CBM’s Vision is to improve the quality of life of persons with disability and those at risk of disability in the most underserved areas of the world. At the same time, CBM envisages - together with the partner organisations - to reach out to a significantly higher number of beneficiaries with high quality services. Thus, capacity development within CBM and among the partner organisations is viewed as an indispensable strategy to support the establishment of well-functioning and less dependent service delivery infrastructures in the countries of intervention.

One essential element of the capacity development concept is an improved project management based on up-to-date methodology and tools.

In order to achieve this aim, CBM has adopted the Project Cycle Management (PCM) approach. PCM will support project managers and their teams to base their programme and project plans on a systematic and comprehensive analysis of the entire project environment and to use a widely recognised methodology to monitor and finally evaluate the output and outcomes of the planned and implemented activities.

This PCM Handbook provides analytical tools and techniques for each component of the life cycle of a project that will help project managers to work in an objective-focused and participatory manner. The PCM methodology allows to learn from lessons at all stages of a project cycle which facilitates the adherence to agreed quality standards.

Starting in 2007, CBM will shift towards long-term planning in line with the Project Cycle Management approach. It is therefore essential for all of us, CBM and its supported partner organisations, to organise the CBM supported project components around the project cycle in accordance with the stages and tools set out in this handbook.

We hope this handbook is a useful tool to organise your long-term planning to help all of us to achieve the most important goal of improving the quality of life of more people with disabilities worldwide.
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- Reader guideline and content overview

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Introduction

Concepts and definitions

What is the purpose of the handbook?

This handbook is intended to:

- give clear definitions of the concepts and the terminology of project cycle management;
- serve as a reference document for project analysis, planning, implementation/monitoring and evaluation;
- provide supporting methods, tools, guidelines and checklists to aid the work and decision making processes during the project cycle;
- provide standard CBM templates and formats to be used for project plans, preparation of budgets, reporting, writing of terms of references for evaluation etc.;
- serve as a reference document for the Project Cycle Management training in CBM countries of intervention.

The CBM Project Cycle Management Handbook is an essential step in establishing a common CBM Project Cycle Management standard and strengthening project management capacities and skills throughout the organisation and CBM partner organisations. It is one of the cornerstones for efficient and high quality working practices. The handbook provides a stimulus for strategic thinking and decision making, serving as a reference to reflect on the essential steps, tasks and decisions during the project life cycle.

It is recognised that local realities are often very complex. Creativity and flexibility combined with technical competencies, strategic thinking and thorough knowledge in project management techniques are additional key competencies necessary for successful project management. The tools and methods described in this handbook will aid the readers in their work but will not be able to provide solutions for all situations and problems. This is, and remains, one of the challenges of our work.

The main focus of the CBM Project Cycle Management process is to enhance an objectives-oriented, pragmatic and participatory way of working. The CBM Project Cycle Management process should not be considered as a bureaucratic process but an aid to improved working practices. The key administrative documents required from CBM partner organisation during the PCM process are the:
Introduction

1) 3-5 year narrative project plan
2) logframe matrix
3) project financing and cost plan
4) interim and annual reports
5) final report

Other mandatory templates for CBM supported projects are the Standard Terms of Reference for Evaluation, the Standard Evaluation Contract and the Standards Evaluation Assessment Plan. The application of the tools and methods described in the CBM Project Cycle Management Handbook will aid you to gain quality information and help you in strategic decision making during each of the PCM phases. These tools are not prescriptive but are proven to increase the quality of information and work in each of the project phases. If you know of other tools and methods that serve the same purpose, do not feel restricted to only using the tools outlined in this handbook. What is more important is to make sure that the analysis, planning, implementation, monitoring and evaluation of your project meets the necessary quality and standards and that no step in the project cycle management is left out.

CBM recommends its supported partner organisations to apply a participatory approach to the Project Cycle Management process, involving the relevant stakeholders in each of the PCM phases to ensure the relevance of project activities to the direct and indirect target groups, and the long term sustainability of CBM supported projects.

To whom is the PCM Handbook addressed?

The handbook is intended to support:

- project managers and staff members involved in CBM supported partner organisations;

- CBM Regional Office staff members providing technical and managerial support to CBM partner organisations, supporting project planning to CBM partner organisations as well as monitoring and evaluating of CBM funded initiatives;

- CBM Bensheim staff members responsible for monitoring and evaluating the quality adherence of CBM’s work in the project regions and supporting planning of CBM supported projects;
• CBM Member Associations supporting the planning of CBM supported projects and conducting evaluations.

