

# Project management handbook A working tool for project managers

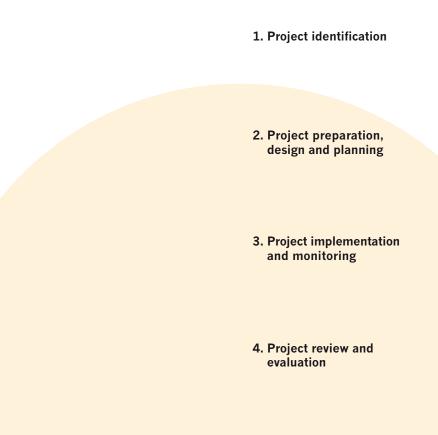
Novartis Foundation for Sustainable Development

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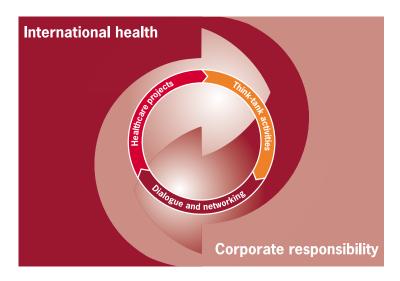




## The Novartis Foundation for Sustainable Development

For thirty years, the Novartis Foundation for Sustainable Development (NFSD) has been committed to "development with a human face," and is today largely focused on contributing to the achievement of the Millennium Development Goals (MDGs). The foundation engages in two thematic areas – corporate responsibility and international health – and operates in three overlapping modes:

- Healthcare projects in developing countries in the areas of (1) improving access to healthcare, (2) strengthening human resources, and (3) empowering vulnerable groups;
- 2. *Think-tank activities* through research and publications in business and human rights, corporate responsibility for access to medicines and healthcare, and stakeholder dialogue;
- 3. *Dialogue and networking* to build a bridge between the private sector, governments and civil society.



The foundation works with local, national and international partners, such as ministries of health, research institutes, international organizations and NGOs to increase its impact and scale up successful pilot projects. Among the Novartis Foundation partners are the World Health Organization (WHO), the Millennium Villages Project (MVP), the Swiss Tropical and Public Health Institute (Swiss TPH) and the Tanzanian Ministry of Health and Social Welfare.

The Novartis Foundation is not purely a funding agency. It is actively involved in the Project Cycle Management of the programs it supports. To improve efficiency, effectiveness and sustainability of the supported interventions, the foundation deploys a business mindset and outcome-based thinking in all projects, adopting the following five approaches wherever appropriate:

- Performance-based funding to increase efficiency and effectiveness of interventions;
- Research and analysis to generate evidence on the baseline situation and on effects of interventions;
- Use of new technologies (e.g. e-learning, m-health, telemedicine) to improve access to and quality of health services;
- Social marketing to reach out to patients;
- Multi-stakeholder partnerships to scale up successful pilot projects.



## The project management handbook

NFSD project managers and partner organizations are the primary target audience of this handbook. Project managers of other organizations that support the implementation of health-related and other development interventions are the secondary target audience. This handbook is considered a working tool rather than a policy or strategic document.

The handbook is structured according to the five phases of the project cycle. Each chapter describes the steps taken in terms of identifying, designing and planning, implementing and monitoring a project, as well as with regard to reviewing and evaluating the progress, effects and impact.

Throughout this handbook reference is made to project management templates for project documents, reports or terms of reference for consultants.

- Templates are marked in red and bold when first mentioned in each chapter and can be downloaded from the Novartis Foundation website.
- Important terms are marked in **bold** when first mentioned in each chapter and are further explained in the glossary on page 29.
- Finally, some of the chapters include references to literature for further reading.

Further information and the project management templates can be downloaded from the Novartis Foundation website:

www.novartisfoundation.org/project-management

## Introduction to Project Cycle Management

The Novartis Foundation for Sustainable Development (NFSD) uses two inter-related **frameworks** for **project** handling: the Project Cycle Management (PCM) and the Logical Framework Approach (LFA).

The PCM describes all management activities and decision making procedures applied during the life cycle of a project. The cycle consists of five guiding phases (see below).

All five phases of the **project cycle** are structured according to the Logical Framework Approach.

The framework was developed for the United States Agency for International Development (USAID) in 1969 to test the internal logic of a project plan by analyzing it in terms of ends and means. It examines the relationships and logical linkages between a plan's ends and means (goals, purpose, expected outcomes and activities) to ensure that these are aligned in a meaningful way. It also helps to be explicit about the implications of carrying out activities in terms of resources needed, assumptions made and potential risks.

### **1. Project identification**

This phase provides the indispensable baseline and contextual information for a project. It involves understanding the initial situation in question and the key factors influencing the situation, including problems and their causes. as well as the identification of the main stakeholders and their interests. needs. capacities and constraints.

