).

At the specific objective and result levels, information collection within CBM supported projects is made possible through key indicators and sources of verification contained in the logframe matrix. The key project planning documents provide the documented reference point as to what information is required.

The CBM partner organisation itself is responsible for collecting information at the level of the specific objective. To verify the achievement of the overall objective, external stakeholders might be involved, e.g. concerning a National Plan for the Prevention of Blindness. Also, major achievements towards the overall objective are usually only expected at the end of the project life or after (ex-post) and are often very difficult to attribute to individual projects.

To support the principles of ownership and participation, it is important that monitoring and reporting systems give priority to:

- the information needs of managers on the ground;
- using or building on existing systems rather than building parallel ones;
- providing feedback to key stakeholders, including target groups.

Note

It is important to relate information needs to the different levels of the management structure. **The level of detail of information required and the frequency of reporting will vary according to the level of management**. The higher a person's position in management, the less details s/he will require. In the process of monitoring and reporting it is therefore critical to keep the different information needs of different key stakeholders in mind. This will generally require a hierarchy of data collection and reporting formats, each designed to meet the information needs of different levels of management.

3.3.10 Quality attributes, criteria and standards

In order to help assess the quality of project implementation, a set of quality criteria and standards are provided in the table below. **The project should be effective, well managed and deliver the anticipated benefits.**

Figure 3. Checklist of quality, attributes, criteria and standards during project implementation

Quality attributes, criteria and standards during implementation:

1. **The project remains relevant and feasible:**
   - ✔ The project remains consistent with and supportive of current policy and programme priorities.
   - ✔ The projects strategy and objectives remain relevant to the needs of target groups and other stakeholders.
   - ✔ The project does not create adverse impact on the target group, the partners, other stakeholders, the CBM strategy, etc.

2. **Project objectives are being achieved:**
   - ✔ Results are being delivered as planned and are of good quality.
   - ✔ The project's target group find the results relevant to their needs.
   - ✔ The results being delivered are contributing effectively to the achievement of the project specific objective.
   - ✔ The project is likely to contribute to the overall objective.
   - ✔ There is evidence that the project's ultimate target group will indeed benefit from the project.

3. **The project is being well managed by those directly responsible for implementation:**
✔ Inputs are being provided on time and within budget;
✔ Activities are being implemented on time;
✔ Relevant information on project achievements/results is being collected and used, and is accessible to stakeholders in an appropriate format and language;
✔ Activity schedules and budgets are reviewed and updated on a regular basis (including risk management plans), and reflect lessons learned from experience gained during implementation;
✔ Transparency and accountability systems (including financial management systems and, depending on the kind of project, independent audit) are used to defer possible malpractice.

4. **Sustainability issues are being clearly addressed:**
✔ Financial sustainability issues are being addressed (e.g. affordability, govt. budget commitment, cost-recovery mechanisms, private sector management);
✔ The technology being used/promoted by the project is appropriate and can be maintained;
✔ Issues of environmental and social sustainability are being appropriately assessed and managed;
✔ Institutional strengthening and capacity development activities (e.g. policy and systems development, training of trainers) are being effectively carried out, and skills transferred;
✔ In some projects it will be necessary to have a plan for the phase out of any external assistance and replace external funding by own income streams.

5. **Good practice principles of project cycle management are applied by project managers:**
✔ Terms of Reference for CBM funded work are clear and comprehensive, and understood by concerned staff;
✔ The project is appropriately assessed through the project management cycle, using agreed/ relevant quality assessment processes and criteria;
✔ The quality of key project documents (e.g. activity schedules, monitoring reports and mid-term evaluation reports) is assessed and meets established quality standard;
✔ The use of the Logical Framework Approach and its associated tools are being appropriately applied throughout the project cycle to support analysis and decision making;

> ✔ Contracts are being effectively managed, including the production of high quality contract documents, briefing of contractors, review of reports and timely payment of certified invoices.

3.3.11 Possible actions after successful monitoring

The result of monitoring is meant to support the managers of the project and other stakeholders in their decision on the continuation and direction of the project. Different scenarios could be imagined:

- The project runs well, implementation follows the outline of the planning (with minor deviations); the envisaged activities are implemented on time and produce the desired results. In this case, the continuation of the project according to the initial plan makes sense. Deviations may lead to minor adjustments.