The project cycle – an introduction to the concepts, definitions and planning tools

“Projects” are time bound initiatives with specified objectives and results and a limited amount of resources. Regardless of the type of work it does, every project follows a similar pattern from the initial analysis and identification to the planning, implementation and evaluation. This handbook guides you through the various stages from the project inception through to planning, implementation and evaluation with a step by step approach. We recommend tools and techniques to sharpen your thinking and improve your work in each of these steps.

The advantages of following a systematic approach to plan, implement and evaluate your projects are:

• That it helps ensure that your aims are realistic.

• That it helps you to consider all the necessary factors in your project plan to make it successful. For example it helps you to hear the voice of the people that benefit from your project, involve all the relevant people, or decide on a strategy that meets the needs and also the expertise of your staff.

• That it helps you to consider all the potential risks and pitfalls on the road to achieving your desired and expected results.

• That you are more likely to achieve the results and impacts you want to achieve in a faster and more efficient way.

• That it helps you to draw lessons from the project implementation and transfer your knowledge to other comparable initiatives, thus avoiding the traps and pitfalls you have already fallen into.

• That it helps you to communicate to others what your project is doing.

This section gives an overview of some of the key concepts in Project Cycle Management.
Introduction

What is a project?

A project can be defined as a series of activities aimed at bringing about clearly specified objectives and “tangible” results with limited resources (time and budget).

If you talk about a project, the following criteria should come to mind:

- **Objective oriented** – the overall objective, specific objectives and results of the project are specified and the necessary time and budget is limited.

- **Complex** – the initiative is complex; sub-activities are strongly interlinked and interdependent and their content and dependencies can change over time. Activities therefore need to be planned and managed wisely and with foresight.

- **Interdisciplinary** – The specific objective and results of a project can often only be achieved through the interaction of various professional qualifications from various organisational units.

What is Project Cycle Management?

To be able to achieve the specific objective and results with the given resources (time and budget), activities need to be planned, organised, controlled and appraised so that the project can be implemented successfully.

Each project passes through the following phases:

1) Pre-Project Analysis
2) Planning
3) Implementation and Monitoring
4) Evaluation

Project Cycle Management encompasses all activities to successfully manage these phases. The project phases can also be understood as the “life cycle” of a project. The understanding of the four project phases as a cycle supports a systematic approach to project management, aiding project managers and their teams to examine issues in a more systematic way by means of a well structured process, applying respective analytical tools and techniques at each step during the life cycle of a project. The phases of the project cycle are progressive. Each phase leads to the next. Information is required at each phase so that sound decisions can be made before progressing to the next
phase. This way, the proposed process ensures that project concepts and the context within which projects operate are clear, project plans are well founded, decision making is structured and sound and monitoring and evaluation of project activities is done in a systematic way focusing on relevant areas.

The following graphic illustrates the Project Cycle Management of a project and is used as a guidance throughout the handbook:
As mentioned before: Each of these phases entails a multiple number of tools, methodologies and techniques that support the management of your project activities. **These tools and techniques are used to ensure the relevance, feasibility and sustainability of your project:**

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Target groups are identified, considered and involved in the planning process and project design.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Problem analysis is thoroughly carried out, and the project addresses the identified problems and needs.</td>
</tr>
<tr>
<td></td>
<td>Objectives are clearly stated and measurable and benefits are mapped out.</td>
</tr>
<tr>
<td>Feasibility</td>
<td>Objectives are set and can be realistically achieved.</td>
</tr>
<tr>
<td></td>
<td>Risks, assumptions and respective capabilities are taken into account in the project plan.</td>
</tr>
<tr>
<td></td>
<td>The monitoring concentrates on relevant issues.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Factors affecting the sustainability of the project are identified and addressed in the project design.</td>
</tr>
</tbody>
</table>

**Lessons learned** is considered an important part in the project design of future projects.

It is important for us to have a common language within the organisation and for everybody to attribute the same meaning to the same term. This will ease project work across CBM and avoid misunderstandings, at the same time making it possible to compare different interventions with each other on the basis of common references. We therefore recommend that you incorporate the terminology and definitions we introduce in this handbook in your language to enhance a common project management language throughout CBM.

That said, we don’t want you to get hung up on language too much. The concepts, techniques and tools we recommend may be called something different outside of CBM. What is more important, is that you have a thorough understanding of the processes, techniques and tools we suggest in this handbook which will help you to complete your project successfully in any given context.