### 2. Project preparation, design and planning

The planning phase defines the project's objectives and purpose, the expected outcomes and activities necessary to accomplish them, the monitoring and evaluation system including indicators, and the external factors that influence the project. This phase results in a project planning matrix and detailed project plan (including budget, time frame, contributors etc.) which are both integral parts of a project document.

### 3. Project implementation and monitoring

When the foundation implements a project, the project plan is carried out by the partners, usually supported by external consultants in specific areas. Monitoring occurs during the implementation phase to track the project's progress and determine whether a project needs to be adapted to suit changing situations.

The Logical Framework Approach serves as a reference frame for all parties involved in the project so as not to lose sight of the original objectives. Solid monitoring and evaluation using clear performance **indicators** and **means of verification** allow for the progress and **effectiveness** of the interventions to be appropriately measured.

#### Further reading on the Logical Framework Approach:

Blakewell, O. and A. Garbutt (2005): The use and abuse of the logical-framework approach. SIDA.

NORAD (1999): Logical Framework Approach: handbook for objectivesorientated planning. Accessed on 8 March 2013: <u>http://www.norad.no/</u> en/tools-and-publications/publications/publication?key=109408

Örtengren, Kari (2004): A summary of the theory behind the LFA method. The Logical Framework Approach. SIDA. 1. Project identification

2. Project preparation, design and planning

### 3. Project implementation and monitoring

# 4. Project review and evaluation

This phase provides a systematic and objective analysis of the project, its relevance and design with regard to the issues identified, its implementation and its results. An evaluation should examine the efficiency, effectiveness, impact and sustainability of the project, as well as its ability to meet objectives, and potentially help frame the new planning process and inform policy.

### 5. Impact assessment

This phase is concerned with the medium and long-term impact – expected, unexpected, positive and negative – of the project.

4. Project review and evaluation

1. Project identification

## 1. Project identification

The Novartis Foundation is involved in the entire **Project Cycle Management** and proactively identifies **projects** and partners. Project proposals are therefore not accepted. However, submitted project ideas will be evaluated against the thematic priorities and quality criteria of the foundation. These criteria include:

- the relevance of the project (e.g. does it address a priority health issue, who are the potential **beneficiaries**, does it correspond with national health policy, what external assistance is needed);
- the innovative character of the proposed initiative (e.g. use of ICTs for more efficient service delivery, partnership models);
- the feasibility and potential scalability of the project (e.g. the logic of the project in terms of different objective levels, risks and killer **assumptions**, absorption **capacity** of beneficiaries, management capacity of partner organizations, reasonable balance between cost and effect);
- the sustainability of the initiative (e.g. participation and contributions of beneficiaries and partners, policy support, built-in exit strategy, financial viability).

Before developing an **overall plan of operation** and **project docu-ment**, it is necessary to gain a comprehensive view of the project context and the baseline situation with regard to the targeted health issues.

#### Analyzing the baseline situation involves the following steps:

Step 1. The health issues (e.g. maternal and child health) and target groups (e.g. pregnant women, young mothers and

children under 5 years of age) that the project seeks to address must be identified.

- Step 2. A **baseline survey** should be conducted and the existing project context examined. The main questions to be addressed are:
  - What are the causes of the selected issues?
  - What are their effects on different stakeholders?
  - How do different actors perceive the issues?
  - What environmental factors affect it or are affected by it?
  - What is the political context?
  - What policies are concerned and how are they implemented?

This second step should include a review of existing literature, policies and data on the target health issues, area and groups.

Step 3. Additional necessary data should then be gathered. This can be done in different ways depending on the scope of the targeted health and development issues and the nature and extent of reliable evidence already available. One method is to conduct interviews and group discussions with key informants. Another is to run a situation analysis with the potential target groups and other stakeholders. The major problems and their scope as well as their causal relationships (cause and effect) identified in the frame of a participatory workshop can be visualized in a problem tree. Additionally, a Participatory Rapid Appraisal (PRA) with the potential beneficiaries and other major stakeholders can be conducted using qualitative methods (transects, visualizations etc.). These approaches provide insight into the beneficiaries' views on the issues at hand and their possible solutions.

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# 1. Project identification

Step 4. The most rigid and scientifically sound way of establishing the baseline conditions is to develop and carry out a longitudinal study with the support of experts that allows for a comparison of the baseline situation with the post-intervention situation (see Chapter 4: Project review and evaluation). A comprehensive stakeholder analysis (organizations, individuals, networks etc.) of parties directly or indirectly, positively or negatively affected by the future project as well as their nature and roles, interests and needs, capabilities (strengths and weaknesses) and linkages (power relations, conflicts of interest, cooperation with/dependency on other groups) should also be conducted. This allows the identification of opportunities and threats for the project's success and helps determine who should be involved in the project planning, implementation, monitoring and evaluation. During this stakeholder mapping exercise it is important to consider and agree on which groups and their respective interests and views are given priority. For stakeholder analysis, methods such as the ECRIS method can be used.