- The project runs but has developed in a direction that was not planned or foreseen. However, good results are achieved, stakeholders are supportive and the outcome produces benefits to the target group(s). In this situation the project planning would be adjusted to reflect the actual project development and the desired future direction of the project.

- The project runs but has taken a direction that is not desired and produces results that are not contributing towards the objectives. Or the project does not run smoothly at all, support and ownership of the stakeholders has withered, and the original planning cannot be followed, or the implementation has become too expensive. In this case it is suggested to terminate the project.
  The decision to terminate a project is not easily taken and many aspects have to be considered such as contractual relations, the availability of alternative services for the target group, binding decisions by the Steering Committee.

3.4 Stage 3: Defining an exit strategy

„Should I stay or should I go now?
Should I stay or should I go now?
If I go there will be trouble
An' if I stay there will be double
So come on and let me know."
                              The Clash

Many aid projects, particularly emergency ones, are established for a short or fixed period of time. Their success may only be realised after the project has ended. A project "exit" refers to the withdrawal of all externally provided resources from an entire project area.

The most common **reasons for the end of a project can be** described as follows:

- **Deadlines**: a project is dependent upon a timeline or the creation of a specific deadline. It is often assumed to imply the absolute end of contact between the parties and is generally perceived to be arbitrarily created.

- **Success:** a project may gauge success based on project results, outcomes or impacts or a combination of all results. The project management must then consider what constitutes success and then how it will be known that success has been reached. Evaluations are commonly seen as a tool within this process.

- **Funding:** project designers can plan to use a specific sum of money for a project and to end the project when the money has been completely distributed. In this case, an exit strategy would be part of the initial design.

As a project implementer you might be very much focused on your daily activity implementation, but you should also be aware of, and be prepared for, the transition process, once the project period is over. Projects do not just end because a pre-defined project period as described above. The project management could also decide to stop a project in advance if the main objectives cannot be reached, if activities cannot be adapted accordingly and/or if extensive problems occur which cannot be countered.

An exit or sustainability strategy should not just be elaborated on in the final phase of a project, it should be taken into account at the beginning, describing how CBM intends to withdraw its resources while ensuring that achievement of the specific objective (relief or development) is not jeopardised and ideally that progress towards these objectives will continue. Within an exit strategy three basic approaches can be differed:

1. Phasing down

Phasing down is a gradual reduction of project activities, utilising local organisations to sustain project benefits while the original sponsor (or implementing agency or donor) deploys fewer resources. Phasing down is often a preliminary stage to phasing over and/or phasing out.

2. Phasing out

This refers to a donor´s withdrawal of involvement in a project without handing it over to another institution for continued implementation. Ideally a project is phased out after permanent or self-sustaining changes are realised, thus eliminating the need for additional external inputs. Projects can be designed from the onset to inculcate knowledge, skills and tangible assets within a fixed time period, and with funding cycles considered in the planning of phase out timing.

Notes

> **Note**
> Funding cycles don't always coincide with needs. Donor support and funding cycles may impose artificial timelines on project phase-out. For instance, where harvest cycles may be an obvious choice for timing a project phase-out, the donor's fiscal year and other pre-determined timing requirements for grant closeout may not accommodate this.

3. Phasing Over

The third type of exit strategy approach is phasing over. In this case, a sponsor transfers project activities to local institutions or communities. During programme design and implementation, emphasis is placed on institutional capacity development so that the services provided can continue through local organisations.

Stakeholders who will be affected by the closure of your project should be informed about, and should be involved in, the transition process. It is crucial to share your exit strategy with your staff, as well as your partners and their staff. Early planning of an exit can help organisations transfer staff to other projects and assist those losing their jobs to find other work.

Ideally a maintenance of the investment made should be secured and when exiting the intensive focus of resources should finally lead to self sustainability.

cbm

> **Checklist for an exit strategy:**
>
> ✔ Who will be responsible for handling that activity?
> ✔ Is there a local NGO or agency (e.g. Municipality or a community organisa-
>   tion) to which it should be transferred?
> ✔ How will the activity be transferred?
> ✔ Are there performance specifications to be maintained?
> ✔ How will it be funded?
> ✔ How will it be monitored?
> ✔ What will be the role of the community in managing or monitoring?
> ✔ What is the role of the local authorities?
> ✔ Do the successor organisations need any training?
> ✔ Which assets need to be retained by your organisation and which ones can
>   be transferred to a successor?
> ✔ Contractual commitments (staff, rent, suppliers, bank, registration)?

