

Strengthening project internal monitoring

How to enhance the role of
EC task managers

June 2007



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Table of Contents

Acknowledgements	4
1. Introduction	5
1.1 Context	5
1.2 Scope and purpose of this document	5
1.3 Summary of key issues addressed in this document	6
1.4 Glossary of key terms	7
2. EC task manager's role in project monitoring	8
2.1 Issues	8
2.2 The focus of the EC task manager's work	8
2.3 Reviewing task manager roles	9
3. Checking project design and internal monitoring arrangements	10
3.1 Issues	10
3.2 Assess how clear and realistic the project objectives are	10
3.3 Quality of indicators, targets and baseline information	11
3.4 Check implementation work plans	13
3.5 Assess monitoring arrangements and capacity	15
3.6 Consider the incentives to monitor	17
4. Collecting relevant information	18
4.1 Issues	18
4.2 Project progress reports	18
4.3 Result oriented monitoring (rom) reports	21
4.4 Making 'useful' field visits	22
4.5 Other information sources	24
5. Adding value through data analysis	25
5.1 Issues	25
5.2 Tips and tools	25
6. Regular internal reviews and sharing information	27
6.1 Regular internal reviews	27
6.2 Communication and information dissemination	28
7. Organizing EC monitoring activities	30
7.1 Issues	30
7.2 Project screening	30
7.3 Tracking key issues	32
7.4 Project Portfolio Monitoring Plan	32
7.5 Project Portfolio Overview Table	33
Attachment 1 – Note on thematic budget lines	35
Attachment 2 – Summary of delegation survey results	36
Attachment 3 – Rom reporting formats	37
Attachment 4 – Ec reporting requirements	39
Attachment 5 – Example of a review meeting agenda	40
List of Figures	
Figure 1 – Example workplan/activity schedule format	14
Figure 2 – SWOT matrix example	16
Figure 3 – Example of spider diagram	16
Figure 4 – Suggested content of main types of reports	19
Figure 5 – Example format for basic reporting on physical progress	20
Figure 6 – Main features of different monitoring systems	21
Figure 7 – Project Screening Table	31
Figure 8 – Project Portfolio Monitoring Plan	32
Figure 9 – Example of a Project Portfolio Monitoring Plan	33
Figure 10 – Suggested format for a Project Portfolio Overview Table	34
List of Boxes	
Box 1 – Steps in building a workplan	14
Box 2 – Checklist to assess monitoring arrangements and capacity	15
Box 3 – Checklist of things to do/consider in planning a field visit	23

Abbreviations

AMP	Annual Management Plan
CfP	Call for Proposals
CRIS	Common Relex Information System
DAC	Development Assistance Committee (of the Organisation for Economic Cooperation and Development)
EAMR	External Assistance Management Report
EC	European Commission
EDF	European Development Fund
EU	European Union
GBS	General Budget Support
IP	Implementing Partner
LFA	Logical Framework Approach
MCH	Maternal & Child Health
MDG	Millenium Development Goals
M&E	Monitoring & Evaluation
MOH	Ministry of Health
NAO	National Authorising Officer
NGO	Non-Government Organisation
PCM	Project Cycle Management
PME	Participatory Monitoring & Evaluation
QSG	Quality Support Group
ROM	Results-oriented Monitoring
SPSP	Sector Policy Support Program
SWOT	Strengths Weaknesses Opportunities Threats
TOC	Table of Contents
TM	Task Manager

Acknowledgements

The preparation of this document has been coordinated by the 'Coordination and Organisation Strategies Unit' in EuropeAid with the assistance of the Aid Delivery Methods Programme. Its preparation has involved a process of consultation with members of a Working Group in Brussels comprised of representatives from Directorate E, all Geographical Directorates, the Unit in charge of central management of thematic budget lines and the Unit in charge of Evaluation and of the Results Oriented Monitoring System (ROM).

The document has also benefited from the input of some 68 Delegations who responded to a web-based survey regarding their concerns and priorities on project monitoring (see Attachment 2 for a summary of survey results).

Project monitoring is a challenging area of work which impacts on many of the aid effectiveness principles, including ownership, alignment, donor harmonisation and managing for results. This document intends to be just one input to support ongoing improvement in this area with a view to foster the overall quality of EC external assistance.

Any comment, question and suggestion are warmly welcome and should be addressed to EuropeAid-Dir-E@ec.europa.eu

1. Introduction

1.1 Context

Effective monitoring is a critical element of good project management. It supports informed and timely decision making by project managers and other stakeholders, ongoing learning and accountability for achieving results. It is a key part of project cycle management.

While the general purpose of monitoring may be clear, there is a need to consider how projects are monitored in the context of the aid effectiveness agenda. This is required to ensure that the principles of partner ownership, alignment with local systems, donor harmonisation, and mutual accountability for development results are appropriately supported in both the design and implementation of project monitoring systems. In the Paris Declaration donors committed to “work with partner countries to rely, as far as possible, on partner countries resulted oriented reporting and monitoring frameworks” (section 45).⁽¹⁾

EuropeAid has established project monitoring and evaluation processes that support: (i) quality assurance prior to financing; (ii) financial control; (iii) monitoring of results during implementation; (iv) the evaluation of policies and programmes.

However, key points to note about these systems include:

- They have been designed primarily to meet **EuropeAid’s** management information needs and accountability requirements. In order to support the principles of aid effectiveness there is a need to give a greater focus to building the capacity of ‘project internal’ monitoring systems (monitoring by **implementing partners**).
- The quality of information collected through the Results Oriented Monitoring (ROM) system, project evaluations and audits (and reported through the CRIS implementation report and External Assistance Management Reports), is significantly dependent on the quality of each project’s **internal** monitoring systems; and
- These elements of the quality assurance and monitoring system must be complemented by approaches and methods which focus more on relationship building, partnership approaches and enhancing political dialogue with the aim of promoting mutual accountability for development results.

1.2 Scope and Purpose of this Document

The overall goal of this Reference Document is to contribute to ongoing improvements in the quality of EC funded projects in line with the aid effectiveness principles of partner ownership, alignment, harmonisation and mutual accountability for results. With respect to project monitoring, this implies giving greater focus to supporting national implementing partners to undertake better quality monitoring, and emphasising mutual accountability for results achieved.

There are **two inter-related purposes** of this document:

- to support effective internal project monitoring and thus promote ownership and alignment objectives;
- to support effective project monitoring⁽²⁾ at the level of each EC Delegation.

Task Managers play two main monitoring ‘roles’, namely: (i) assessing the quality of project internal monitoring systems and, where required, planing/implementing support to improve them; and (ii) collecting relevant information and using it to meet the EC’s own reporting requirements. These roles are different but closely inter-related. At the heading of each Section of the Reference Document, it is stated how the contents relate to either one or both of these two roles.

This document deals with two types of monitoring (see glossary section 1.4):

- **internal project monitoring by implementing partners: aimed at effective and timely decision making by the project itself and at ensuring accountability for resource use and achievement of results;**
- **monitoring of projects at the level of each delegation: this has several objectives including taking informed decisions at key steps in the project cycle, contract management, and providing informed and useful reporting on project portfolios. EC Task Managers are also expected to be an informed dialogue partner, where necessary providing capacity building advice and support to implementing partners.**

⁽¹⁾ Paris Declaration on Aid Effectiveness, March 2005.

⁽²⁾ As in the glossary, ‘Internal project monitoring/project internal monitoring’ refers to monitoring undertaken by the project’s implementing partners (those with direct management responsibilities).

This Document therefore intends to help EC Task Managers:

- contribute to the effective implementation of projects and the delivery of sustainable benefits in partnership with implementing agencies;
- be an informed dialogue partner;
- make informed decisions with respect to project management; and
- contribute to the effective organisation of monitoring activities at the level of each delegation/unit and be better equipped to undertake effective and useful reporting on project performance.

Based on an assessment of working practices within the donor community⁽³⁾, this Document provides a set of good practices and lessons learned, and selected analytical and working tools. It does not prescribe specific EuropeAid administrative or procedural requirements. It is designed to support self-directed reflection, learning and action by EC Task Managers.

The focus of this Document is on the project approach. Monitoring of Sector Policy Support Programs (SPSP) and General Budget Support (GBS) operations is not specifically covered, as the monitoring of these methods of aid delivery generally require different approaches focused primarily on the development and use of national performance assessment frameworks⁽⁴⁾.

This Document is targeted primarily at EC Task Managers. Counterparts and project staff may nevertheless also find it of use to develop their own capacities in this area.

Finally, this Document has also been designed as a resource to support the design and delivery of training seminars as part of the EC’s ongoing commitment to the professional development of its staff.

1.3 Summary of key issues addressed in this document

	Brief description
Ch 2. Review of EC Task Manager’s role in project monitoring	Task Managers need to be clear about what they need to do to support effective project monitoring, when and how. Their role needs to be consistent with promoting key aid effectiveness principles. They need to be able to play the role of ‘informed partners’ concerned with results, directly engaging with implementing partners in a strategic way. They also need to have a clear mandate to carry out this type of working approach, and the resources and skills to do this effectively.
Ch 3. Checking project design and internal monitoring arrangements	Project monitoring cannot take place in a vacuum. It requires a clear project plan against which efficiency and effectiveness issues can then be judged as implementation proceeds. A first step in the project inception phase is therefore for Task Managers to help check/complete/update the project design (the project plan should include clear and realistic objectives, useful indicators and work plans). Secondly, Task Managers should assess the project monitoring arrangements and the implementing agency/stakeholder capacity to conduct regular monitoring, and consider what additional capacity building support may be required.
Ch 4. Collecting relevant information	The Task Manager needs to access information from a variety of sources to support his/her understanding of what is happening on the ground with respect to project performance and issues arising. The primary focus should be on getting good quality information from the project implementing agency(s) and helping to build their capacity to effectively monitor. However, information from internal project monitoring should be supplemented by information from other sources such as ROM reports, field visits undertaken by the Task Manager him/herself, specially commissioned surveys/studies, and/or other donor reports.
Ch 5. Adding value through data analysis	Data/information must be appropriately analysed, triangulated with other information whenever possible, and then presented in a timely manner and in an accessible media/format if it is to be useful. Supporting the analysis of project monitoring data is an important role the EC Task Manager can play.
Ch 6. Regular internal reviews and sharing information	Sharing information effectively with stakeholders, including other donors, is critical. If monitoring is undertaken solely as an ‘extractive’ process which feeds information upwards, but with no timely feedback, it soon becomes seen as a bureaucratic burden rather than a useful management activity. The EC Task Manager has an important role to play in ensuring that information on project progress is effectively shared, including through participation in regular internal review activities (such as Project Steering Committee meetings/activities).

⁽³⁾ In preparing this Reference Document, research was undertaken on donor practices in the area of project monitoring and as a result a Working Document has been produced on ‘Screening of monitoring practices for selected donors; reference materials and further reading on project monitoring’ available at http://www.cc.cec/dgintranet/europeaid/activities/adm/documents/monitoring_practices_for_selected_donors_en.pdf

⁽⁴⁾ See relevant sections in the ‘Guidelines on EC support to Sector Programmes’ and the ‘Guidelines on Programming, Design and Management of general Budget Support’

Ch 7. Organizing EC monitoring activities

Support for effective monitoring requires that time and resources be allocated to the task(s). These resources must be explicitly accounted for in agency (Delegation/EuropeAid) work plans and budgets (including the Programme Estimates prepared under the European Development Fund/General Budget of the European Communities). This could be greatly assisted by the development and use of a 'Project Screening Table' and of a 'Project Portfolio Monitoring Plan'. This would help ensure that higher risk projects are identified and that monitoring tasks (and relevant capacity development initiatives) are then prioritised and explicitly considered in work planning processes.

1.4 Glossary of key terms

Terms related to monitoring

Project Monitoring – refers generally to the ongoing collection, analysis and use of information about project progress and the results being achieved. It supports effective and timely management decision making, learning by project stakeholders and accountability for results and the resources used.

Internal project monitoring/project internal monitoring – refers specifically to monitoring that is undertaken by the project's implementing partners, using their own (local) systems and procedures, to meet their own ongoing management information needs.

Monitoring by EC Task Managers – refers to the role of EC Task Managers with respect to collecting, analysing and using information about project progress and performance, whether it is sourced from 'internal' or 'external', formal or informal sources.

External monitoring (including ROM) – is distinguished from 'internal monitoring' because it involves external agents (e.g. donor officials or contracted consultants), and the use of donor designed/approved monitoring methods and reporting formats, which are designed primarily to meet the donor's own upward reporting and accountability requirements. The Results Oriented Monitoring (ROM) system is a key example of an 'external monitoring' and reporting requirement.