Step 5. In the objective analysis, the problem tree (if one has been developed) is transformed into an **objectives tree**, which highlights future solutions to the identified problems. Working from the top down, all problems are reworded to make them objectives (positive statements). For instance, the problem "undernourishment and malnourishment as well as malaria lead to high child and infant mortality" can be reworded as an objective in the following way: "reducing the prevalence of undernourishment and malnourishment as well as malaria cases contributes to better health status of children and reduced child mortality."





Step 6. The background of the project and the baseline situation with regard to the issues addressed (including national and international policies and approaches relevant to the health issue), the objectives and the main expected **outcomes**, the selected target areas and populations as well as the potential project partners and main stakeholders should be described in a short **concept note** or project description. At this stage, the concept note does not necessarily need to include the detailed strategy and approaches to be applied or all the **key activities** to be carried out in order to reach the objectives and expected outcomes.

Step 7. After developing a short concept note containing the objectives and the main expected outcomes of the project, depending on its scope, an **alternative analysis** can be conducted to identify possible options for a project strategy. After identifying several options for the project strategy and assessing the feasibility of these options, one project strategy should be agreed upon. A **feasibility study** investigates whether the project objectives and strategy are economically, politically, socially, culturally and/or ecologically feasible. An ex-ante evaluation goes further and assesses the anticipated future performance and effects of an intervention.

Further reading on methods for baseline data collection and the problem tree:

Bierschenk, Thomas and Jean-Pierre Olivier de Sardan (1997): ECRIS: Rapid Collective Inquiry for the Investigation of Conflicts and Strategic Groups. In: Human Organization. Journal of Applied Anthropology 56: 238 – 245.

Gosling, Louisa and Mike Edwards (2003): Toolkits. A practical guide to planning, monitoring, evaluation and impact assessment. Save the Children. P. 244-45; 302.

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2. Project preparation, design and planning

## 2. Project preparation, design and planning

Following the project identification phase, the project needs to be properly prepared, designed and planned. The project design defines the main components of the project, including overall objectives, project purpose, beneficiaries strategy and organization. Depending on the scale and scope of the project, the design phase may be conducted in multiple steps. In a first step, a project planning matrix and an overall/annual plan of operation are developed. These constitute important pillars and are an integral part of a **project document**. The matrix can be developed as part of a planning workshop in which representatives of all project partners, important stakeholders and potential target groups/beneficiaries should participate (including authorities, NGOs active in the targeted intervention fields and experts in the respective fields). Results from the **baseline survey**, problem analysis, **stakeholder map** or any other contextual information (see Chapter 1: Project identification) should serve as a basis for the planning exercise. Such a workshop should ideally be coordinated by a professional facilitator who will not be involved in the project later on.

The project planning matrix defines an ambitious but realistic project purpose, overall objectives, expected outcomes and key activities. These main project elements can be derived from the **objectives tree** if available. The first step in developing the matrix is to agree upon a project purpose, which describes what the project aims at achieving on its own. The second step is to formulate the overall objectives to which the project wants to contribute, but cannot achieve on its own. Third, the expected outcomes are stated. The formulated expected outcomes must each be necessary and as a whole be sufficient to ensure the project's purpose is achieved. The next step is to identify key activities for each of the formulated expected outcomes. These activities should be target oriented and stated as actions. The entirety of all key activities should ensure that the respective expected outcomes are achieved. Sub-activities are usually not defined in this initial workshop due to time constraints; rather, their identification should be

left to the project team and feature in the overall plan of operation that builds upon and refines the project planning matrix. Nevertheless, the main project implementation strategies and approaches should be agreed upon during the workshop.

The planning of a project should include the development of a monitoring and evaluation plan that is tailored to the project's overall plan of operation. Quantitative and qualitative performance and **impact** indicators should be defined to measure the project's progress and results, and to observe the changes in the project context. Furthermore, **means of verification** as well as crucial external factors should be identified. Hence, for each level (objectives, purpose, outcomes and activities), **Objectively Verifiable Indicators (OVI)** are formulated that measure the performance and the impact of the project. These **indicators** should follow the **SMART principles** (see box below).

#### Formulating indicators – the SMART principles:

**Specific:** Key indicators need to be specific and relate to the conditions the project seeks to change.

**Measurable:** Quantifiable indicators are preferred because they are precise, can be aggregated and allow statistical analysis of data. However, progress indicators may be difficult to quantify and qualitative indicators should be used in these cases.

**Achievable:** Indicators must be achievable at a reasonable cost using an appropriate collection method. Accurate and reliable information on things such as household incomes is difficult and expensive to collect.

**Relevant:** Indicators should be relevant to those people who will use the data and make decisions based on the results.