Likewise, the suggested tools and techniques are not prescriptive. They can be selected according to your organisational and situational needs, **supporting and structuring**
the thinking, analysis and decision making processes during each phase. If you know of other tools and methods that serve the same purpose, use them too. The most important thing is to ensure that the analysis, planning, implementation, monitoring and evaluation of your project meets the necessary quality and standards and no step in the Project Cycle Management process is left out. The checklists at the end of each chapter will serve as a counter check to meet the quality standards of project management and conduct all relevant steps during the life cycle of your project.

Throughout the life cycle of a project, regular and continuous learning, re-appraisal and adjustment need to be built in. This ensures that the project management reacts to changed situations, that the design and activities are adapted accordingly and the relevance of the project is evaluated.

The logframe as part of the Project Cycle Management – A tool for planning, monitoring and evaluation

CBM has adopted the logical framework matrix as an intrinsic part of the CBM Project Cycle Management and a complement to the 3-5 year narrative project plan (see Chap. 5, p. 223). The logical framework matrix is a simple, but very powerful tool that can be used to share information about the overall objective, specific objective and results of the project and their related activities. It is a key output from the successful implementation of analytical tools of the Project Cycle Management Approach during the analysis and planning phase (Please refer to Chapter 1 and Chapter 2). The logical framework matrix summarises the project planning on one to two pages with clear objectives, measurable results, and a risk assessment, thereby serving as a basis for monitoring during the implementation phase and facilitating evaluation and auditing of that which was planned using objectives, indicators and key assumptions to provide a basis for performance and impact assessment.

The preparation of the logical framework matrix always needs to go hand in hand with the development of the activity planning and the budget planning to ensure consistency throughout the project planning. (see Chapter 2, p. 65).
Introduction

Note
Only fill out the logical framework matrix when you have completed all planning steps. It is the summary of the project plan!

<table>
<thead>
<tr>
<th>Project Description Narrative</th>
<th>Indicators</th>
<th>Source of Verification</th>
<th>Assumptions &amp; Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Objective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific Objective</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities related to the results</td>
<td>Resources/Inputs</td>
<td>Costs</td>
<td>Assumptions &amp; Risks</td>
</tr>
</tbody>
</table>

To summarise the benefits of the logical framework:

- It is a good way for the planning team to organise their thinking, check the internal logic of the project plan by ensuring that objectives, results and activities are linked, identify potential gaps and verify whether the project is well designed.

- It draws together key components of the planned project into a clear set of statements on a few sides of paper. This helps to communicate the project plan concisely and unambiguously with key stakeholders.

- It can help you to achieve consensus about your project with other stakeholders and encourage them to consider what their expectations are and how these are likely to be achieved. Participation of relevant stakeholders in the analysis and planning phase are of vital importance to achieve this (reference Chapters 1, 2, 5).

- It ensures that key indicators are identified from the start of the project so that monitoring and evaluation are easier.

- It can be used as a marketing tool and forms the basis of funding decisions for your project.
• It serves as the basis for **setting up a monitoring and evaluation framework** where planned and actual results can be compared.

The logical framework matrix should be treated as a **living document** that is continuously updated when changes occur in the project design during the implementation.

Chapter 2, “The Project Planning Process”, introduces a step by step guideline on how to develop and use the logical framework matrix in the planning process and how to appraise project plans after completing the planning process.

CBM requires its partner organisations to present all new project plans in a logical framework matrix, accompanied by a narrative project plan and a cost and financing plan. CBM Regional Offices can provide Project Cycle Management training to partner organisations, including training in the logical framework approach. Regional Office staff can also provide support and coach partner organisations in the development of medium term project plans and setting up efficient monitoring systems upon request.

**The participatory approach during the Project Cycle Management – An essential step towards sustainability**

Participation denotes the active involvement of those with a stake in a project during the various stages in the project life cycle such as representatives of key stakeholders (e.g. important collaborating/ networking partners, state institutions), target groups, experts from the relevant mandate areas and important staff members. By adopting a participatory approach to development and including them during all phases of the project cycle, you can ensure that you are looking at the relevant issues, that the views of the different stakeholders are taken into consideration, consensus is developed and common objectives carried forward and supported by all relevant stakeholders during the implementation. **Applying a participatory approach in analysis, planning, implementation and evaluation is an essential component to encouraging the assumption of responsibility, transparency and motivation in the project team** and is a fundamental investment in the mid and long term success of your project.