Regular review – refers to a structured process of review, reflection and decision making, that is undertaken by the project implementing partner and other stakeholders on a regular basis. It is therefore an element of the broader monitoring process which gives particular focus to sharing information among stakeholders, and to making decisions about follow-up actions required. Project Steering Committees (or similar) might often be one of the key forums in which such regular reviews are undertaken.

Other terms

Implementing partners – refers to the organisations which have direct responsibility and authority for project implementation, including management of the available resources, implementation of activities and achievement or results. A project may have one or more implementing partner, and such partners may include government agencies, non-government organisations and/or private contractors.

Project cycle management – is a methodology for the identification, preparation implementation, monitoring and evaluation of projects and programmes. PCM methodology is based on the principles of the Logical Framework Approach. It helps specify key tasks, quality assessment criteria, roles and responsibilities and decision making options to support effective management, the achievement of desired results and learning from experience.

Project Evaluation – refers to the periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is frequently undertaken at or after completion and usually involves independent evaluators with a primary purpose of learning lessons to guide future decision-making, design and implementation of other projects, future programming and policy making.

Results – This term is used generally to refer to the outputs, outcome and/or impact of a project (as distinguished from the inputs and activities). This is different from the way the term is used in the EC's PCM Guidelines on the Logical Framework – where 'results' refers specifically to one level of the Logframe Matrix hierarchy of objectives – namely just the outputs.

Task Manager – refers to an EC officer who has an operational responsibility for overseeing and supporting the effective formulation, implementation and/or monitoring of specific development projects or programmes financed by the EU. Most Task Managers are now based at Delegations and usually have responsibility for a broad (and often diverse) portfolio of 'activities'.

2. EC Task Manager's role in project monitoring

This section provides:

- a brief overview of the Task Manager's role in project monitoring; and
- a proposed process and set of questions that could be used to guide a review of the Task Manager's input to project monitoring.

This aims to support the identification of management decisions and actions that will help the Task Manager play an enhanced role as dialogue partner and thereby promote ownership and alignment objectives. It also directly supports effective organisation of monitoring activities at the level of each delegation/unit.

2.1 Issues

Working in a large multi-lateral development agency, such as EuropeAid and the EC Delegations, is a complex, challenging, rewarding, but sometimes frustrating, task. Administrative and procedural requirements can constrain the flexibility and innovation that effective development work demands. Complex and multiple objectives can make it difficult to prioritise and focus work effort. Responsibilities and accountability for achieving results are typically blurred between donors and their local implementing partners. As a result, knowing who should be monitoring what, when and how can be difficult to determine.

Addressing these broad challenges requires changes in the way that development aid is planned, managed, monitored and evaluated by the international community. Some of these required changes have already been identified, are articulated in the Paris Declaration on aid effectiveness, and are further specified in donor agency commitments and action plans.

These changes in turn mean that the roles, responsibilities and work focus of EC Task Managers need to be reviewed. The aim is to see how the Task Manager can play a more strategic role as a 'dialogue partner', rather than just as a contract manager and project 'controller'.

2.2 The focus of the EC Task Manager's work

A Task Manager's role in supporting project implementation and monitoring generally includes the following:

- Assess the quality of internal project monitoring arrangements and identify capacity building needs.
- Meet with implementing partners and other project stakeholders (including other donors), and undertake 'field-visits' to project sites, to get first hand knowledge of project activities and issues and to develop effective working relationships with those implementing the project.
- Assess the content and quality of monitoring reports from implementing partners and suggest corrective measures, as required, to support efficient and effective implementation.
- Collaborate with Results Oriented Monitoring teams and follow up, as appropriate, on their recommendations.
- Contribute, as appropriate, to regular reviews of project progress and updating of operational plans through regular contact with project implementers and other donors.
- Keep appropriate records of project progress, the results achieved and constraints encountered.
- Prepare, manage and control contractual documents, and prepare forecasts on contract payments.
- Support timely disbursement of EC resources, based on approved work plans and budgets and an assessment of project performance.
- Facilitate communication and information flow between, and feedback to, key stakeholders and support donor coordination and harmonisation.
- Participate in and/or manage formal reviews (i.e. mid-term evaluation) and audits commissioned by the EC or other donors.
- Request audits as required and/or considered appropriate, and provide relevant project information to audit Task Managers and auditors.
- Make timely decisions to help solve any problems and support project implementation.
- Comply with relevant instructions from EuropeAid Management on project monitoring. Currently this involves keeping information in the CRIS Implementation Report (or any equivalent format) regularly updated and making the best use of the CRIS Report as a management tool.

2.3 Reviewing Task Manager roles

It is a broadly recognised concern that Task Managers spend much of their time dealing with EC procedural requirements, leaving little scope for playing the role of ‘informed dialogue partner’. It is therefore suggested that Delegations might usefully conduct a brief internal review of Task Manager roles in order to identify how this situation might be addressed.

Such a review might best be initiated at the level of each Delegation, or in the case of centrally managed programmes, within the concerned Unit/Directorate in Brussels. The Delegation or Unit/Directorate Head should endorse and support the review initiative before it starts. The review would be best conducted as a collective and participatory exercise involving all Task Managers, however it could be undertaken on a more selective basis (e.g. involving specific sectors or sections).

Steps in the process might include:

1. Prepare brief proposal to conduct such a review, for endorsement by Delegation/Directorate/Unit Head.
2. Identify Task Managers who should/could be involved in the review process.
3. Organise a preliminary meeting to discuss and clarify the review's purpose and process. The primary purpose should be to identify possible changes in the roles and responsibilities of Task Managers with respect to project monitoring that will support specific aid effectiveness commitments, namely: (i) increased ownership by implementing partners; (ii) alignment with partner systems; (iii) harmonisation with other donors; and (iv) mutual accountability for development results.
4. In their own time (say over a 2 week period) Task Managers should reflect on their current monitoring responsibilities and work practices (using the question checklist shown below), identify any required changes and prepare to present their views at a group discussion/workshop.
5. Facilitate a group discussion/workshop activity to exchange ideas and opinions on any required changes in responsibilities and work practices. Identify commonly agreed conclusions and document them.
6. Prepare proposal for consideration and endorsement by the head of sections/operations; and
7. Agree on next steps, including an implementation plan and a process for follow-up.

A set of Guiding Questions for Task Managers to consider and respond to is provided on the following page.

Guiding Questions

1. What proportion of your working time is devoted to activities related to project monitoring and fulfilling reporting requirements (such as completing/updating CRIS reports, supporting ROM exercises, etc...)?
2. Do you distinguish between monitoring activities which are designed primarily to meet your own/the Commission's information needs, and monitoring support activities designed primarily to help build/develop partner capacities to effectively monitor?
3. Roughly what proportion of your working time do you allocate to supporting implementing partners to monitor their projects more effectively ('value adding activities')? This might include analysis of partner agency monitoring systems and capacity, provision of ideas and advice on strengthening these systems, feedback on their monitoring reports, organising and/or participating in project monitoring workshops, etc.
4. On balance, and given other work priorities, is this adequate?
5. Do you have/use a definable process which helps you prioritise and plan your project monitoring work, including allocation of time and resources to different projects?
6. In light of the EC's commitments to increase aid effectiveness, what changes in your monitoring responsibilities and work practices do you think might be required to promote: increased ownership by implementing partners? alignment with partner systems? harmonisation with other donors? And, mutual accountability for development results?
7. If changes are required, what management decisions need to be made, and/or directives given, to facilitate and support such changes?
8. What are the resource implications (time, workload, funds, other inputs)?
9. Are there likely to be any specific skill development/training needs you will require to effectively take on identified new roles responsibilities and work practices? If so – what might they be?

Without wishing to pre-empt conclusions drawn by any such reviews undertaken by Delegations/Units, one thing seems clear. If the Task Manager is to play an enhanced role as dialogue partner, more time needs to be spent having direct contact with implementing partners, and more focus needs to be given to discussing substantive issues that impact on project effectiveness (rather than just on input delivery and expenditure).

3. Checking project design and internal monitoring arrangements

Good project monitoring builds on good project design. A key role for Task Managers is to check and, if relevant, promote updating and improvements of project design, work plans and other management tools. Secondly, Task Managers should assess the quality/capacity of existing monitoring arrangements, with a view to providing support where required. This section therefore highlights the importance of:

- having a sound project plan which allows an assessment of performance to be made (by comparing actual achievements against plan), and the need to regularly review, update and improve the plan as required;
- ensuring that appropriate and useful indicators, targets and baseline information requirements are established;
- having a clear project workplan which specifies the sequencing and timing of key activities/tasks;
- assessing the implementing agency's capacity to manage and monitor the project, and thereby including appropriate monitoring support activities and resources in the project plan and budget; and
- considering the incentives to monitor, so that monitoring is not simply undertaken as a bureaucratic requirement.

This aims primarily to support the Task Manager playing an enhanced role as dialogue partner and thereby supporting the progressive development of effective internal monitoring.

Basic 'quality' elements of any monitoring system should include clearly defined (and documented):

1. Objectives and Principles, to guide the approach to monitoring.
2. Development objectives/results and indicators.
3. Targets/quality standards against which performance can be assessed.
4. Information sources and collection methods.
5. Formats and procedures for data collection, recording, analysis and reporting.
6. Monitoring tasks, roles and responsibilities.
7. Reflection, review and decision making processes
8. A communication plan; and
9. Resources and budget for monitoring and reporting.

3.1 Issues

Project monitoring cannot take place in a vacuum. It requires a clear project plan against which efficiency and effectiveness issues can then be judged as implementation proceeds.

While a project plan should contain adequate detail of proposed monitoring arrangements, it is worth highlighting that the **inception phase** of a project should be used to confirm and refine these arrangements, as well as providing the opportunity to clearly establish a baseline of information against which progress and performance will be subsequently assessed. Not everything can or should be included in the original project plan. Also, both the project plan and the monitoring arrangements should be subject to ongoing review and revision during the life of the project, based on experience and lessons learned.

This is primarily the responsibility of the implementing partner, however the Task Manager can play a valuable role in encouraging the implementing partner to keep project plans, management and monitoring arrangements relevant to context and development need.

The Task Manager also needs to understand these key elements of the project context in order to make sense of information that is collected and reported through the project's internal monitoring systems ⁽⁵⁾.

There are various EC 'templates' used in to support project monitoring, such as the Logframe matrix, the 'Programme Estimates', etc). However, this section of the Reference Document does not deal with specific EC requirements, but rather the key types of information that any project plan should contain (whatever format it is documented in) and that the EC Task Manager should have an understanding of.

3.2 Assess how clear and realistic the project objectives are

Monitoring focuses on collecting and using information to help determine whether or not project objectives are being achieved. It is therefore important that project objectives are the right ones in the first place,

⁽⁵⁾ There are various EC 'templates' used in the cycle of an EC funded project covering monitoring (the Logframe matrix, the 'Programme Estimates', etc...). This section of the Reference Document does not deal with specific EC requirements, but rather the key types of information that any project plan should contain (whatever format it is documented in) and that the EC Task Manager should have an understanding of.

and are themselves clearly specified. The Quality Frame in the PCM Guidelines 2004 provides a set of quality standards directly relevant to the specification of clear objectives, as shown below ⁽⁶⁾.

Quality Criteria and Standards	
6	The objectives (Overall objective, purpose and results/outputs) and the work programme (activities) are clear and logical, and address clearly identified needs.
6.1	The project's Overall Objective is clearly linked to a relevant policy or sector objective, and thus demonstrates how the project will contribute to a long term development outcome.
6.2	The project's purpose clearly specifies a direct sustainable benefit(s) that target groups will derive from the implementation of the project.
6.3	The project's results (or outputs) describe tangible improvements to services, facilities or knowledge that will directly support the achievement of the project's purpose.
6.4	A feasible work programme (set of activities) is described which will allow project results to be delivered over a realistic time-frame.
6.5	The project design is not overly prescriptive, and allows for necessary changes to operational plans to be made during implementation.

The Logical Framework Matrix provides a useful tool for thinking through the logical link between project objectives, as well as specifying appropriate indicators and sources of information for project monitoring. A full description of the Logical Framework Approach is provided in Section 5 of the PCM Guidelines (2004).

The original Logical Framework Matrix may not be complete or may be out of date by the time the project starts, and therefore needs to be reviewed and, as appropriate improved and/or updated at the start of project implementation (during the inception phase). The Logframe Matrix should also be reviewed, and if necessary revised, on a regular basis during implementation, for example as part of an annual review and planning process. The focus should be on project results and activities (including relevant indicators, sources of information and the planning assumptions), as the project purpose and goal should not be changed except in exceptional circumstances and with the approval of the competent higher authorities.