**Time-bound:** An indicator needs to be collected and reported at the right time to influence management decisions. There is no point choosing performance indicators that can only tell you at the end of a project whether adequate progress has been made and the expected outcomes achieved.

#### **1. Project identification**

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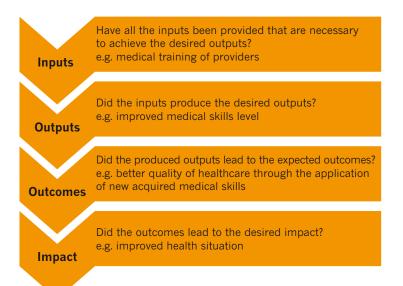
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Performance and effects can be measured at four levels: **inputs**, **outputs**, outcomes and impact. While inputs relate to the implementation of activities (e.g. medical training), outputs are the effects of the activities carried out (e.g. improved level of medical knowledge or skills). Outcomes relate to the expected outcomes (e.g. this may include better quality of care following the application of new medical knowledge and skills). Finally, impact relates to the overall objective (e.g. improved health situation, at least partially due to better quality of care).

#### Measuring the performance and effects of a project:



Furthermore, means of verification are identified for each of these OVIs that allow you to check whether and how they really have been measured. The means of verification are ways of measuring or collecting data about each of the OVIs. Lastly, external factors and **assumptions** for each level of the causal hierarchy of design elements (from activities to overall objective) are stated. These describe important events (e.g. climatic variations), conditions (e.g. management **capacity**, will-ingness of political authorities) or decisions beyond the control of the project, which must be either given or avoided to ensure the achievement of the project purpose. They include possible risks and opportunities for the project. This is especially important for the project purpose level.

If capacity building measures for partner organizations are a key component of a project, then alternative planning approaches combining the **Logical Framework Approach** with elements of outcome mapping may be appropriate. In such an approach, aspects of capacity building of partner organizations and a results focus are combined. The assumption is that strengthened key actors and changes in their behavior will produce sustainable improvements at impact level. Hence, in addition to result oriented project goals, the desired situation in terms of practices and behavior of the project partners is also formulated. Moreover, such an approach includes and emphasizes the definition of roles and tasks of each project partner and of the project team. Therefore, goals are defined not only at the effect level, but also for the operational domain.

Next, the project planning matrix is translated by the project team into an overall/annual plan of operation that identifies the subactivities for each key activity. The following steps should be taken to establish the plan:

- 1. Identify adequate sub-activities for each defined key activity that are necessary to achieve the respective expected outcome;
- 2. Determine timeframe of sub-activities (per month or quarter);
- 3. Estimate costs of each sub-activity;
- 4. Determine who is responsible (person or party) for each subactivity or key activity;

5. Set milestones to be achieved for the expected outcomes and their main key activities and sub-activities.

Once the project planning matrix and the overall plan of operation are finalized, a project document should be written explaining the elements of the project planning matrix and overall plan of operation in more detail (i.e. the objectives, expected results, activities, external risks and opportunities), and describing the background of the project and the baseline situation (i.e. the target issues, existing sector policies and other initiatives in the field), the geographical target areas and beneficiaries, the project partners and stakeholders, as well as the project implementation strategy, organization and budget and the monitoring and evaluation system. This document should not exceed 50 pages including appendices.

Before the start of the project, a **Memorandum of Understanding** (MoU) with the partners who manage the project implementation must be prepared and duly signed, and a project team must be established.

The MoU should contain articles on the objectives, the duration and the agreed use of funds, as well as on the conditions for the release of funds and their application. This refers to performancebased payments which depend on the achievement of mutually agreed milestones (see Chapter 3: Project implementation and monitoring) – a mechanism that the NFSD applies in all projects. In addition to the **milestone table** that summarizes all annual milestones, their deadlines, means of verification and respective monetary values, the annual plan of operation and the budget are integral parts of the MoU. Finally, the MoU should stipulate the commitments of both parties (including reporting and audit requirements) – of the NFSD and the partner organization – and contain sections on intellectual property rights, suspension and governing law and jurisdiction. In the case of the NFSD, all MoUs must be reviewed by a legal authority before signing. Generally, the project partner of the NFSD is responsible for identifying and hiring qualified and motivated project staff. Since the NFSD supports the project management of the partner, the respective NFSD project manager should be involved in the formulation of the job description for the main project staff. While the NFSD project managers should be consulted by the partner concerning the selection and salary package for the key staff, it is ultimately the partner's responsibility as an employer to determine the employment terms of staff since the salaries must fit into the partner organization's salary scale. The job description should state the position and related tasks and responsibilities of the respective staff in the project team as well as the requirements in terms of education, skills and work experience.

Once established, the project team prepares a detailed plan of operation that also specifies the sub-activities of each key activity as identified in the project planning workshop. The team also prepares a budget based on the annual plan of operation and project document.