During a project exit, ongoing and timely monitoring of benchmarks is essential for successful implementation and should be integrated into the overall project monitoring and evaluation plan. An exit strategy has been implemented successfully when a project impact has been sustained, expanded or improved, when the relevant activities continue in the same or modified format and when the systems developed continue to function effectively.

3.4.1 Practical guidance to developing exit strategies

Step 1: Where do you start?

Get clarification on which groups are affected by your project. Discuss this question within the organisation as well with the community, target group and other relevant stakeholders. The level of exit strategy to be developed (i.e. project, community, district, consortium) will inform whom to include in the discussions.
The overall question to answer when planning an exit strategy is: What outcomes from the project do we want to sustain after it has ended?

Step 2: Planning matrix – An exit strategy tool

Conduct this process with the same group of people that were included in the previous step. This can be done in a group meeting or in the form of a facilitated workshop.

After having discussed the above question, follow a similar participatory process with the same relevant stakeholders and apply the planning matrix for exit strategies (see next page). The planning matrix includes six key elements of planning exit strategies extracted from literature and interviews.

Step 3: Defining the exit strategy and planning the exit activities

Now that you have completed the questions in the planning matrix – developed in collaboration with the relevant stakeholders – it is time to define and articulate your exit strategy.
The following questions and activity table will assist you to frame your strategy, identify activities, assign responsibilities, draw up a timeline, select benchmarks and develop a monitoring plan:

- What should the strategy achieve? (What are the objectives?)
- What exit strategy do you propose for this project or specific components of your project?
- What will be your overall criteria for exiting?
- What exit activities (as different from project activities) need to be implemented to meet the exit criteria of the exit strategy and to achieve the objectives?
- Specify who (identify partners, stakeholders) should do what exit activity and when.
- What are benchmarks for measuring the implementation and results of each exit activity?
- Decide who should monitor each benchmark and when to monitor them
- Develop the budget for your exit strategy. Be sure to include the costs for each exit activity, and for monitoring.

A matrix might help your planning in responding the above raised questions.

Exit activity	Who will do this?	When in the project cycle will this be done?	How will it be monitored? What bench-marks will be used to moni-tor activity?	Who will do the monitoring and when?	Budget: What is the cost of this activity?
1.					
2.					

Step 4: Developing your exit strategy timeline

Having a flexible timeline will be key to the success of your exit strategy. Consider plotting your exit strategy timeline alongside your project's implementation timeline. This will help you to see them holistically and to improve your ability to link various steps in your exit plan with those of your projects implementation plan. For example, there may be a monitoring system already in place to collect information on certain programmatic indicators. There may be an opportunity to add some of your indicators for measuring exit strategy progress to that existing tool. This will save you the time and effort of setting up a separate monitoring system for your exit strategy.

> **Note**
> A "Phasing Over" process as described above will be finished with a handover. The hand-over needs to be done formally, so that everyone is aware when it takes place and the commitments, which new people are entering into, or re-commitments by existing partners can be acknowledged.

Notes

For those living in the area and those who have worked for some time in the area, the point of exit is a "Rite of Passage" and needs to be marked with celebratory events within in the community.

3.5 Sustainability

Sustainability should be considered when designing and implementing a project. Sustainability relates to whether the positive outcomes of the project at the specific objective level are likely to continue after external assistance has come to an end. All efforts which have been made should not just be like a drop of water on a hot stone and evaporate; rather they should be an investment in long lasting structures in different aspects. Sustainability might be regarded as a tougher test of whether a development intervention has been a success, since the sustainability of a development intervention depends on local management and local resource allocation continuing once the intervention ends. This partly depends on the degree of local ownership the intervention has achieved.

A-Z
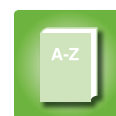
What is sustainability?

> **Sustainability**
> An assessment of the likelihood of benefits produced by the project to continue to flow after external funding has ended, and with particular reference to factors of ownership by the target group, policy support, economic and financial factors, socio-cultural aspects, gender equality, appropriate technology, environmental aspects, and institutional and management capacity.