3.3 Quality of indicators, targets and baseline information

Indicators

The problem of poorly defined, inappropriate and/or impractical project 'indicators' is a commonly voiced concern. If the choice and use of indicators can be improved, it would certainly give greater clarity and focus to monitoring project progress and results for both implementing partners and donors.

The following tips can help ensure that the indicators selected are useful:

- **Build on existing systems and capacity – align and harmonise.** The 'best' indicators are generally those that are already being used by partners, are available through existing sources, and/or have been agreed as the key indicators to measure (e.g. Millennium Development Goals - MDGs). This supports ownership, alignment with local systems, donor harmonisation and reduces cost. Projects should generally not set up duplicate or parallel information collection systems, or invent new indicators. Rather they should work with, and as appropriate strengthen/improve, established systems. Consultation and harmonisation with other donors is also important in this regard.
- **Focus on the project purpose (outcome) and results (outputs).** Priority should be given to specifying clear indicators at the level of the project purpose and results. The project's overall objective is often more of a policy or vision statement, and will often be beyond the direct influence of the project. Activities and inputs must also be monitored by implementing partners, but should not be the primary area of focus for the Task Manager.
- **Identify indicators and the source of information at the same time.** When identifying appropriate indicators, it is essential to consider the source of information and collection method(s) at the same time. This helps to test the feasibility and practicality of the indicator. Is the information actually collectable, and at reasonable cost? In considering the 'means of verification', it is important to think about the method of data collection (e.g. administrative records, quantitative surveys, qualitative enquiry, national statistics, etc), who will do it, and when/how often.

⁽⁶⁾ This, and following sub-sections of the document makes reference to a number of the key principles and tools contained in the Project Cycle Management Guidelines (2004), given that these remain part of the Task Manager's key knowledge/skill set in supporting the effective management and monitoring of projects.

- **Involve responsible managers and stakeholders.** Those responsible for collecting and using the information must play the key role in selecting appropriate indicators. Indicators dreamt up and imposed by external agents (e.g. donors and their consultants) are rarely of much use.
- **Involve beneficiaries.** If the project is designed to deliver specified benefits to identified beneficiaries (which it should be!), then it is important that their information needs, and their views on the project's achievements, are included in the design and implementation of the monitoring system (e.g. a strategy for communication with beneficiaries). What indicators would they consider relevant in determining whether or not benefits are being delivered? How can their views (voice) be captured and shared so that they influence management decision making? Where appropriate, are participatory monitoring approaches and activities included in the project's workplans and budgets?
- **Look for a balance of quantitative and qualitative information.** Whether quantitative or qualitative indicators are appropriate (and feasible to collect) will depend on the nature of the project objectives, as well as other contextual factors. Quantitative measures of achievement can have particular advantages (ease of specification, aggregation, and comparison), however they may also give a false (or at least unrealistic) sense of precision. A mix of quantitative and qualitative indicators, which complement each other, is often most useful.
- **Keep it simple and have realistic expectations.** More information is not better information. Avoid too many indicators and focus on those most robust and useful to managers. Also recognise that some projects cannot be expected to demonstrate high level results, because the project is just too small, short in duration or just a minor contributor to a wider development initiative. Be realistic about when results can, and cannot, be reasonably demonstrated.

Targets

Targets, combined with an indicator, help to clarify the scope and scale of the objectives to be achieved and focus management attention on specific measurable results/outcomes. They can be a powerful management tool in terms of driving change. As the saying goes, 'What gets measured gets managed'. Targets can be included in contracts, and linked to contract payments, providing clear incentives to perform. However, targets also need to be treated with some caution, particularly in the context of complex development projects. Below are a few tips with respect to selecting, using and reviewing targets:

- **Involve the right people.** As with the selection and use of indicators, it is important that those responsible for implementation on the ground take the lead in the setting of targets. Ownership of targets by implementing partners is critical. Donor driven target setting does not have a good track record. Similarly, targets (as well as indicators) should be aligned with partner priorities and systems.
- **Targets need to be realistic.** If targets are not realistic (given the operating context, project scope and resources available), they will quickly become irrelevant, are likely to be ignored and/or may simply cause frustration. Choosing appropriate targets requires adequate background research and consultation. They should not be 'plucked from the air'.
- **Targets need to be reviewed.** Targets need to be regularly reviewed, as part of the ongoing monitoring and review process. This helps ensure their continued relevance.
- **Need incentives to report accurately and honestly.** If targets are not met, then the messenger must not be shot! The reasons for the target not being met must first be assessed in an open manner, without initially apportioning blame. The reasons that a target is not met may have nothing to do with the competence of project management.

Baseline information

The availability of adequate baseline information against which to compare change over time is a common concern. One response is to conduct specific 'baseline surveys'. This may be appropriate, however there are many examples of extensive and expensive project specific baseline surveys being conducted that have not, in practice, proved useful. This may be because the data collected is too complex, is not analysed appropriately or in a timely manner, and/or is not understood or used by managers and other decision makers. An original baseline will also be of little or no use if it is not then repeated (using a comparable sample and method) at a future point(s) in time. There remains, therefore, a significant gap between theory (we know we need some kind of baseline) and practice (we often don't have one, and make do without).

A few tips to address the baseline information problem in a practical way are suggested below:

- **Are the information requirements clear?** Before embarking on collecting baseline information, the key indicators should have been established and agreed. Otherwise the baseline exercise may lose focus and end up collecting information of little or no relevance.

- **Minimum information.** What is the minimum information that would be useful? It is often best to be very selective, and focus only on the minimum information requirements that will be useful. More information adds complexity and cost. The capacity of the implementing partner to engage in baseline information collection, and to use the resulting information, needs to be carefully considered.
- **Who is interested?** This is a key question, because if it is only the donor who has an interest, then it is unlikely that the information collected will be productively used by implementing partners. The baseline then becomes a largely academic exercise, with little prospect of local ownership or capacity building value.
- **Look to existing sources first.** There is often a considerable amount of information already available through existing sources – it may just not be assembled and summarised in a user friendly and accessible form. Administrative records kept by government agencies at local levels, data from statistical offices, reports from research/academic institutions and other donor agency studies will often already contain useful and relevant data. Don't assume that primary data collection is required, and make sure that other interested donors are consulted and appropriately involved.
- **Do you need to find out what people think?** If there are key indicators related to people's opinions or attitudes, then it is likely that opinion surveys of some kind (or other communication processes) will be required. Opinion surveys can be extremely useful sources of information, however the quality of survey design, administration and the subsequent analysis/interpretation is critical to quality.
- **What is the likely cost and benefit of different baseline options?** There will always be more than one option for collecting the required baseline information. Each will have different costs and benefits. The most appropriate approach will need to balance the objectives, with methods and cost. The theoretical ideal is almost never feasible or appropriate.
- **Incremental approach.** It may be best to take an incremental approach to collecting baseline information. While the theoretical ideal may be to have all relevant information collected at one point in time, this may just not be possible. The incremental approach may also have the benefit of allowing local partners to be engaged as part of a capacity development strategy. So while there may be no 'one point in time snapshot' – before the end of the project the capacity of the implementing partner to collect and use baseline information may itself have been developed, and be sustained into the future.
- **Inception phase.** Remember also that when baseline data have not been collected during the project preparation phase, the inception phase (say the first 3 to 6 months of a project) provides the opportunity to establish some form of baseline. However, for this to happen, the resources to collect, record, analyse and report the baseline must be made available in the project budget.

In conclusion, the period in between the set up of the project team and the drafting of the inception report represents a golden opportunity to check and update/complete (if needed) the project's Logical Framework Matrix, including indicators/targets and baseline information. The Implementing Partners are at this stage 'empowered' to take leadership and responsibility for the project. However EC Task Managers should support and promote this work in order to ensure the quality of the project's design and operational plans.

3.4 Check implementation work plans

A project's implementation work plans (also known as activity schedules) are a key tool to support project planning and monitoring. The EC Task Manager's role is not to prepare the project's workplans, but rather to help ensure they are being prepared and appropriately used by the implementing partner(s), and are of adequately quality to support effective project planning and monitoring. If the Task Manager has a clear understanding of the value of such work plans, and the steps that need to be taken to prepare them, they can then engage in an informed dialogue with implementing partners to encourage their effective use.

Work plans are also required as part of the EC's 'Programme Estimates' documentation. Whatever format is used, they should provide:

- a structure for preparing operational work plans (at least annually) against which implementation progress can then be periodically assessed (key activities/tasks, duration, sequencing and responsibilities);
- an easily understood visual presentation of key activities that can be used to promote participatory planning and review of physical progress;
- the basis on which resource requirements, budgets and cash flow projects can be prepared; and
- an opportunity to highlight monitoring, review and reporting tasks within the work programme.

A step-by-step approach to the preparation of a work plan/activity schedule can be followed as described below in Box 1.

Box 1 – Steps in building a work plan

• Step 1 – List Main Activities

The main Activities are a summary of what the project must do in order to deliver project results. Each project result/output would normally require a sequence of activities to be undertaken before it can be achieved. An example of a work plan schedule is shown as Figure 1.

• Step 2 – Clarify Sequence and Dependencies

Once the key activities have been identified and listed, they must be related to each other to determine their:

Sequence - in what order should related Activities be undertaken?

Dependencies - is the Activity dependent on the start-up or completion of any other Activity?

This can best be described with an example. Building a house consists of a number of separate, but inter-related activities: digging the foundations; building the walls; installing the doors and windows; constructing the roof; installing the plumbing, plastering the walls etc. The sequence dictates that digging the foundations comes before building the walls; while dependencies include the fact that you cannot start installing doors and windows until the walls have reached a certain height; Dependencies may also occur between otherwise unrelated Activities that will be undertaken by the same person/group (i.e. the person/group may not be able to complete both tasks at the same time).

• Step 3 – Estimate Start-up, Duration and Completion of Activities

Specifying the timing involves making a realistic estimate of the duration of each Activity, and then building it into the Activity Schedule to establish likely start-up and completion dates. However, it is often not possible to estimate timing with great confidence. To ensure that the estimates are at least realistic, those who have the necessary technical knowledge or experience should be consulted.

The most common problem arising in the preparation of activity schedules is to underestimate the time required. This can happen for a number of reasons:

- omission of essential Activities and tasks;
- failure to allow sufficiently for interdependence of Activities;
- failure to allow for resource competition (i.e. scheduling the same person or piece of equipment to do two or more things at once);
- a desire to impress with the promise of rapid results.

• Step 4 – Define Milestones

Milestones can provide the basis by which project implementation is monitored and managed. They are key events that provide a measure of progress and a target for the project team to aim at. The simplest milestones are the dates estimated for completion of each Activity or Output – e.g. ‘baseline survey completed by end of first quarter of year 1’.

• Step 5 – Define responsibilities

Depending on the level of detail contained in the Activity schedule, responsibilities can be defined either in terms of the key stakeholders or organizations involved in project implementation, or in terms of individuals within a project team. The purpose is the same, namely to clarify who is primarily responsible for managing the activity and can therefore be held accountable.

Figure 1 – Example work plan/activity schedule format

INDICATIVE ACTIVITY SCHEDULE

Ref No	Results and Indicative Activities	Responsibility	Year 1				Year 2				Year 3			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.1	Reduced volume of waste water directly discharged into the river system													
	Activities													
1.1.1	Conduct baseline survey of households and business	Contractor to Local Govt.	→											
1.1.2	Complete engineering specificatoins for expanded sewerage network	Contractor to Dept.of Civil Works	→	→										
1.1.3	Prepare tender documents, tender and selest contractor	Dept. of Civil Works			→	→								
1.1.4	Implement and monitor capital works	Contractor and Dept. of Civil Works					→	→	→	→	→	→	→	→
1.1.5	Identify appropriate incentives for factories to use clean technologies	EPA and business					→	→	→	→				
1.1.6	Design and implement incentive program	EPA and local Govt							→	→	→	→		
1.1.7	Prepare and deliver public information and awareness campaign on wate-water disposal	Local Govt.					→	→	→	→	→	→	→	→
1.1.8	Etc.													

3.5 Assess monitoring arrangements and capacity

One of the key tasks for EC Task Managers is to review existing monitoring arrangements within the implementing partner agency(s) to identify their strengths and weaknesses. Many implementing agencies will welcome advice and assistance that will assist them to collect and use better information, provided it is approached in the right way. All organisations collect, analyse and distribute information, even if they do not call it 'monitoring'.