### Further reading on the Logical Framework and the Outcome Mapping Approaches:

Blakewell, O. and A. Garbutt (2005): The use and abuse of the Logical Framework Approach. SIDA.

Earl, S., F. Carden and T. Smutylo (2001): Outcome Mapping – Building Learning and Reflection into Development Programmes. International Development Research Centre (IDRC) Ottawa.

Gosling, Louisa and Mike Edwards (2003): Toolkits. A practical guide to planning, monitoring, evaluation and impact assessment. Save the Children.

Roduner, Daniel, Walter Schläppi and Walter Egli (2008): Logical Framework Approach and Outcome Mapping. In: Rural Development Newsletter. 2. Lindau: AGRIDEA. Accessed on 8 March 2013: <u>http://www.agridea-lindau.ch/fileadmin/10 International/Petra ab0508/PDF/</u>Logical Framework and Outcome Mapping.pdf

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3. Project implementation and monitoring

### 3. Project implementation and monitoring

After the development of the **project document**, including the **project planning matrix** and **overall/annual plan of operation**, the **project** is ready for implementation and the partner organizations and **beneficiaries** can carry out the activities. The first plan of operation should cover at least the upcoming six months. Subsequent annual plans of operation are worked out at regular planning meetings with the relevant **stakeholders**. NFSD holds annual review and planning meetings that focus on the activities and **outcomes** of the project. At these meetings the previous year's **outputs** and outcomes are reviewed, and based on the discussions, the next plan of operation is established.

Usually, some components of each project are technically supported or assessed by experts or consultants. The need for consultants should be carefully evaluated before identifying and contracting them. The deliverables must be clearly defined in a Terms of Reference for consultants document, which should be developed by the NFSD project manager and the partner organizations. All involved parties - consultant, NFSD and partner organizations – should express their expectations and agree on the role of the consultant. A consultant should build on the information, data and knowledge available with the partners and beneficiaries, and aim at building their capacities. In this way, ownership for the work undertaken by the consultant and its results can be promoted. It is the responsibility of the NFSD project manager to introduce the consultant to the project partners and setting in order to lay the foundations for an effective collaboration. The Terms of Reference should contain a description of the background and objectives of the project and state the purpose of the consultancy assignment and the services to be delivered (e.g. technical support, survey). Moreover, the Terms of Reference defines the reporting requirements and approval procedures as well as the institutional arrangement as far as the working relationships, supervision and feedback mechanisms of the consultancy assignment are concerned.

The conditions of collaboration, including the payment conditions, must be stated in a **consultancy agreement** between the NFSD and the respective consultant. In the agreement, the key deliverables by the consultant should be specified, fees and expenses stipulated, confidentiality, intellectual property rights with regard to the services defined, as well as the termination and liability conditions determined. For consultancies that go beyond limited technical support or evaluations and instead concern project management assignments, it is advisable to engage in formal contract negotiation with the consultant and main partners, especially when these are government authorities.

After each consultancy mission, the consultant is to deliver a short **consultancy mission report** which is to be shared with NFSD and the partner organization. This report should comprise sections on context and objectives of the consultancy mission, activities carried out, main findings, recommendations, conclusions and appendices. The report should not exceed three to five pages. The invoice of the consultant should specify the number of days and half days spent on each activity as stipulated in the consultancy agreement and Terms of Reference, the cost per day and possible extra cost (travel, accommodation etc.). Long-term consultancy assignments should be regularly reviewed by the involved parties.

Additionally, as partner organizations carry out the project work and management, fund disbursement should be managed using a **performance-based funding** approach. In this instance, the NFSD and the partner organization agree on key milestones that are derived from the overall/annual plan of operation. Deadlines, amount of funds and **means of verification** are defined for each milestone in a **milestone table**. The milestones should be fixed at the beginning of the year before the start of activities. The achievement of each key milestone triggers a disbursement. A mid-year review allows milestones and deadlines to be **1. Project identification** 

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amended if the partner organization can reasonably justify the proposed changes. Generally, all defined milestones need to be achieved within the respective calendar year. In exceptional instances, a milestone disbursement can be postponed to the following year (maximum until the end of March) if the partner organization can give valid reasons as to why the delay was beyond their control.

During implementation, the project should be continuously monitored to track project performance and developments in external factors. Monitoring covers crucial **indicators** which are routinely and regularly measured, for example, utilization rates for the targeted health services such as attended deliveries or antenatal care.

There are four main reasons for undertaking monitoring and evaluation activities:

- 1. Accountability: through monitoring outputs, outcomes and **impact**, an implementing agency can demonstrate efficient and effective use of funds.
- 2. Improve performance: monitoring and evaluation help identify shortcomings or inefficiencies in the project strategy, approaches and implementation which can in turn lead to readjustment and improvement.
- 3. Learning: proper documentation helps both the specific project or **program**, but can also be shared with other implementers.