Applying a participatory approach to development does not mean that all key stakeholders have to be involved at all times. There are different **degrees of participation** of stakeholders in a project, **ranging from consultation to participation in decision**. The degree of participation depends on how far the stakeholder is affected by the problem, their age, capacity and status. At the beginning of the planning process the project
management should decide on the most appropriate method for involving the different stakeholder groups in the planning and implementation of the project intervention.

CBM encourages partner organisations to apply a participatory approach to the Project Cycle Management to ensure the relevance of the project initiative to the target groups and increase the sustainability of CBM supported projects in the long term.

**Consideration of cross cutting issues and quality criteria in the project design**

Effective project management is not only about the ability to plan, organise, control and appraise activities, so that the project can be implemented successfully. It needs to be acknowledged that all projects operate in complex social, institutional and environmental systems. Projects are both influenced by, and have an influence over the environment in which they work. To ensure the relevance, feasibility and sustainability of your project’s activities you need to consider the cross cutting issues and quality criteria throughout the Project Cycle Management process. These include:

- considering measures to ensure equal access of women/men, girls/boys to project services;
- taking an active approach towards working in comprehensive service networks, including the relevant stakeholder groups in the project cycle management process where appropriate;
- ensuring consistency with national policies and strategies, CBM’s country strategies as well as development and mandate policies;
- active strengthening of the organisational capacities (technical and managerial skills);
- empowering the target groups;
- development of cost recovery schemes.

A comprehensive checklist of the essential cross cutting issues is given at the end of Chapter 2 (p. 116). CBM suggests that for effective development outcomes, partner organisations build these issues into the project design. The development of appropriate strategies answering the cross cutting issues will be required during the application process for funding by CBM.
Reader guideline and content overview

The structure of the handbook

Reflecting the four stages of the project cycle, the handbook is divided into four main chapters:

1) Pre-Project Analysis
2) Project Planning Process
3) the Project Implementation Phase and Monitoring Process
4) Evaluation.

The fifth chapter, the PCM Methods, Tools and Templates supplements the Project Cycle Management Handbook by providing additional information on research methods that can be used at the various stages during the project life cycle, methods for presenting and sharing of information as well as CBM standard planning, reporting and evaluation formats.

Each chapter starts with an introduction, summarising the purpose of the respective phase during the project life cycle, followed by a step by step approach detailing the essential tasks to be conducted at each stage as well as introducing supportive methods and tools which can be used to ensure quality of working procedures and decision making processes during the respective project phase.

A checklist at the end of each chapter will serve as a reminder to ensure that you have considered the key working steps as well as addressed the most essential questions and issues during each project phase.

The recommended reading and reference at the end of each chapter will aid you in accessing additional information. The Project Cycle Management diagram at the beginning of each chapter serves as a visual display of the stages within the project life cycle, introducing the working steps, methods and tools which are detailed in the chapter.

The glossary will define and explain key terms and concepts introduced in the handbook.
The icons at the margin of the chapters will indicate some of the following things to remember:

- **Cautions**
- **Guidelines**
- **Definitions**
- **Notes**
- **Examples**
- **Tools**

**Chapter 1: The pre-project analysis**

The purpose of the pre-project analysis is to understand the context in which a project is identified. This step is important to understand the problem, underlying causes and identify already potential solutions and opportunities. This includes the analysis of your project’s stakeholders (target groups, actors in the same field, partners, decision makers, etc.), needs and problems, the stakeholders’ influence and relevance to your project as well as type of involvement.

Suggested tools that aid and structure the pre-project analysis:

- Situation analysis (p. 28)
- Stakeholder analysis (p. 36)
- Needs and priority analysis (p. 44)

SWOT analysis (p. 34) and problem tree analysis (p. 49) will be presented as tools to structure the information gained during the situation, stakeholder and needs and priority analysis, leading right into the planning stage of your project.

**Chapter 2: The project planning process**

The purpose of the planning phase is to develop a sound project plan. At this stage the project’s overall objective, specific objective and results are being determined. This is done by identifying potential project objectives through the development of an ob-
jectives hierarchy from the problem derived from the problem analysis and evaluating them against their feasibility. Once the realistic scope of the project has been determined, a project plan is developed including a detailed activity and resource schedule. It is recommended that you carry out the planning in a participatory manner to ensure that the relevant perspectives and experiences are included in the project plan and the project meets the stated needs.