Donors must avoid promoting any unnecessary duplication in monitoring arrangements or the creation of parallel systems. In this light, it is also important that the Task Manager understands what other involved donors have done or are doing with respect to monitoring and reporting, to ensure that coordinated and harmonised approaches are developed.

A set of guiding questions that can be used to help review and reflect on the status and effectiveness of existing information systems/monitoring arrangements is shown in the box below:

Box 2 – Checklist to assess monitoring arrangements and capacity

Information needs

- Who are the primary information users?
- Have their information needs been identified and prioritised?

Information sources and collection methods

- What is the quality of available/existing information?
- What is the source of available/existing information and who is collecting it? What are other donors doing?
- Is there an appropriate balance between quantitative and qualitative information?
- Are responsibilities for information collection clearly identified and understood?
- Are the existing formats for information recording and reporting adequate and are users clear about how to use them?
- Where are the most significant information gaps?

Analysis and use

- Who undertakes analysis of the available data and information and at what level within the reporting hierarchy?
- Is information being analysed at an operational level to help implementers understand what they are doing before being passed up to higher levels?
- Is the nature of the analysis appropriate and useful? (e.g. are comparisons made between what was planned and actual outcomes)?
- Is there a functioning review system for bringing together project stakeholders to make decisions based on the available information? How does this operate and who is involved? Is it coordinated with other donors?

Capacity and resources

- What are the existing physical and financial resources available for monitoring?
- What is the level of staff skills and their understanding of what is required?
- Are these adequate?
- Is there scope for developing local capacity either through providing technical advice, additional financial resources and/or training?

In order to help ensure that a project's monitoring systems and activities are relevant to need, feasible to implement and are able to be sustained, both the implementing partner and supporting donors should have some understanding of the implementing agency's capacity to manage and monitor the project. This may have been adequately assessed and addressed in the project preparation phase, but maybe not. The Task Manager might therefore be able to play a useful role in helping the implementing partner reflect on, and assess, issues relating to internal monitoring capacity, and identifying capacity development activities that can be included in forward work plans and budgets.

There are a number of analytical tools that can be used by implementing partners, in collaboration with stakeholders, to undertake assessments of capacity issues. Three examples are briefly profiled below.

SWOT analysis (strengths, weaknesses, opportunities, threats)

SWOT is undertaken in three main stages, namely:

1. Ideas are generated about the internal strengths and weaknesses of a group or organization, and the external opportunities and threats.
2. The situation is analysed by looking for ways in which the group/organisation's strengths can be built on to overcome identified weaknesses, and opportunities can be taken to minimize threats; and
3. A strategy for making improvements is formulated (and then subsequently developed using a number of additional analytical planning tools).

An example of a SWOT matrix, analyzing the capacity of a Health Ministry to monitor service delivery and health status, is shown in Figure 2 below:

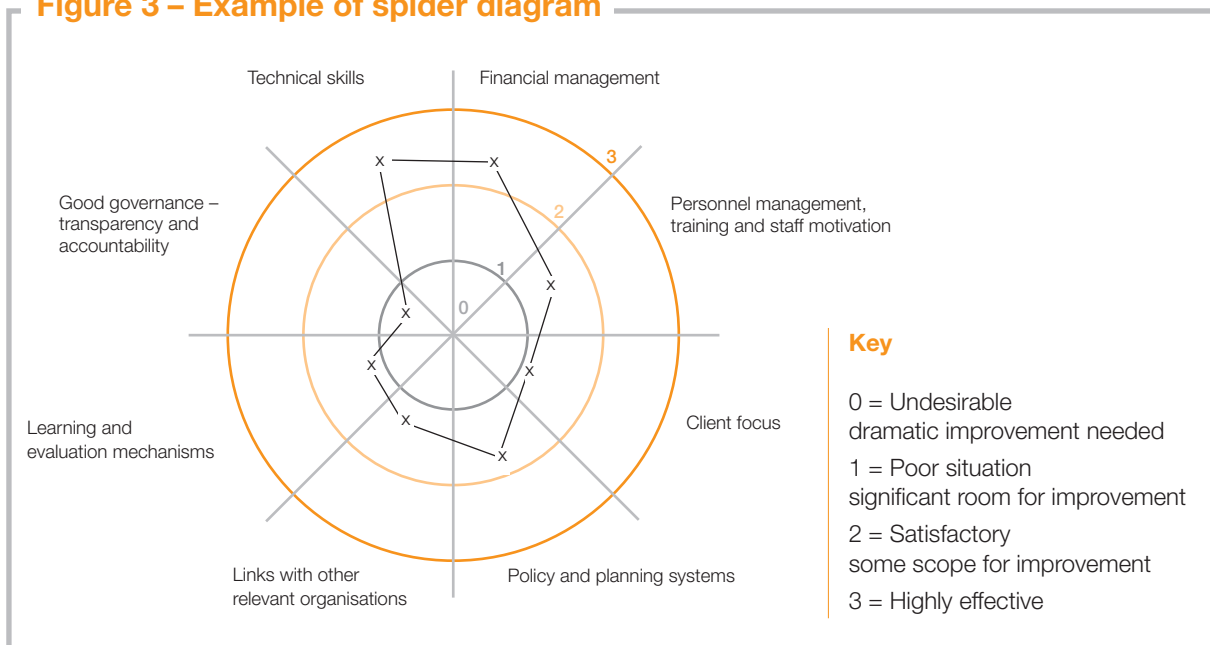
Figure 2 – SWOT matrix example

Strengths	Weaknesses
<ul style="list-style-type: none"> • Clear set of key health indicators and targets, derived from country MDGs • Widespread network of clinics and health centres through which there is face to face contact with clients • Existing record keeping and reporting systems in place (e.g. MCH data, clinic/hospital admissions, outpatient records, etc) • Skilled data analysts at National HQ 	<ul style="list-style-type: none"> • Data from clinics and hospitals is often incomplete and not provided on time • Very limited analytical capacity at district or provincial levels • Inadequate resources provided to support data collection, reporting and analysis • Little or no feedback provided to health staff on their reports from senior MOH staff • Management do not want to hear 'bad' news and do not reward honest reporting of problems
Opportunities	Threats
<ul style="list-style-type: none"> • More data could be analysed and used at provincial and district levels • Feedback from management could increase quality and timeliness of reporting • Training and basic resources could be provided to staff to support data collection and reporting 	<ul style="list-style-type: none"> • Highly centralised management decision-making culture in MoH and government • Loss of staff from remote rural areas (urban drift) • Corruption in allocation and use of critical medical supplies

Spider diagrams

Spider diagrams can be used to help analyse and present a visual summary of institutional capacity. The collection of relevant information can be undertaken using a variety of tools, including inspection of administrative record and management reports, interviews with staff and clients, and observation of operations/activities 'on the ground'.

Figure 3 – Example of spider diagram



Institutional capacity assessment checklist

The table below provides a set of key questions that can be asked as part of an Institutional Capacity Assessment, specifically focused on an organisation's capacity to plan and monitor its activities/projects (7). These questions do not generally lend themselves to simple yes/no answers. Rather they should be used to guide and prompt discussion, analysis and the formation of a considered opinion.

(7) Extracted from the PCM Guidelines, Section 6. The EC has also produced a Concept Paper entitled 'Institutional Assessment and Capacity Development – Why, What and How'.

Policy making and planning

- Is the organisation's mission statement adequately translated into organisational policy, strategies and plans?
- Is the strategy translated into annual implementation plans and operational budgets?
- Is there a structured process for monitoring and reviewing the implementation of operational plans, and adjusting plans in light of lessons learned?
- Has the organisation effectively realised former plans and budgets?
- Is there an evaluation capacity within the organisation, and do lessons learned get fed back into policy making – either formally or informally?
- What incentives do agency managers and staff have to monitor and report accurately and honestly?

Systems

- Does the organisation produce financial and annual reports and are these of an adequate quality? Are these independently audited?
- Are experiences of other stakeholders (including donors) with regard to management of funds by the organisation satisfactory?
- Does the organisation provide regular information of an adequate quality about its operations and achievements?
- Are basic administrative and financial management systems and procedures documented?
- Is there a clear system of work planning and operational monitoring which adequately involves the organisation's staff?
- Are these systems understood and applied by managers and staff?
- Are procurement procedures appropriate and is corruption a concern?

3.6 Consider the incentives to monitor

The issue of **incentives** to monitor is important. The following list profiles some of the key factors that may act as an incentive (or disincentive) for agency staff to effectively monitor and report on project implementation and results. Most of these factors are related to organisational culture and human resource management practices.

- **Management priority.** The organisation's senior management must demonstrate to staff that they place a high value on the collection, analysis, reporting and use of results-focused management information. There must be a clear demand for this type of information (not just expenditure targets), and when/if it is not forthcoming, there must be clear feedback from senior management to the responsible staff that changes/improvements are required.
- **Information sharing, critical reflection and learning.** Effective monitoring is encouraged when senior management (and thus the organisation) promote and encourage staff to be analytical and provide constructive critique. Staff should feel confident to identify and highlight problems impacting on project performance (even when this might reflect negatively on the organisation itself). Opportunities must be provided for staff to share information with their peers and colleagues, both formally and informally. And there must not be a culture of 'shooting the messenger' when potentially bad news is delivered. Identification of poor performance must be seen as a positive opportunity to learn lessons and improve.
- **Time and resources allocated.** Monitoring and evaluation work require the application of time and resources. Policy statements and good intentions are not enough. Organisational and project budgets must include specific resources to allow monitoring activities to be undertaken, including the conduct of field visits, organisation and delivery of workshop and training events, contracting of independent expertise, etc. Staff duty statements should also make clear their responsibilities with respect to monitoring and reporting.
- **Feedback provided.** If monitoring reports are not acknowledged or clearly used to help inform management decision making, there is little if any incentive to put any value on the activity. Monitoring and reporting may then just be carried out as a bureaucratic requirement, and little if any attention paid to the real value (quality) of the information generated.
- **Recognition and reward.** Timely collection, analysis and reporting of useful information needs to be recognised and rewarded. This is part of the feedback process noted above. Sometimes a simple letter or memo from senior management thanking a work unit or staff member for their efforts can be a significant incentive to perform. Other non-financial rewards can be provided, such as broader publication/ dissemination of good work practices, selection to attend interesting seminars/conferences, award of 'certificates of appreciation', etc.

Task Managers should seek opportunities to discuss such issues with implementing partners in order to support ongoing improvements in the quality of monitoring and reporting. Providing considered and clear feedback to implementing partners on their project reports is probably the most practical and useful starting point.

4. Collecting relevant information

This section provides:

an overview of some of the Task Manager's main information sources and how to make the most of them, including:

- project progress reports from the implementing partner;
- reports from the Result Oriented Monitoring system;
- field visits; and
- other sources such as special research/studies, reports of other donors and informal ongoing contact with stakeholders.

The aim is to support the Task Manager's role as an informed dialogue partner to assist the Task Manager in processing relevant information to fulfil reporting requirements⁽⁹⁾ and to help develop effective and better integrated monitoring systems at the level of each EC Delegation or EuropeAid unit in charge of 'centralized operations'.

4.1 Issues

The Task Manager needs to collect information from a variety of sources to support his/her understanding of what is happening 'on the ground' with respect to project progress and performance. The primary focus should be on getting good quality information from the project's **internal monitoring system**. Analysis of project reports is therefore an important Task Manager responsibility, as well as providing clear feedback to support continuous improvement.

Information from internal project monitoring should nevertheless be supplemented by information from other sources such as field visits undertaken by the Task Manager him/herself, EC's Results Oriented Monitoring (ROM) reports and/or specially commissioned surveys/studies.

4.2 Project progress reports

Project progress reports (completed by the implementing partner and/or contractor) are an important source of information for the Task Manager. Indeed, these reports often trigger financial payments.

In order to promote aid effectiveness principles (ownership, alignment, harmonisation, etc), EuropeAid should not generally be imposing its own report formats, unless there is nothing else available or being used. Rather, support and advice should be provided to build the capacity of 'local' systems, particularly when working with/through partner government agencies. In those cases where a project is being co-financed with other donors, it is even more important that each donor does not impose a separate set of reporting requirements on the implementing partner (see section 45 of the Paris Declaration).