4. Communication: monitoring and evaluation provide an opportunity for dialogue with different stakeholders and inform policy formulation.

Project managers of NFSD-supported initiatives report on the progress of the project twice a year. They provide a **progress report** on the first six months of a year at the latest by the end of August, and an **annual report** by the end of March the following year. These reports should include an executive summary and a short introduction with the rationale, context and objectives. Project progress (activities carried out for each expected result, major achievements and challenges of the past trimester or year) should be detailed in the annual report. Furthermore, **sustainability** measures and challenges, conclusions and outlook (containing important changes and external factors relevant to the interventions) and budget execution should also be covered.

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**Project review and evaluation** is an important component of **Project Cycle Management**. Reviewing and evaluating projects allows, on the one hand, their performance and effects to be measured. On the other, it is crucial to learn from experience and adjust interventions, share lessons learned with others and inform policy. In general, evaluations should consider factors beyond those tracked through routine monitoring (see Chapter 3: Project implementation and monitoring). For example, evaluations should additionally consider the **relevance** of the project interventions to achieving the stated purpose and effects, as well as the **efficiency** of the project's design and implementation (with regard to the selected strategy, approaches and organizational structure in addressing the identified health issues).

There are two types of evaluation: internal and external. *Internal* evaluations can take place, for example, as part of an annual review and planning workshop during which the project performance in a given year is analyzed against the **annual plan of operation**. Depending on changes in the project environment and the gained experience, expected results, key activities and indicators can be altered to ensure the project purpose. Some projects have built-in scientifically sound evaluations that allow comparisons of the initial baseline situation with the post-intervention situation to provide insight into the difference that the project has made. An alternative to such a longitudinal "before-after" evaluation is a Randomized Controlled Trial (RCT). An RCT assesses the efficacy and **effectiveness** of a project intervention by comparing a target with a control group. Participants are similar in the sense that they all fulfill defined eligibility criteria. They are randomly sampled and allocated to one of the groups whereby the target group is exposed to the intervention while the control group does not benefit from it. Such RCTs are scientifically more rigid, but also more costly. Moreover, RCTs can be considered unethical if the control group does not benefit from the interventions at least at a later stage. RCTs are also further criticized for being simplistic in

the sense that they follow a cause-effect relationship and do not properly take into account the complexity and interdependence of different development problems.

External evaluations are independent assessments conducted by development experts or research institutes. Evaluations done by development experts usually investigate the relevance and design of the project as well as the project's implementation, progress and outcomes based on the evidence provided by the project team and data that can be gathered during the evaluation mission of about two weeks. This type of external evaluation is usually chosen for a mid-term evaluation. This allows further effective guidance for the project. NFSD conducts such evaluations during the implementation phase of a project. However, external evaluations can also be conducted by research organizations as described above for internal evaluations. Such evaluations are often carried out as ex-post evaluation ("before-after" design) after a project is terminated. Examples of scientifically sound evaluations with the involvement of NFSD project managers include two projects in Tanzania that aimed at improving access to effective treatment for malaria and TB.

The **Terms of Reference for external evaluators** are based on the elements of the **Logical Framework Approach**. Evaluations should not only examine the immediate objectives and purpose, expected results and activities, but, wherever possible, also the **impact** and **sustainability** of the project. Terms of Reference should contain – depending on the role of the consultant – a description of the context and rationale of the project and its purpose, expected outcomes and key activities. Moreover, they should state the objectives and expected deliverables of the evaluation, specific issues and aspects to be analyzed, the methodology to be applied, duration, reporting requirements as well as the required profile of the evaluators and their division of tasks (if more than one consultant is involved). Evaluators should also **1. Project identification** 

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be guided as to which key actors and documents they should consult. External evaluations conducted by development experts are reported using a **mid-term/final evaluation report**. This report should contain a clear summary with the main findings and recommendations. The report should include an introduction (rationale, objectives and methodologies used for the evaluation), followed by assessments of the project design, implementation, outcomes and effects. The conclusion should cover the findings of the evaluation, including lessons learned and recommendations. The Terms of Reference, list of key people and documents consulted, areas sampled and methodological tools used should be included in the appendices.

#### Further reading on the pros and cons of different methodologies of measuring effectiveness and impact:

Bamberger, M., J. Rugh and L. Mabry (2012): RealWorld Evaluation – Working under budget, time, data and political constraints. Second edition. Thousand Oaks, London, New Dehli, Singapore: Sage. See also www.realworldevaluation.org





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### 5. Impact assessment

**Impact assessment** is the systematic analysis of significant or lasting changes – positive or negative, intended or not – brought about in people's lives by a given action or series of actions.