As mentioned before, ownership of objectives and achievements is one important factor with regards to a sustainable project. But, what exactly is sustainability? An analysis of sustainability will focus on the aspects below, whereas their relative importance will depend on the nature of the project. It is useful to examine how concern for, or neglect of, one or other of the factors may have affected the achievement of a sustainable outcome:

- **ownership of objectives and achievements** – How far all stakeholders were consulted on the objectives from the outset, and whether they agreed with them and remained in agreement throughout the duration of the project;

- **policy support and the responsibility of the beneficiary institutions** – How far donor policy and national policy corresponded, and the effects of any policy changes; how far the relevant national, sectoral and budgetary policies and priorities affected the project positively or adversely; the level of support from governmental, public, business and civil society organisations; and whether national bodies provided resources;

- **institutional capacity** – the degree of commitment of all parties involved, such as Government (e.g. through policy and budgetary support) and counterpart institutions; the extent to which the project is embedded in local institutional structures; if it involved creating a new institution, how far good relations with existing institutions were established; whether the implementing organisation appears likely to be capable of continuing the flow of benefits after the project ends (is it well-led, with adequate and trained staff, sufficient budget and equipment?); whether counterparts were properly prepared for taking over, technically, financially and managerially;

- the **adequacy of the project budget** for its purpose;

- **socio-cultural factors** – Whether the project is in tune with local perceptions of needs and of ways of producing and sharing benefits; whether it respects local power-structures, status systems and beliefs, and if it seeks to change any of those, how well-accepted are the changes both by the target group and by others; how well it was based in any event on an analysis of such factors, including target group/ participation in design and implementation; and the quality of relations between the external project staff and local communities, notably their leaders;

- **financial sustainability** – Whether the products or services provided were affordable for the intended target group and remained so after funding ended; whether enough funds were available to cover all costs (including recurrent costs, i.e. operating and maintenance costs), and continue to do so after funding ended; and i.e. how well the benefits (returns) compare to those of similar undertakings once market distortions are eliminated;

- **technical (technology) issue** – Whether the technology, knowledge, process or service provided fits in with existing needs, culture, traditions, skills or knowledge; alternative technologies were considered, where there was a choice; the intended target group was able to adapt to and maintain the technology acquired without further assistance; with minimal national maintenance, operating and replacement costs; using national resources (notably, in creating jobs); and with minimum waste;

wherever relevant, **cross-cutting issues** such as **gender equity**, **environmental impact** and **good governance**; or more over-arching issues such as **poverty alleviation**, all of which bear on sustainability from the outset of the project.

3.6 Some essential things to remember

This final section summarises some of the essential components you have just read about to help you with your project implementation and monitoring. It is meant as a supporting guideline for project management, rather than a regulation you have to abide by and should support your day-to-day decision-making.

You can use the checklists below for a short reference to the key points to remember.

Checklist for implementation:

✔ preparation of implementation documents
✔ monitoring of project progress and suggestion of corrective measures
✔ contribution to reviews and updating of operational plans
✔ support of timely disbursement of funds
✔ facilitation communication and information flow between, and feedback to, key stakeholders
✔ managing project reviews and/or evaluations
✔ making timely decisions to solve problems and support implementation.

Checklist for monitoring:

✔ physical progress
✔ financial progress
✔ preliminary response by target groups to project activities
✔ reasons for certain response and possible remedial action
✔ remember to use the necessary documents for monitoring (activity schedules, reports, studies etc)
✔ consider the possible and necessary actions after a successful monitoring: continue or end the project, hand project over to the partner/community completely.

Checklist for an exit strategy:

✔ Who will be responsible for taking forward the project?
✔ Is there a local NGO or agency e.g. municipality or a community organisation to which it should be transferred?
✔ How will the activity be transferred?
✔ Are there performance specifications to be maintained?
✔ How will it be funded?
✔ How will it be monitored?
✔ What will be the role of the community in managing or monitoring?
✔ What is the role of the local authorities?

✔ Do the successor organisations need any training?
✔ Which assets need to be retained by your organisation and which ones can be transferred to a successor?

Recommended reading and reference list

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