Some key points for the Task Manager to keep in mind include:

- **Limitations.** First of all it is important to recognise the limitations of formal document based reporting. While some organisations and cultures rely heavily on the written word, and 'paper-based' reports, many do not. What is appropriate for a well resourced government agency in a developed country, is unlikely be appropriate for an inadequately resourced organisation in a poor country. And even within a more 'sophisticated' and well resourced agency (think of your own!), there is often a surfeit of reports which serve little practical purpose.
- **Information user.** As with all other elements of monitoring systems design and implementation, there needs to be continuous effort to give clear focus to the real information needs of specific project stakeholders. The quality of information provided through formal reports must be 'reality-tested' by getting the input of report users.
- **Content/information requirements.** The key concern here is to promote a clearer focus on documenting and reporting achievement of results, not simply activities, input use and expenditure. But expectations must also be realistic. It is often the case that results are not delivered or demonstrated until later on in a project's life. Every progress report (particularly in the earlier years of a project) cannot therefore be expected to have a clear results focus. As long as there remains a clear logical link between the inputs provided, the activities undertaken and the anticipated results, reporting on the progress with delivering inputs and undertaking activities is useful and relevant. The critical issue is that those implementing the project understand that there is a results hierarchy, and that their activities therefore have a higher 'purpose' which must, in time, be demonstrated.

- **Format.** One way of helping to ensure that the project results hierarchy is understood by those preparing reports, is to clearly separate out the information reporting requirements into different sections, relevant to each level of the hierarchy. Thus having separate sections on: (i) purpose/outcome; (ii) results/outputs; (iii) activities/inputs; and (iv) finance/expenditure can be useful. A key issue then is to help make sure that these sections do not just start duplicating the same information – particularly the sections on **results** and on **activities** (a common problem). Another point to emphasise is that reporting at the **purpose** and **results** levels should be focused on the **indicators** contained in project plan documents.
- **Action oriented.** Project progress reports can be usefully structured around 3 simple categories of information: (i) progress/achievements; (ii) problems/constraints encountered; and (iii) action required. The ‘action required’ section can then be discussed in the appropriate project coordination/management forum, and be used to help track key issues over time.

Figure 4 – Suggested content of main types of reports

Inception Report (First Annual Plan)	Progress Report and Annual Plan	Completion Report
<p>Table of contents and list of abbreviations</p> <p>1. Introduction 1 page that summarises (i) basic project data (name, location, duration, value, key stakeholders, purpose and key results, etc) (ii) the status of the project at the time of reporting; and (iii) who has prepared the report, why and how.</p> <p>2. Executive summary and recommendations Concise summary (i.e. 2 pages) of the main issues and recommendations for the attention of key decision makers.</p> <p>3. Review of project design/financing proposal (relevance, feasibility and any changes required to design) (up to 10 pages) 3.1 Policy and programme context, including linkage to other ongoing operations/activities 3.2 Objectives to be achieved (Overall Objective, purpose, results) 3.3 Activities 3.4 Resources and budget 3.5 Management, coordination and financing arrangements 3.6 Monitoring, review and evaluation arrangements 3.7 Key Risk Management/Sustainability issues (update)</p> <p>4. Workplan for the next period (Annual Plan) 4.1 Results to be delivered – quantity, quality and time 4.2 Activity schedule – including any key milestones and lead responsibilities 4.3 Resource schedule and budget 4.4 Risk management & sustainability</p> <p>Annexes</p> <ul style="list-style-type: none"> • Updated Logframe Matrix • Monitoring and Evaluation Plan, including revised overall targets • Updated Annual Workplan for first year • Updated Annual Resource Schedule and budget • Other 	<p>Table of contents and list of abbreviations</p> <p>1. Introduction 1 page that summarises (i) basic project data (name, location, duration, value, key stakeholders, purpose and key results, etc) (ii) the status of the project at the time of reporting; and (iii) who has prepared the report, why and how.</p> <p>2. Executive summary and recommendations Concise summary (i.e. 2 pages) of the main issues and recommendations for the attention of key decision makers.</p> <p>3. Review of Progress and Performance to date (comparing against plan – efficiency and effectiveness) (up to 10 pages) 3.1 Policy and programme context, including linkage to other ongoing operations/activities 3.2 Progress towards achieving objectives (Overall Objective, purpose, results) 3.3 Activities undertaken 3.4 Resources and budget used 3.5 Management, coordination and financing arrangements 3.6 Key issues arising and action required</p> <p>4. Workplan for the next period (Annual Plan) 4.1 Results to be delivered – quantity, quality and time 4.2 Activity schedule – including any key milestones and lead responsibilities 4.3 Resource schedule and budget 4.4 Risk management and sustainability</p> <p>Annexes to the Annual Plan</p> <ul style="list-style-type: none"> • Updated Logframe Matrix • Summary performance data (results, milestones and expenditure – for reporting year and cumulative to date) • Updated Annual Workplan for next period • Updated Annual Resource Schedule and budget for next period • Other 	<p>Table of contents and list of abbreviations</p> <p>1. Introduction 1 page that summarises (i) basic project data (name, location, duration, value, key stakeholders, purpose and key results, etc) (ii) the status of the project at the time of reporting; and (iii) who has prepared the report, why and how.</p> <p>2. Executive summary and recommendations Concise summary (i.e. 2 pages) of the main issues and recommendations for the attention of key decision makers.</p> <p>3. Review of Progress and Performance at completion (comparing against plan – efficiency, effectiveness and impact) (up to 10 pages) 3.1 Policy and programme context, including linkage to other ongoing operations/activities 3.2 Objectives achieved (Overall Objective, purpose, results) 3.3 Activities undertaken 3.4 Resources and budget used 3.5 Management, coordination and financing arrangements 3.6 Sustainability issues</p> <p>4. Lessons learned 4.1 Policy and programme context – including institutional capacity 4.2 Process of project planning/design 4.3 Project scope (objectives, resources, budget, etc) 4.4 Project management/coordination arrangements and stakeholder participation 4.5 Project financing arrangements 4.6 Risk management and Sustainability</p> <p>Annexes</p> <ul style="list-style-type: none"> • Summary performance data (purpose, results and expenditure – cumulative to date) • Other

- **Clear and concise.** Keeping regular project reports clear and concise is important. Project reports should not try to provide full a discussion of all issues or concerns. They are not a substitute for all other methods of information dissemination and reporting, including face to face meetings, discussions, emails or other types of documented reports. They should only contain high value information that needs to go on record.
- **Frequency.** The frequency of reporting should be appropriate to need. As a general principle, the formal reporting should be as **infrequent** as necessary, given that time spent reporting is often time spent not 'doing'.
- **Language.** The language in which reports are written can be a significant issue. While a donor like the EC is likely to require its reports in one of their official languages, it must be clearly recognised that this may be of no use to some of the implementing partners. Allowance must therefore be made for language differences, including the provision of resources for translation where this may be required. Whichever language is being used, clear and simple writing which avoids jargon is best!
- **Feedback.** If those providing reports do not receive some sort of acknowledgement or direct feedback on the information they provide in formal reports, their interest in, and incentive for, preparing these reports will quickly wane. Even if reports keep coming, it is likely that their quality will decline.

An example of the structure and types of information that different types of project report might usefully contain, is provided in Figure 4 (sourced from PCM Guidelines, 2004). However, expectations must clearly be relevant to context. A small NGO run project would not be expected to report in as much detail (or sophistication) as a multi-million Euro engineering project being implemented through an international consulting firm.

A simple tabular report format for basic narrative reporting on physical progress is also provided in Figure 5 (also sourced from PCM Guidelines, 2004). A key consideration when looking at such reporting formats is whether or not they help identify key issues that need to be followed up on (action required) and then subsequently tracked.

Figure 5 – Example format for basic reporting on physical progress

Ref. No	Result description and indicators	Planned target/achievements for the reporting period	Progress/issues	Action required
1.1	<i>Increased coverage of sewerage network</i> No. of households and factories connected	800 households and 10 factories	400 households (50%) have been connected to mains sewerage and all 10 factories (100%). Primary constraints have been (i) willingness/ability of households to pay the connection fee; and (ii) some delays to engineering works in residential areas due to labour disputes.	Investigation required into householder's ability/willingness to pay. To be conducted as matter of urgency by water board and local government. Labour disputes require action by management of construction contractor. Contract penalty clauses to be applied.
	Etc.			

4.3 Result Oriented Monitoring (ROM) reports

The ROM is an important source of information which should be used by EC task Manager and by implementing partners⁽⁹⁾. As indicated in the ROM Handbook of July 2005 "External Monitoring by independent experts does not substitute for day-to-day monitoring by the Implementing Agency/PMU. ROM provides added value to other information already available". The ROM system is therefore complementary to monitoring undertaken by Task Managers as well as to internal monitoring conducted by Implementing Partners.

Figure 6 below summarises the main elements of ROM, internal monitoring by the project and the monitoring role of EC Task Managers, and highlights the important links between each of these sets of monitoring activities. Attachment 3 provides the format of the ROM Monitoring Report and the Response Sheet to be filled in by the Task Manager.

Figure 6 – Main features of different monitoring systems

	ROM	Internal project monitoring	Monitoring by EC Task Manager
Objectives	To provide independent assessment of project performance, with focus on 'results' To provide advice/recommendations to project stakeholders To generate aggregate data for reporting to EuropeAid executive and to European Parliament	To support effective and timely decision making by project managers To promote accountability for resource use and achievement of results	To support the Task Manager's role as informed dialogue partner, including as a source of advice/support for capacity building To support informed decision making by the Task Manager with respect to key decisions on project cycle and contract management To support informed and useful reporting by the Task Manager
Responsibility	EuropeAid Geographic Directorates with Coordination by Unit 03	Project implementing partners/contractors	Task Manager / EC management
Method	Short-visits to project sites by independent 'experts', on a periodic basis Analysis of project records and interviews with stakeholders Standardised assessment formats and quality criteria, using rating scale	Ongoing project management activity based on preparation of project plans, ongoing data collection, analysis of data and preparation of progress reports Consultation with stakeholders Participation in Project Steering Committee and other review meetings	Ongoing consultation with project implementing partners Field visits Analysis of project reports, ROM reports, etc. Attendance at Project Steering Committee and other review meetings
Product	ROM monitoring reports for individual projects, for sectors and for geographic areas	Project progress reports	Following appropriate instructions (CRIS Implementation Reports and / or Inputs into External Assistance Management Reports)
Format	Standardised format for reporting (attachment 3)	As agreed with IP	Standardised format for reporting (attachment 4)
Report cycle	Annually, for those projects re-monitored	As agreed with IP	Every half year, via CRIS Implementation Report

⁽⁹⁾ The ROM system is aiming to cover all projects with a budget of more than 1 million Euros. For the thematic budget lines, which often include projects of less than one million, the system aims at coverage of at least 10%. However, current coverage figures are much lower than this.

Task Managers should make the best possible use of ROM findings. ROM reports provide useful information on ongoing project implementation, in particular under the criteria of efficiency and effectiveness as shown in the box. This information can support better planning of monitoring activities (see Section 7) and fulfilling EC reporting requirements.

The quality of ROM findings and recommendations depend heavily on the quality of project plan documents (Logframe and workplan particularly) and on information generated through ‘internal’ project monitoring systems. Task Managers can therefore enhance the ROM process by supporting the implementing partner to review and update project plans on a regular basis and make ongoing improvements to the quality of internal project monitoring systems. Task Managers need as well to provide input to ROM visits and provide their reaction/opinion to ROM team recommendations in the Task Manager Response Sheet (see attachment 3). If ROM reports are of good quality/useful, Task Managers should also then follow up on whether ROM recommendations have been acted on by the implementing partner (or other identified stakeholders).

ROM teams need to ensure they actively engage with Task Managers during their visits, share information and provide expert advice on how a project is performing and how it might be improved.

As already said, project implementing partners need to understand the EC’s interest in demonstrating the achievement of results, and take on responsibility for ensuring that their internal project planning and monitoring systems help generate relevant and useful information in this regard. Internal monitoring by implementing partners is particularly important in providing information for ROM teams (and Task Managers) to help them make informed assessments of a project’s efficiency and effectiveness.

Projects are assessed against five criteria in ROM reports:

- **Relevance - Quality of Project Design:** The appropriateness of project objectives to the real needs and priorities of the intended target groups and beneficiaries, and to the physical and policy environment within which it operates.
- **Efficiency of Implementation to date:** The extent to which results have been achieved at reasonable cost, i.e. how well inputs and activities have been converted into results.
- **Effectiveness to date:** The contribution made by the project’s results to the achievement of the project purpose.
- **Impact Prospects:** The contribution of the project to wider sector objectives (e.g. the Overall Objective) and to the achievement of overarching policy objectives of the EC.
- **Potential Sustainability:** The likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended. Key factors that impact on the likelihood of sustainability include: (i) ownership by beneficiaries; (ii) policy support/consistency; (iii) appropriate technology; (iv) environment; (v) socio-cultural issues; (vi) gender equity; (vii) institutional management capacity; and (viii) economic and financial viability.