Impact assessment therefore considers more than the immediate, predicted **outputs** and **outcomes** of an intervention (**project** or **program**) and is much more concerned with the implications in the medium and long term. Impact assessments are typically conducted at the end of a project or even a few years later. They should include **assumptions** of expected, unintended, positive and negative impacts.

In order to meaningfully measure lasting change after the termination of a project, it is vital that **change processes** are tracked throughout the **project cycle**. Understanding and managing change should therefore be a focus of ongoing monitoring and evaluation of the project cycle. Not many initiatives include impact assessments after the termination of a project since they are rather complex and costly. Generally in the frame of scientifically sound analysis, it is difficult to determine whether change beyond the project purpose (e.g. at the level of the overall objectives) can be attributed to the project interventions or to other confounding factors. Nonetheless, impact assessments are particularly beneficial for pilot projects and larger scale programs that are relevant to national or even international health policies. Examples of NFSDsupported assessments include a study on the contribution of malaria related interventions to the reduction of child mortality in two Tanzanian districts, another study on the effect of health insurance membership on financial protection of households in rural Mali, and a study on the impact of psychosocial support for children affected by poverty, conflict, HIV and AIDS on their livelihoods.

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Examples of NFSD-supported assessments can be found under "Impact assessments" in the publications section on the Novartis Foundation website: **www.novartisfoundation.org/publications** 

4. Project review and evaluation



## Glossary

**Alternative analysis** – Process to identify a range of potential project strategies; conducted as part of the project identification phase.

**Annual report** – Provided by project managers to report on the performance and results of the project as well as important developments in the project context. **Template available.** 

**Assumptions** – External conditions and factors that need to be in place for the project to succeed.

**Baseline survey** – Data collection as part of the project identification phase to understand the existing project context and the characteristics of the (target) population before a project is set up. The gathered data can then be compared with a study of the same characteristics carried out later in order to see what has changed.

**Beneficiaries** – Individuals, groups or organizations, whether targeted or not, that ultimately benefit, directly or indirectly, from a program or project.

**Capacity** – The resources (people, money), skills, knowledge and organization required to carry out a particular task.

**Change processes** – Parts of a project's context that are continually monitored. Change processes must be tracked to meaningfully measure the project's lasting impact.

**Concept note** – A short note detailing the issues to be addressed, the objectives and the main expected outcomes of the project; formulated as part of the project identification phase. **Template available.** 

**Consultancy agreement** – Agreement on the conditions of collaboration between the organization and the respective consultant. Includes payment conditions, key services to be delivered, confidentiality principles and intellectual property rights. **Template available**.

**Consultancy mission report** – Report provided by the consultant on the content, results, conclusions and recommendations of his/her consultancy mission. **Template available.** 

**ECRIS method** – Rapid collective inquiry for the investigation of conflicts and strategic groups in local settings.

**Effectiveness** – The extent to which the program or project objectives were achieved, taking into account their relative importance.

**Efficiency** – A measure of how well resources and inputs (funds, expertise, time, etc.) are converted into outputs.

**Facilitator** – A person who coordinates, rather than leads, an exercise, encouraging participation by others and ensuring that those involved do not lose sight of the main objectives.

**Feasibility study** – Investigation of whether the project objectives and strategy are financially, politically, socially, culturally and/or ecologically feasible.

**Framework** – A framework is a way of organizing information so that it can be more easily understood and interpreted. For example, a child rights framework for a situation analysis may mean that information about a situation is collected and interpreted according to violations of selected child rights.

**Impact** – The changes, intentional and unintentional, positive or negative, a project brings about beyond its original purpose (e.g. improved health status).

**Impact assessment** – Fifth and final stage of the project cycle (see Chapter 5 on page 26); examines the medium and long-term impact – expected, unexpected, positive and negative - of the project.

**Implementation and monitoring** – Stage three of the project cycle (see Chapter 3 on page 18); involves implementation of project activities and tracking of the project's progress.

**Indicators** – Quantitative and qualitative performance and impact parameters that measure achievements and results, reflect the processes that led to them (whether and how activities that were planned have been carried out) and observe the changes in the project context.

**Inputs** – The organization and provision of resources to implement activities (e.g. training).

**Key activities** – Target oriented actions that contribute to the respective expected outcomes.

**Logical Framework Approach (LFA)** – Developed by the United States Agency for International Development (USAID) in 1969 to test the logic of a plan. It examines the relationships and logic between a plan's levels (inputs, activities, outputs, purpose and goal).

**Means of verification** – Sources from which an individual obtains the data necessary to prove the objectives defined by the indicator have been reached.

**Memorandum of Understanding (MoU)** – Document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action. **Template available.** 

**Milestone table** – Summarizes all annual milestones derived from the plan of operation, their deadlines, means of verification and respective monetary values. **Template available.** 

**Objectives tree** – Part of the project identification stage; frames causal relationships in problem tree as objectives (positive future solutions to the problems).