Suggested tools to aid and structure the planning process and draw up a project plan are:

- Objectives tree analysis (p. 66)
- Mind mapping (p. 91)
- Network diagram (p. 93)
- Activity schedule & resource schedule (p. 89)
- Risk and assumption analysis (p. 78)
- The Logframe (p. 77)

Chapter 3: The project implementation phase and monitoring process

During the implementation phase the project plan is executed. A major activity is to assess whether the project is on or off track. This requires establishing a monitoring system that will help you to assess the actual progress against the planned progress.

You may have to take measures to improve the performance of the project or adjust your project plan to ensure that your project stays relevant if you find that the project environment has changed. Regular monitoring enhances continuous learning during the implementation and achieves accountability. A special focus during the implementation is ensuring the sustainability of project activities. This relates not only to financial sustainability but also to technical issues, national policy adherence, institutional capacity development as well as compliance with socio-cultural norms. An intrinsic part of successful monitoring is the development and implementation of cost recovery strategies by CBM partner organisations to reduce dependency from external donor agencies.
Suggested tools to aid and structure the implementation phase are:

- activity and resource schedules (reference chapter 2, p. 89)
- Logframe (reference Chapter 2, p. 77)
- monitoring systems: reports, checklists (p. 129)
- Quality criteria and standards (p. 143)
- financial audits – only described, no tool offered.

**Chapter 4: Evaluation**

Evaluation is an assessment, as systematic and objective as possible, of an ongoing or completed project, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability. Evaluations draw lessons learned from projects which are then incorporated into decision-making and the design of future projects.

Suggested tools to aid and structure evaluations are:

- evaluation guidelines (p. 171)
- evaluation criteria (p. 176)
- guidelines evaluation terms of reference (p. 179)
- evaluation reporting structure (p. 185).

**Chapter 5: PCM methods, tools and templates**

This chapter provides you with a sample of research methods to collect and analyse data that can be used during the various stages of the PCM cycle (analysis, planning, implementation and evaluation) such as:

- rapid appraisal techniques (p. 207)
Introduction

- Triangulation (p. 207)
- interview methods (p. 210)
- a guideline for sampling (p. 217)
- participatory methods (p. 204).

The chapter furthermore provides you with a number of standardised formats for:

- Project planning
  (lograme matrix, narrative project plan) (p. 224)
- Project narrative reporting template (p. 234)
- Evaluation terms of reference (ToR) (p. 236)
- Evaluation contracts (p. 238)
- Standard evaluation workplan (p. 239)
- Evaluation assessment plan (p. 240).

Main sources for the handbook

The Project Cycle Management approach is a standardised approach towards project management in development. A wide array of background literature has been developed over the past decade from which the CBM handbook has benefited greatly. The main sources from which the authors of the CBM Project Cycle management Handbook have drawn from are:

- SAS - Social Analysis System Toolkit – Concepts and Tools for Collaborative Research and Social Action
- Project Cycle Handbook (Terre des Hommes)
Introduction

- Project Cycle Management Handbook, Version 2.0 (European Commission)
- Project Cycle Management Guidelines (EuropeAid Cooperation Office)
- The Resource Mobilisation Booklets for NGOs and Communities (VSO Indonesia)
- Impact Monitoring & Assessment (Herweg, K., Steiner, K.)
- Evaluation Guide (CIDA)
- Sida Evaluation Manual - Looking Back, Moving Forward (Sida)
- Handbook on Monitoring and Evaluating for Results (UNDP)
- Ten Steps to a Results-Based Monitoring and Evaluation System (World Bank)

We would like to thank all authors and institutions for availing the material to the development community and thus enabling CBM to build on the knowledge and lessons learned gained over the past decade.

In addition we would like to thank all CBM staff members from the Regional Offices, Member Associations, CBM Bensheim and project partners who have actively participated in the development and refinement of the CBM Project Cycle Management Handbook. Their close involvement in the development process has enabled us to learn from the professional experience in the field, taking all relevant facets of Project Cycle Management into account.

A living document

This handbook is a living document. Lessons learned from CBM staff and partner experience in the various work fields will be incorporated over time and tools and processes regularly revised to continuously improve our ability to achieve our objectives. We therefore ask you actively contribute to the lessons learned process and send your recommendations and suggestions to:

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Coordinator for Project Cycle Management, CBM e.V.