4.4 Making ‘useful’ field visits

Monitoring by the Task Manager should include making some short visits to project ‘sites’ (anywhere where project activities can be observed at first hand). Getting out of the office, away from the computer and phone, and visiting project partners where they work is an essential part of the Task Manager’s job. This is how most of the real learning about what a project is or is not doing takes place. This also directly supports the role of the Task Manager as an ‘informed dialogue partner’.

It is important that such field visits be planned and organised in collaboration with implementing partners (when appropriate), and also with any other donors who may be involved in the project. Ownership and harmonisation objectives must be appropriately supported.

Planning the field visit

Making the most of a short-visit is important, whether it is a visit for one day or one week. One way of improving the value of short visits is to put some time and effort into planning and preparing for the visit.

A simple checklist of things to plan for is provided below:

Box 3 – Checklist of things to do/consider in planning a field visit

No	Checklist of things to do/consider in planning a field visit	Done?
1	Collect background documents, including (as appropriate): (i) Financing proposal, (ii) Logframe matrix, (iii) most recent annual/updated work plan and budget; (iv) previous monitoring/progress report(s); (v) relevant financial statements.	
2	Familiarise yourself with the content of these documents, and discuss issues with the implementing partner and with other colleagues who may be working on the same or similar projects.	
3	Clarify the purpose of the visit: What will the visit achieve? Is the purpose of the visit primarily to 'audit/check', or is there also a support/advisory role to be played? What will the implementing agency/stakeholders get out of the visit? How can you add value?	
4	Identify the key issues that need to be addressed during the visit (look at the plan, the key assumptions and any issues raised in previous progress reports). Develop a preliminary list of key questions that it would be useful to ask and have answered.	
5	Clarify who will/should be involved in the visit, both in terms of the 'monitoring team' and other stakeholders who you wish to meet with. Involve the implementing partner and other donors who may be interested in participating.	
6	Think through and clarify the proposed approach/methods to be used to collect, record and analyse information: Who do you want to meet, where and when? Do you want to conduct group or individual interviews? Do you want to meet with women separately from men? What do you want to see – physically inspect? What administrative records would you like to see? How will you avoid 'bias' in terms of who you meet and what you are shown by partners/stakeholders who may try to show you only 'success' stories?	
7	Further develop a checklist(s) of key questions.	
8	Develop an indicative itinerary for the visit and confirm with those who need to know.	
9	Identify the resources that will be required and who will provide them/pay. Confirm that these resources are available (i.e. transport/fuel, accommodation, meeting rooms, etc).	
10	Clarify the expected output of the visit, including reporting requirements and how information will be 'fed back' to those who need to know.	

Where appropriate, the Task Manager should pay particular attention to thinking through how he/she can add value to the project through the field visit. Providing project implementing partners with good practice examples of project monitoring reports, making suggestions about how to more effectively collect and analyse data, and/or clarifying EC monitoring and reporting expectations might all be useful activities.

Question checklists for field visit monitoring

Question checklists are a relatively simple and practical tool which can help make regular field visits a more structured activity and support the production of a more consistent and relevant base of management information.

As part of conducting field visits, the Delegation/Unit may therefore choose to establish a common monitoring report/assessment checklist format that Task Managers can use. This would logically be linked to the information elements required in the Reporting requirements (CRIS reports). Some general tips with respect to developing such checklists are provided below.

While a clearly structured checklist is useful, it should not restrict the user taking initiative in asking some other questions or asking questions in a different order, but should rather help ensure that all the important issues are covered.

The following principles should be kept in mind when preparing a project monitoring checklist(s):

- the staff/officers responsible for conducting interviews/monitoring visits should draft the checklist(s);
- checklist should be reviewed by Task Managers/supervisors at higher levels to ensure accuracy, brevity and specificity;
- checklists should be field tested by those who are going to use them, the results reviewed and appropriate modifications made;
- checklists should be brief and specific. Different checklists could be prepared to cover different issues. This allows for more flexibility in the field and enables staff to decide on the issues to be covered during particular visits;
- checklists should be used as a guide and should not restrict the interviewer from inquiring about other matters as they arise.

The main potential benefits of staff/Task Managers using question checklists are:

- they help to ensure that key issues are covered during field monitoring visits;
- they help to ensure consistency and comparability of reporting;
- the discipline of checklists helps to institutionalise a system of project monitoring which assists incoming staff to familiarise themselves with the project and thus become effective more quickly;
- a structured information collection and reporting system is an important ingredient for developing an institutional memory. Ad hoc systems tend to become very personalised and break down when the officers leave; and
- the completed checklists may provide some raw data for subsequent analysis, if the questions are adequately structured.

4.5 Other information sources

Both Task Managers and implementing partners should also look at a range of other options for accessing information relevant to monitoring the relevance and effectiveness of a project. These might include:

- **Ongoing informal contacts with project stakeholders and other colleagues:** Informal contacts are important. Once personal relationships have been developed, including a degree of mutual respect and trust, then the quantity and quality of information that can be accessed is usually greatly increased. Working lunches, coffee shop meetings, discussions around the golf-course, etc – can all have an important part to play in understanding what is really going on!
- **Other local development agencies and civil society groups:** There are often other development agencies or civil society groups that have an interest in, and/or knowledge of, the work that the project is undertaking. Making contact with such agencies/groups, and sharing information with them, can be an extremely valuable additional source of insights into what is happening within the broader project environment.
- **Other government agencies:** While a project may be working through one specific institutional implementing partner, there may be other government agencies that are working in related or complementary fields, and which collect information relevant to monitoring a project's performance. For example, Department's of Finance and Planning, and National Statistics Offices, may have information which can supplement or complement that being collected through a project's internal monitoring systems.
- **Other international donors:** There are often other international donors working on the same or similar development issues and with the same implementing partners. They may be conducting their own monitoring activities in one form or another, and sharing information and ideas with them can again support the project monitoring process. Opportunities for donors to harmonise their approaches to project planning and monitoring, and to align these with partner systems, should be actively pursued.
- **Local media:** It is always worth keeping an eye on the local media to see what is being reported in areas of interest relevant to a project.

5. Adding value through data analysis

This section provides:

a brief profile of some of the main ways in which quantifiable data can be analysed to help turn it into useful 'performance information'.

This aims primarily to support the Task Manager's role as dialogue partner, through the Task Manager encouraging implementing partners to look at ways in which they can 'add value' and optimize the use of the data they are collecting through their own internal monitoring systems.

5.1 Issues

Collecting data is one thing – analysing it effectively and turning it into useful management information is another. A large amount of information produced through monitoring activities can be wasted if it is not appropriately analysed and presented.

When thinking about the way in which data should be analysed, different approaches are usually required for quantitative and qualitative data. By definition, quantitative data involves numbers that can be subjected to various forms of statistical analysis. Qualitative data on the other hand usually provides information on people's views, opinions or observations and is often presented (at least initially) in a narrative form⁽¹⁰⁾. An appropriate balance between the two is often best – with the interpretation of quantitative data being 'enriched' through an understanding of 'what people think'. Also, while some types of project lend themselves to quantifiable monitoring (e.g. those focused on increasing agricultural production, or increasing immunisation coverage) others do not (e.g. institutional capacity building within an environmental research agency).

5.2 Tips and Tools

Data analysis

The following table provides an overview of some of the main methods that can be used to analyse and present **quantitative** data in a way which project managers (and other stakeholders) are likely to find useful. In most cases there is no need for any complex statistical analysis.

Type of analysis	Description
Planned vs. actual	Monitoring is primarily about comparing what was originally planned with what actually happens. This analysis should therefore form the base of any monitoring, review and reporting system. For example, if we learn from survey results that agricultural production among targeted farmers has increased by one tonne per ha (for specified crops), as a result of adopting new husbandry practices, we need to know how this compares to what was planned in order to make an assessment of performance. If the plan was to increase production by 2 tonnes, and all the resources/costs originally budgeted have been applied/spent, this could then indicate a problem either with the technology, with project management, and/or the original plan estimates.
Percentages/ ratios	Calculating percentages and ratios is a particularly useful way of presenting performance information. Assuming that the planned targets are reasonably accurate/realistic, such ratios help us see how close we are to achieving what we originally intended. If for example we are comparing planned with actual performance, low percentage figures immediately highlight areas of potential concern and should trigger an analysis of cause and subsequent decisions on taking remedial action.

⁽¹⁰⁾ However it is of course possible to turn qualitative information (people's views and opinions) into a quantitative form, such as through the use of questionnaire formats which ask respondents to rate or rank preferences, priorities, interests, etc.

Type of analysis	Description
Trends over time and comparisons between periods	<p>An analysis of available data over time can be extremely useful in revealing how the project is performing. This can help us to see whether things are getting ‘better’ or ‘worse’ (i.e. in immunization coverage rates), and allows seasonal variability to be identified.</p> <p>Comparison with previous periods can also be useful when there are no clear current targets for the activity being monitored or reviewed. Reference to what happened at the same time in previous periods/years can at least then provide an indication of what results might reasonably be expected.</p> <p>When analysing trends over time it is important to remember that one must compare ‘like with like’. The use of a consistent set of indicators (measuring the same thing in the same way at different points in time) is therefore essential.</p>
Geographic variance	<p>Projects which are being implemented (or providing support) in a number of different locations can be monitored in such a way that geographic variations in performance can be identified. Aggregate service delivery or ‘outcome’ indicators may show results that accord generally with planned targets, but not reveal location specific problems that need to be addressed. An analysis of data from different districts, provinces or regions may therefore reveal issues requiring management attention.</p>
Group variance	<p>As with geographic variance, it may be important to monitor variance in outcomes between different social groups. For example, an important concern for many projects will be the impact of the project on both women and men. This requires that data be disaggregated by gender and this then be systematically analysed on a regular basis. It is also important to investigate if the project is including specific vulnerable groups, including the disabled (i.e. in terms of building design).</p> <p>Poverty alleviation projects will also be concerned with identifying which groups within the community are benefiting from project interventions. An agricultural extension project, for example, which targets low income farmers or female headed households should be collecting data which will allow the client profile to be analysed.</p>
Work-norms and standards	<p>Many service delivery activities can be usefully monitored by establishing, and then collecting information on, work-norms or standards. For example – an agency’s response time to requests for assistance, waiting lists for minor surgery, the number of prisoners held on remand and the duration of their detention before sentencing, or pupil/teacher ratios – can all be analysed and compared with agreed work norms or standards to help managers measure performance and identify where improvements might need to be made.</p>

Interpreting the data

As previously noted, the indicators (and resulting data) may give us an idea of **what** is happening, but not necessarily **why**. Interpretation of the data is thus key. For example, a project may not be achieving its objectives and targets for a variety of reasons, including:

- unrealistic initial objectives and targets (poor design);
- constraints outside the project’s direct control, such as the actions (or inaction) of another Government Ministry; and/or
- poor project management.

These reasons need to be understood if appropriate corrective actions are to be identified and implemented. Data analysis will often therefore raise additional questions, which then need to be investigated further by the implementing partner and other concerned stakeholders.

6. Regular internal reviews and sharing information

This section provides:

- A summary of tips and tools for organising effective internal review meetings; and
- An overview of options for promoting effective communication and information sharing among stakeholders.

The aim is primarily to support the role of the Task Manager as a dialogue partner, through highlighting practical issues and options that can be discussed with implementing partners regarding the value of regular internal reviews. Monitoring is closely linked to communication and EC Task Managers have an important role to play in promoting effective communication.

Good practice indicates that regular internal reviews are important in providing a structured opportunity for project implementers and other key stakeholders to **share** information collected through monitoring activities, reflect on significant issues relating to project implementation, make collective decisions and re-plan the forward programme as appropriate. ⁽¹¹⁾

Regular internal reviews may be conducted at different levels within the project management structure (i.e. at field level or at HQ), at different times and with varying frequency. Project Steering Committees are one such review forum. The main points are that they should be regular (pre-planned), they should have a clear agenda and structure, and should be adequately resourced within the project work plan and budget. Where possible, the review process should be linked into the implementing partner's own established processes for conducting project/programme performance reviews.

The Task Manager can play an important role in promoting effective regular reviews by emphasising their value, encouraging stakeholder participation and making useful EC contributions to the discussions and analysis. ⁽¹²⁾

6.1 Regular internal reviews

Some tips and tools to help plan and manage regular reviews are provided below.