**Outcomes** – Results of a program or project with respect to its objectives and expected results (e.g. improved quality of care through application of acquired medical skills).

**Outputs** – Total of all the products and services of a project as a result of the activities (e.g. improved level of medical knowledge or skills following training).

**Overall objective** – The broader goal to which a project or program – once it has achieved its purpose – is intended to contribute.

**Overall/annual plan of operation** – Identifies sub-activities (including timeframe, budget, and person responsible) for each key activity defined in the project planning matrix. **Template available.** 

**Objectively Verifiable Indicator (OVI)** – Measures, direct or indirect, that verify to what extent the project objectives have been achieved.

**Participatory Rapid Appraisal (PRA)** – The approach aims at incorporating the knowledge, perceptions and opinions of the potential beneficiaries in the planning and management of development projects and programs.

**Performance-based funding** – Method of fund disbursement where partner organization receive funds after the achievement of well-defined and mutually agreed milestones.

**Preparation, design and planning** – Stage two of the project cycle (see Chapter 2 on page 14); defines the project's objectives, purpose, expected outcomes, activities and indicators, and the external factors influencing the project.

**Problem tree** – Visualization of the causal relationships (cause and effect) of a problem; created during the project identification phase.

**Program** – A multi-level package of measures within the same sector (e.g. health), theme and/or geographical area, requiring multi-level planning and structuring, leading towards an overall goal. Programs are disaggregated into (individual) projects for reasons such as complexity (delimiting issues, allocating tasks, competence, division into manageable sectors).

**Progress report** – Provided by project managers mid-year to report on the progress of the project. **Template available**.

**Project** – A project is a package of measures (a discrete series of activities) limited or capable of limitation in regional, social, subject and temporal terms, which is implemented by NFSD's partners or other organizations in order to reach a common objective that has been precisely designated beforehand and is objectively verifiable. A project may be part of an overarching program.

**Project cycle** – NFSD projects are guided by five stages: project identification; preparation, design and planning; implementation and monitoring; review and evaluation; and impact assessment.

**Project Cycle Management (PCM)** – Describes all management activities and decision making procedures used during the life cycle of a project. **Project document** – Details the main elements of the project including overall objective, project purpose, key activities and the main expected outcomes of the project. The project planning matrix and overall plan of operation are the main components of the project document. **Template available.** 

**Project identification** – Stage one of the project cycle (see Chapter 1 on page 10); provides the background information for a project, including information on key factors influencing the situation and the main stakeholders.

**Project planning matrix** – Detailed project plan including monitoring and evaluation system; developed based on the concept note and one of the main elements of a project document. **Template available**.

**Project purpose** – The intended physical, financial, institutional, social, environmental or other main goal which a project or program is expected to achieve and which lies in its own sphere of influence. The purpose should both indicate the changes the project aims at achieving and at the same time be specific, time-bound and measurable.

**Randomized Controlled Trial (RCT)** – A specific type of scientific experiment, and the preferred design for a clinical trial. Often used to test the efficacy of various types of intervention within a patient population.

**Relevance** – The extent to which the overall goals and project purpose of a program or project is consistent with beneficiaries' needs, country priorities and policies, and global priorities.

**Review and evaluation** – Stage four of the project cycle (see Chapter 4 on page 22); provides a systematic and objective analysis of the project, including its efficiency, effectiveness, impact and sustainability with regard to meeting objectives.

**Situation analysis** – Data collection and analysis on particular issues to be addressed by a project and their broader context as a basis for a sensible assessment of what needs to be done.

**SMART principles** – Indicators should be: **S**pecific, **M**easurable, **A**chievable, **R**elevant and **T**ime-bound.

**Stakeholder** – Individual, group or organization that has an interest in a project or will be affected – positively or negatively – by the issues to be addressed and actions to be taken. Stakeholders differ from participants in that some stakeholders e.g. future generations do not take part in a project but will at some point be affected by it.

**Stakeholder map** – Document detailing the individuals, groups or organizations who have an interest in a project or will be affected – positively or negatively – by the project, and their problems, interests, potentials and linkages.

**Sustainability** – The continuation of (intentional) benefits and effects generated by a program or project after its termination (institutional, social, economic and environmental sustainability).

**Terms of Reference (ToR)** – A plan of action for an exercise; they clarify aims, issues to be addressed, methods to be applied, organization and tasks for a partner organization, local staff or a consultant. **Template available.** 



## Project management templates

The following is a list of *project management templates* referred to throughout this handbook:

Concept note

Project planning matrix

Overall/annual plan of operation (including milestone table)

Project document

Memorandum of Understanding

Terms of Reference for consultants

Consultancy agreement

Consultancy mission report

Progress/annual report

Terms of Reference for external evaluators

Mid-term/final evaluation report

The templates can be downloaded from the Novartis Foundation website: **www.novartisfoundation.org/project-management** 



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