Purpose

Regular review meetings are an extremely useful mechanism to support:

- reflection on project progress;
- exchange of information and ideas;
- team building;
- problem solving; and
- forward planning.

Regular reviews may be more or less formal – depending primarily on their purpose and who is expected to participate. Generally speaking, it is useful to have an 'internal' review of project progress (that involves key individuals directly involved in project implementation) on at least a six-monthly basis. A checklist of things to consider in organizing and managing regular internal reviews is provided below:

⁽¹¹⁾ Regular internal reviews are not the same as project reviews (e.g. mid-term reviews) which are traditionally led by donor agencies, with the aim of providing an independent assessment of project performance.

⁽¹²⁾ The EC's PCM Guidelines of 2004 also contain specific guidance on promoting participation and using facilitation skills (Section 8 of the Guidelines)

Preparation

Prior to conducting a review meeting, the following tasks should be undertaken by those responsible:

- Confirm who will attend/participate and who will chair the meeting. Specifically consider whether there are opportunities for involving other relevant donors.
- Confirm the date, time and location of the meeting with participants.
- Prepare a draft agenda and distribute it for comment/additions (see next page).
- Assemble relevant data/information (including management/monitoring reports) and distribute copies in advance to those attending the review meeting.
- Organise other logistics for the review meeting (e.g. secretarial support, transport, venue, required equipment/materials for presentations, refreshments, etc).

The review meeting

Managing the review meeting is primarily the responsibility of the 'chairperson'. The chair should help ensure that:

- the available time is effectively managed, based on the agreed agenda/timetable;
- each participant is given adequate opportunity to share his/her views (the meeting is not dominated by the loudest/most talkative);
- key issues are clarified;
- disagreements are cordially resolved;
- a problem solving approach is taken;
- agreement is reached (by consensus or vote) on key actions that need to be taken;
- an accurate record of discussions and decisions is taken.

Follow-up

Key follow-up actions should include:

- Finalisation and dissemination of a record of key decisions taken/agreements reached.
- Revision to forward work plans as required.

An indicative agenda for a review meeting is provided in attachment No 5.

6.2 Communication and information dissemination

Issues

Formal reporting and structured internal reviews are part of the communication and information sharing process. However, there is often a need to communicate more widely with a broader group of stakeholders, including beneficiaries who may not be directly engaged in the formal processes.

Communication and information dissemination promote accountability, transparency, and shared learning. Communication includes listening, building trust, sharing knowledge and skills, building policies, debating and learning for sustained and meaningful change.

The Task Manager should: (i) support the IP in drafting a communication plan; (ii) support the IP to effectively communicate; and (iii) ensure that he/she also communicates and shares information effectively.

It is particularly important to clarify roles and responsibility in this area between the Task Manager and the implementing partners following appropriate guidance⁽¹³⁾ that clearly indicates their respective roles for each type of communication activity.

⁽¹³⁾ See the 'Communication and visibility Manual for External Actions'
http://www.cc.cec/dgintranet/europeaid/info_com/visibility_issues/design_quality_support_en.htm

Tools

The scope and nature of communication activities should be appropriate to the scale and scope of the project. As ever, resources are required (e.g. in the project budget) to allow these things to happen. It is therefore important that communication activities are considered during the design of the project. There are many possibilities to be considered, the choice of which will depend on the objectives of communication, the target group(s) and resources available. Some options are listed below. ⁽¹⁴⁾

- **Community meetings.** Projects which are working with poor communities should look for regular opportunities to provide information, and seek comment and feedback, directly with these groups. Community meetings, appropriately organised and facilitated, and with useful supporting informational materials, provide a valuable means by which effective communication can be ensured.
- **Printed media.** Newsletters, posters, newspapers, journals, magazines and specific project reports are all potential methods for communicating about project activities, results and lessons learned. Print media can be practical and cost effective, but it depends on having a literate audience.
- **Photos/Film/video.** With the wide-spread availability of relatively cheap film-capable cameras, computers and projectors/beamers, it is no longer essential to have professional film makers to produce useful slide shows and short films which help explain what a project is doing on the ground. Such materials can also be burned to cd and widely distributed for others to access and use.
- **Radio and television.** In relatively remote rural areas, radio can be a particularly effective medium to communicate in a cost effective manners. Televisions are also increasingly widely available, and consideration should be given to using local TV stations to run short news items on what the project is doing and achieving.
- **Web-based.** Project web-sites can be a very useful way of making information available, although it is not in itself a proactive way of communicating. Nevertheless – it allows all manner of project related information to be made available remotely to those who are interested, and saves on the time and effort required to print and post paper based materials out to interested parties.
- **Seminars and conferences.** Organising seminars and conferences about project activities, or at least participating in relevant events that have been organised by others, is also a means of communicating. Is the project making maximum use of such opportunities?
- **Drama/theatre and music.** In some circumstances, drama/theatre and music should be considered as a useful mechanism for communicating.

⁽¹⁴⁾ For additional information on communication tools, please refer to the Visibility Guidelines for EU External Actions http://www.cc.cec/dgintranet/europeaid/info_com/visibility_issues/visibility_guidelines_en.htm

7. Organizing EC monitoring activities

This section provides:

- A proposed process and example format for screening a portfolio of projects to determine their relative ‘risk’ and the critical issues that need to be monitored and ‘tracked’;
- A proposed process and example format for preparing an overall project portfolio monitoring plan at the level of each Delegation/Unit;
- A proposed format for compiling a simple ‘overview table’ of all projects at the level of each Delegation/Unit, based on information collected through existing information systems.

The primary aim is to support the Task Manager in progressively developing more effective and better integrated monitoring systems at the level of each EC Delegation or EuropeAid Unit in charge of ‘centralized operations’.

7.1 Issues

Support for effective monitoring requires that time and resources be allocated to the task(s). At present, many Task Managers simply do not have either the time or resources available. These resources should therefore be explicitly accounted for in each Delegation/Unit’s work plans and budgets (such as in the Annual Management Plan), based on a ‘screening’ and risk analysis of each project within the overall portfolio.

A three-step process is proposed including:

1. **Project ‘screening’**, to categorise projects according to their ‘risk’ of not achieving objectives/results, using a checklist and a rating scale.
2. Identification of specific **issues** that need to be **‘tracked’**, and therefore monitored.
3. The development and use of a **‘Project Portfolio Monitoring Plan’** (PPMP). This would help ensure that monitoring tasks (and relevant capacity development initiatives that support internal monitoring capacity) are appropriately prioritised and explicitly considered in annual work planning processes within each Delegation/Unit. The process of preparing and then reviewing the PPMP could also support the preparation of External Assistance Management Reports.

The proposed steps in the process are briefly described below. It is important to note that these tools are proposed as supporting internal management and are not intended to become a new set of reporting requirements from Delegations. Results from this analytical process should primarily be used ‘within’ each Delegation/Unit, but might nevertheless support regular reporting (such as completing/updating the CRIS report, the preparation of Annual Management Plans and External Assistance Management Reports). Each delegation will decide how frequently to conduct this process depending on the context and on project performance.

7.2 Project screening

This could involve:

1. **Assembling a list** of all ongoing projects (in the implementation phase, or due to start in the coming year). Basic details should include: (i) project name; (ii) start/finish date and duration; (iii) total value (EC contribution); (iv) EC funding source/budget line; (v) lead implementing partner; (vi) geographic location of main activities; (vii) if covered by ROM; (viii) if other donors involved; and (ix) responsible EC Task Manager.
2. **Screening** each project against a set of issues related to the risk of a project not meeting its objectives. This will help identify what the risk issues are, assist in determining a risk rating for each project, and help identify what follow-up may be required with respect to project monitoring/support activities.

Four categories of ‘risk’ could be used, to assist in prioritising which projects need particular monitoring attention and support.

- **No risk (1)**: there is no apparent risk of the project not delivering planned results.
- **Low risk (2)**: the risk of the project not delivering results is low, but some issues have been identified which may require follow-up.

- **Medium risk (3):** difficulties have been identified that will impact negatively on the project’s ability to deliver its expected results, and specific follow-up is required.
- **High risk (4):** serious shortcomings have been identified and the risk is high that the project will not produce its results. Significant support/follow-up is required.

Figure 7 presents a proposed project Screening Table which could be used to help determine a project’s relative risk rating. The ‘issues’ included are provided as examples only, and each Delegation/responsible unit should feel free to adapt/change these to suit their specific context and needs. It’s nevertheless important that a standardised format is agreed upon at the level of each delegation/unit with a view to ensure consistency of the screening exercises.

Figure 7 – Project Screening Table

Project Name:		
Start & Finish:	Value:	IP:
Date of assessment:	Task Manager:	
General Issues	Risk rating (1, 2, 3, 4)	Issues for follow-up/tracking
1. Complexity and/or political sensitivity of the project (e.g. anti-corruption, human rights, nuclear power)		
2. Level of identified environmental or social risks (e.g. re-settlement, dam/irrigation, ethnic minorities)		
3. Relative value of the project		
4. Other / 'X' factors (e.g. significant changes in project context and relevant sector policy, conflict zone, etc)		
Project performance related issues	Risk rating (1, 2, 3, 4)	Issues for follow-up/tracking
1. Quality of project design and/or annual work plans (e.g. Logframe, indicators and workplan schedules)		
2. Activities carried out and results achieved to date		
3. Quality of project monitoring system		
4. Institutional capacity of project implementing partner (management systems)		
5. Financial execution (against budget and time)		
6. Implication of the contracting deadline (d+3)		
7. Others		
Overall risk rating for project		

In the process of completing the table, some issues may not be relevant if a project has not yet commenced implementation, or is in the very early stages of implementation and there is therefore no ‘performance’ data. The rating for such criteria could then just be left blank.

The overall risk rating given to each project should be based on a broad qualitative judgement of the ‘risk’ issues considered, and their relative importance. While it is possible to add all ratings, divide by the number of issues considered and determine an average score, this may imply a misleading level of quantified/statistical precision.

The screening table should be completed using information from all relevant sources, including Project Progress Reports, CRIS implementation reports, ROM reports, Task Manger field visits, etc.

7.3 Tracking key issues

The last column in Table 7 lists ‘issues to be tracked’ that require special attention and possibly specific monitoring activities. All the information provided by the screening table, its overall rating on risks and the issues that need special follow-up, should then be used to establish priorities to be fed into the Project Portfolio Monitoring Plan.

The screening exercise and the identification of key issues to be tracked should also support the progressive building of institutional memory within each delegation/unit and could also facilitate the completion of the CRIS Implementation Report (in particular section 7 and 8 as shown in the table at Attachment 4).

7.4 Project Portfolio Monitoring Plan

Following project screening and identification of key issues, a project portfolio monitoring plan can then be prepared (and subsequently updated on an ongoing basis). The primary purpose of preparing such a plan is to systematically think through what needs to be done to monitor the project portfolio, when and with what resource implications. It should assist in developing a broad overview of the portfolio and better targeting of scarce resources for monitoring support.

Suggested steps would include:

- For each project, or group of projects, consider the required nature of monitoring, or monitoring support that needs to be provided by the EC Task Manager(s). Options might include such things as field visits, attendance at review workshops or formal project meetings, participation with other donors in joint monitoring/review missions, ROM team visits, organisation and delivery of specific capacity building activities (e.g. monitoring workshops/training), planned evaluations, and/or ‘remote’ monitoring activities such as assessment and response to formal monitoring reports and conference calls/video hook-ups. Harmonisation of monitoring with other donors should also be explicitly considered.
- Prepare a draft summary of the proposed Monitoring Plan (for the whole Delegation/Unit) which should include consideration of the key monitoring tasks, responsibility, timing and any significant resource implications. An example blank format for a Project Portfolio Monitoring Plan is shown at Figure 8, while Figure 9 includes example information for one project.

Figure 8 – Projects Portfolio Monitoring Plan

Project Name	Risk rating (1, 2, 3, 4)	Planned Monitoring Activities (including with other donors)	Timing/duration	Resource implications for Task Manager/EuropeAid

Figure 9 – Example of a Projects Portfolio Monitoring Plan

Project Name	Risk rating (1, 2, 3, 4)	Planned Monitoring Activities (including with other donors)	Planned Timing/duration	Resource implications for Task Manager/EuropeAid
Project A	3	2 Field visits during the year by Task Manager – 1 to coincide with planned ROM visit. 1 to be jointly undertaken with other donors. Steering committee review meeting Monitoring systems workshop with implementing partner Review and assessment of 6 monthly monitoring reports from implementing partner	2 day trip in March. 3 day trip in Sept. June 24 th Sept. 1 week June and Dec	Total of 10 days to prepare, conduct visits and report Up to 10 days input to prepare, participate and follow-up Task Manager’s input of 5 days (contract management) 6 days – document review, discussions, feedback, CRIS updating

7.5 Project portfolio overview table

Figure 10 provides an example for a ‘Project Portfolio Overview Table’. The purpose is to provide, at the level of the Delegation/Unit, a synthetic and practical overview organized by sector/policy area of the situation of each project. The table would include projects funded by EDF/budget and thematic budget lines and may be updated twice a year. The information would come from all possible sources (as profiled in this Document), including the proposed ‘Project Screening Table’ and the ‘Project Portfolio Monitoring Plan’ and the CRIS Implementation report or equivalent reporting format.

Once again, this is not presented as a ‘required’ format, nor should it constitute another reporting requirement. It is rather provided as an idea/option for consideration and appropriate adaptation.

Figure 10 – Suggested format for a Project Portfolio Overview Table

Project Name & Number	Short description	Geographical zone/area	Implementing partner	Start and finish date	Global Commitment	% commitment/ payment	Overall risk rating	Monitoring Issues

Note: These information elements are provided as options/ideas only. The column entitled 'Overall Risk Rating' could use the same rating system as proposed for the Project Portfolio Monitoring Plan, and draw the appropriate rating from the project screening process. Many of the columns coincide with the CRIS Implementation Report format.

Attachment 1

Note on thematic budget lines

'Calls for Proposals' (CfPs) are used under thematic budget lines (such as for Human Rights, Gender, Environment, Food Security and Co-Financing with NGOs) to provide grant funds, particularly to non-state actors, international organisations and national public and semi-public bodies. The use of CfPs is now the general rule when dealing with non-state actors. Geographical budget lines also use CfPs to finance non-state actors (such as through the Asia Links Programme), and this approach is also being used by Financing Facilities such as the Water and Energy Initiatives.

The primary distinction between using CfPs and using 'direct arrangements' with partner governments relates to the scale and scope of projects, and the management responsibilities of the EC at different stages of the project cycle. With respect to project monitoring, the CfP approach poses particular challenges, because:

- If calls are managed and monitored from HQ, Task Managers may have little or no opportunity to have direct contact with implementing partners or physically visit project 'sites';
- There are often a large number of relatively small projects, which are geographically dispersed and implemented by many different agents;
- EC Delegations may not feel responsible for projects funded through CfPs if they have not been adequately involved in the call process; and
- Non-state actors funded through CfPs may be particularly protective of their independence, place significant emphasis on their advocacy roles, and be unfamiliar with institutional reporting requirements.

These particular challenges give added emphasis to the need for Task Managers to support the development of effective **internal** project monitoring systems (e.g. within NGO partner agencies), as well as playing an enhanced role in political dialogue with partners. The review of Task Manager roles suggested in Section 2 of this Document is therefore particularly important in this context.

Attachment 2

Summary of Delegation survey results

A survey of Delegations was designed and administered using a web-based survey tool called 'SurveyMonkey' in 2006. The response was very good, with some 68 Delegations sending in completed questionnaires. If you wish to see the survey form, please look at it on the web at:

<http://www.surveymonkey.com/s.asp?u=241342581400>

A summary of the results is provided below with respect to each of the main questions:

Which region do you work in:

Sub-Saharan Africa, Caribbean, Pacific	41 responses
Asia and Central Asia	9 responses
Latin America	10 responses
Southern Med and Middle East	8 responses

General constraints to effective monitoring:

Capacity of local implementing agencies	Rated as most significant
Poor quality of project plans	Rated Second
Bureaucratic constraints associated with donor practices	Rated Third
Capacity of donor funded TA	Rated Fourth
Capacity of EC Delegation	Rated Fifth

Key problems impacting negatively on effective internal monitoring:

The 8 most frequently identified problems were (in descending order):

1. Overall monitoring system not clearly defined	40 responses
2. Indicators are not clear	38 responses
3. Adequate resources for monitoring not available	30 responses
4. Project objectives are too ambitious/unrealistic	29 responses
5. Monitoring information not focused on real information needs	26 responses
6. Project monitoring seen as bureaucratic burden	24 responses
7. Monitoring seen as top-down control function	23 responses
8. No clear incentives to undertake effective monitoring	20 responses

Narrative comment/other issues:

The most frequently noted issues raised in narrative comment included:

- *too many projects to monitor given EC Delegation resource availability (including staff);*
- *no time to monitor;*
- *EC focus on financial procedures, rules and regulations rather than results and objectives;*
- *poor project design;*
- *lack of baseline data;*
- *lack of an adequate 'kick-off' or 'inception' phase.*

Attachment 3

ROM reporting formats

Monitoring Report



MONITORING REPORT
COUNTRYNAME – COUNTRYCODE – PROJECT TITLE
MONITORING REFERENCE – dd/mm/yy

I. PROJECT DATA	
Project Number:	Responsible HQ Brussels:
Date Financing Agreement signed:	Responsible EC Delegation:
Start date – planned:	Monitor:
Start date – actual:	Project Authority:
End date – planned:	Sector/Subsector:
End date – likely:	Monitoring visit date: From: To:

II. FINANCIAL DATA *	
Total Budget of Operation (including all other funding):	
Primary Commitment (EC funding):	
Secondary Commitment (funds contracted of EC contribution):	
Funds Disbursed (of EC contribution):	

* As at:

III. SUMMARY OF CONCLUSIONS	
1. Relevance and Quality of Project Design	
2. Efficiency of Implementation to date	
3. Effectiveness to date	
4. Impact Prospects	
5. Potential Sustainability	

Note: a = very good; b = good; c = problems; d = serious deficiencies

IV. EXPLANATORY COMMENTS

1. Relevance and Quality of Project Design
2. Efficiency of Implementation to date
3. Effectiveness to date
4. Impact Prospects
5. Potential Sustainability

V. KEY OBSERVATIONS, ACTION(S) RECOMMENDED AND BY WHOM (IN ORDER OF PRIORITY)

ROM Response Sheet



RESPONSE SHEET – Results Oriented Monitoring
RESPONSIBLE HQ / EC DELEGATION

VI. PROJECT DATA

Project Number:	HQ Brussels:
Project Title:	Delegation:
Country:	Report Ref. No.:
Date of Report:	Monitors:

VII. ASSESSMENT OF REPORT

	a	b	c	d	
Clarity?					33%
Explanatory comments: (maximum 4 lines)					
Relevance and accuracy?					33%
Explanatory comments: (maximum 4 lines)					
Appropriate recommendations? (Response to key recommendations – Part V)					33%
General Comments (from section 4): (maximum 4 lines)					

Notes: a = very good; b = good; c = problems; d = deficiencies.

Overall summary: a/b/c/d

VIII. COMMENTS AND SUGGESTIONS

1. Follow-up visit suggested:	6 months	12 months	Longer?
2. Special attention to be paid in the next visit to the following aspects: (maximum 4 lines)			
3. Further comments and suggestions: (maximum 4 lines)			
4. Specific Comment on each Recommendation In the box below the responsible person is asked to comment on actions (to be) taken on each of the recommendations, including why no action has been or will be taken.			
Key observations/actions recommended (Monitor to copy all recommendations from Monitoring Report in boxes below):		Task Manager Response (Rationale for action being / to be taken, if any; additional comments)	
1.			
2.			
3.			
4.			
5.			
Etc.			

Name:

Responsible HQ / EC Delegation:

Date:

Attachment 4

EC reporting requirements

CRIS Implementation Report

As at May 2007, Task Managers are required to regularly fill in the CRIS Implementation Report.

Well organized project monitoring by EC task managers, following guidance and good practices developed in this Document, will support and substantially facilitate effective use of the CRIS Implementation Report. In particular, the use of project progress reports from implementing partners, ROM reports and information sourced from field visits and participation at regular internal project review meetings should assist in completing sections 5 and 7.

A description of the information required in the CRIS Implementation Report is provided below:

Sections to be filled first time the operation is registered in CRIS or if context, objectives and envisaged results are modified during implementation.

Heading	Description of contents
1. Description	Describe the project including: (i) overall objective, purpose and results; (ii) main activities, (iii) location and duration, and (iv) cost and key inputs. (Maximum 25 lines)
2. Origin, context and key assessments	Briefly describe the: a) rationale/justification for the project, the link with the Commission policy and with the programming document and any complementarities with other ongoing and planned initiatives b) main conclusions arising from the assessment of the project context, namely: (i) link to partner policy priorities; (ii) stakeholders' analysis, including institutional capacity assessment; (iii) problem analysis; and (iv) strategy analysis. (Maximum 30 lines)

Sections to be updated regularly (at least every six months with the EAMR).

Heading	Description of contents
3. Summary of project implementation	Summarize the main features of the implementation of the project highlighting main developments, problems encountered solutions given and lessons learned. (15 lines)
4. Changes in context and in the key assessment areas	Summarise changes in the project operating environment/context (positive or negative) since the start of the project, which may impact on the project's relevance and/or feasibility, mentioning where relevant major developments since the last report. Reference should be made to assumptions/risks and to the quality of project management, highlighting any implications for modifications to project plans. (Maximum 25 lines)
5. Progress in achieving objectives	Summarise state of progress since the start of the project towards achieving the project purpose, delivering results and implementing main activities, mentioning where relevant major developments since the last report. Compare progress against plans (using Logframe indicators as appropriate). Focus on positive achievements and prospects for the sustainability of benefits. (Maximum 25 lines)
6. Financial execution	Indicate time elapsed as % of total project duration as well as project contracting commitments and payment rates. Briefly review causes of possible deviations from plans and if necessary indicate correcting measures. (Maximum 10 lines)
7. Issues arising and action required	What constraints/problems are currently being faced? What action has been taken, and by whom, to address these? What further action is required to support effective implementation, by whom and when? (Maximum 25 lines)
8. Cross-cutting and other issues	What progress is being made in achieving cross-cutting objectives in relation to such concerns as gender equality, environmental protection and good governance? Other issues should include references to evaluation, audit or Result Orientated Monitoring reports if any. (Maximum 15 lines)

In order to properly reflect on the history of the project, it is essential that updating the Implementation Report does not overwrite information from previous reporting.

External Assistance Management Report

The External Assistance Management Report is completed by Heads of Delegation (and Directorates) on a bi-annual basis. It should make an assessment of achievements/progress each year with reference to the previous Annual Management Plan.

In order to effectively complete the EAMR, reliable information on the progress/achievements and issues/constraints relevant to the project and program portfolio must be available. This highlights the importance of having effective project/program monitoring systems in place within each Delegation/Unit – that capture information from internal, external and Delegation based monitoring systems, including from ongoing dialogue with partners (formal and informal).

The format of the EAMR includes the following main section headings. Specific points relevant to project monitoring have been included as dot-points under ‘Operational Aspects’:

Executive Summary

1. **Coordination with other Actors**
2. **Operational Aspects**
 - Project pipeline and new commitments
 - Implementation – including status of projects/programs corresponding to CRIS & ROM reports, and activities to reinforce and strengthen Delegation’s monitoring of ongoing operations
 - Evaluation – including reporting on evaluations included in the AMP, and activities undertaken to integrate evaluation findings into implementation
3. **Internal control issues**
4. **Human resource and training**

Attachment 5

Example of a review meeting agenda

If an implementing partner is unsure about how a review meeting might best be structured, the following indicative agenda could be used as an example and focus for discussion:

Time	Topic
9.00-10.30	Welcome and introductions. Statement of purpose of the meeting. Review of agenda – topics, timing, responsibilities for presentations, etc. Summary overview of issues arising from last review meeting, actions to be taken and responsibilities. Brief reports from participants on progressing these follow-up actions (Issues Tracking).
10.30-11.00	Morning break
11.00-12.30	Overview of the workplan and budget for the period under review, including key tasks, indicators and targets (i.e. using Logframe matrix, activity schedules and resource/budget schedules as appropriate). Presentation of available data/information on physical progress made in implementing the work plan and achieving results. Highlight areas of success and concern. Present summary of financial records.
12.30-1.30	Lunch break
1.30-3.00	Further discussion on ‘performance’ issues (comparing planned with actual performance) and clarification of the reasons for any significant deviation. Review of risks/assumptions and management action taken during reporting period. Highlight areas requiring management action and/or significant ‘re-planning’. Specifically consider aid effectiveness and donor coordination issues.
3.30-4.00	Afternoon break
4.00-5.30	Agree on program of follow-up action. What, who, when?

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