



# Logical Framework Approach (LFA) & Project Cycle Management (PCM)

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**What we are going to talk about today:**

- 1) Project and Project Cycle Management: definitions and overview**
- 2) Logical Framework Approach (LFA) & Logical Framework Matrix (LFM): definitions and overview**
- 3) Logical Framework Approach (LFA) & Project Cycle Management (PCM)**
- 4) LFM in detail: objectives, results, indicators, sources**
- 5) LFM in practice: an example (call and LFM from SIMPLA)**
- 6) LFA stages: analysis and planning**
- 7) Analysis: stakeholders, problems, objectives, strategies, risk management**

*Theoretical foundations: PCM, LFA*

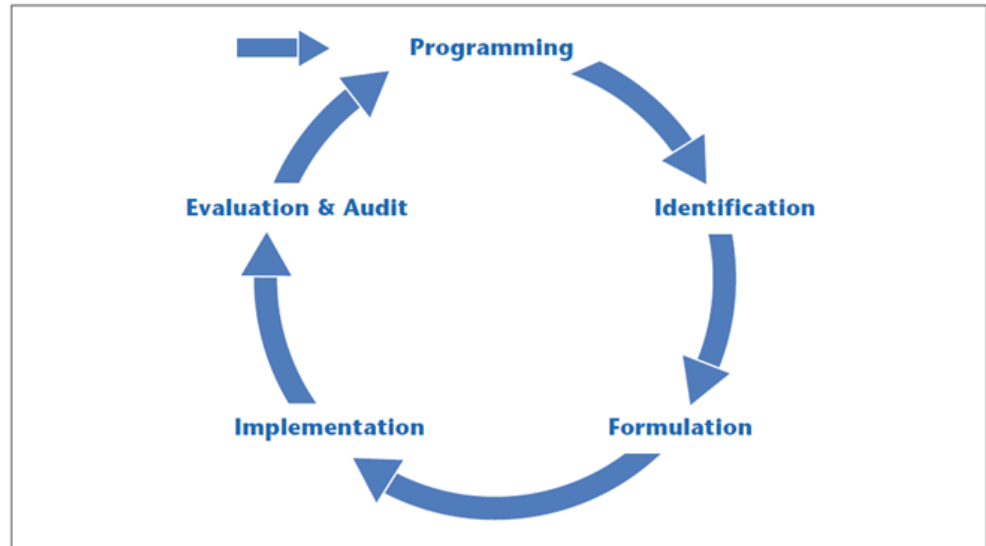
*Source: PCM Guidelines, EC – 2004*

[http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1\\_en](http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1_en)

## 1. Project and Project Cycle Management: definitions and overview

**Project:** a series of **activities** aimed at bringing about clearly specified **objectives** within a defined **time-period** and with a defined **budget**.

**Project Cycle Management:** management activities and decision-making procedures used during the life-cycle of a project.





## The steps: a matter of decisions

**Programming:** decision: program of reference, strategic priorities, sectors, etc.

**Identification:** operational conditions - decision: which options to go for

**Formulation:** should we go ahead? - decision: which proposal to write

**Financing:** proposal accepted? - decision: how to proceed with operational implementation details

**Implementation:** monitoring action - decision: need for re-orientation?

**Evaluation:** 'after all is said and done' - decision: how to use outcomes for future programming



## 2. Logical Framework Approach (LFA) & Logical Framework Matrix (LFM): definitions and overview

**Logical Framework Approach (LFA):** a core tool used in all stages of PCM

‘A way to think’

Analytical process and set of tools to support structured and consistent project planning and management

(involving stakeholder analysis, problem analysis, objective setting and strategy selection)

**Logical Framework Matrix (LFM):** product of the analytical process

‘**Logframe**’: a matrix (four columns and four rows) reporting the key elements of a project plan:

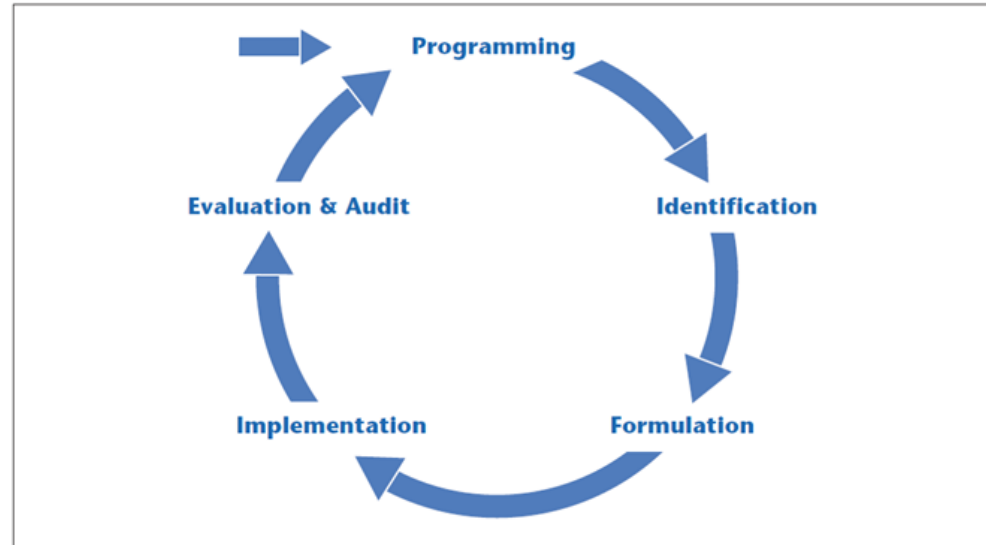
- Project’s hierarchy of objectives (Project Description or Intervention Logic);
- Key external factors critical to the project’s success (Assumptions);
- How the project’s achievements will be monitored and evaluated (Indicators and Sources of Verification)

Project Description	Indicators	Source of Verification	Assumptions
<b>Overall Objective</b> – The project's contribution to policy or programme objectives (impact)	How the OO is to be measured including Quantity, Quality, Time?	How will the information be collected, when and by whom?	
<b>Purpose</b> – Direct benefits to the target group(s)	How the Purpose is to be measured including Quantity, Quality, Time	As above	If the Purpose is achieved, what assumptions must hold true to achieve the OO?
<b>Results</b> – Tangible products or services delivered by the project	How the results are to be measured including Quantity, Quality, Time	As above	If Results are achieved, what assumptions must hold true to achieve the Purpose?
<b>Activities</b> – Tasks that have to be undertaken to deliver the desired results			If Activities are completed, what assumptions must hold true to deliver the results?

Project Description	Indicators	Sources of verification	Assumptions
Overall objective <b>1</b>	<b>8</b>	<b>9</b>	
Purpose <b>2</b>	<b>10</b>	<b>11</b>	<b>7</b>
Results <b>3</b>	<b>12</b>	<b>13</b>	<b>6</b>
Activities <b>4</b> <i>(optional inclusion in the matrix)</i>	<i>Not included</i>	<i>Not included</i>	<b>5</b> <i>(optional inclusion in the matrix)</i>

### 3. Logical Framework Approach (LFA) & Project Cycle Management (PCM)

- **Identification stage:** LFA key for analyzing the existing situation, investigating the relevance of the proposed project, identifying potential objectives and strategies
- **Formulation stage:** LFA key for preparing an appropriate project plan with clear objectives, measurable results, a risk management strategy, defined management responsibility
- **Implementation stage:** LFA key for supporting contracting, operational work planning and monitoring;
- **Evaluation and audit stage:** LFA key for providing a basis or performance and impact assessment.





## 4. LFM in detail: objectives, results, indicators, sources

Project Description	Indicators	Source of Verification	Assumptions
<p><b>Overall objective:</b> The broad development impact to which the project contributes – at a national or sectoral level (provides the link to the policy and/or sector programme context)</p>	Measures the extent to which a contribution to the overall objective has been made. Used during evaluation. However, it is often not appropriate for the project itself to try and collect this information.	Sources of information and methods used to collect and report it (including who and when/how frequently).	
<p><b>Purpose:</b> The development outcome at the end of the project – more specifically the expected benefits to the target group(s)</p>	Helps answer the question ‘How will we know if the purpose has been achieved’? Should include appropriate details of quantity, quality and time.	Sources of information and methods used to collect and report it (including who and when/how frequently)	Assumptions (factors outside project management’s control) that may impact on the purpose-objective linkage
<p><b>Results:</b> The direct/tangible results (good and services) that the project delivers, and which are largely under project management’s control</p>	Helps answer the question ‘How will we know if the results have been delivered’? Should include appropriate details of quantity, quality and time.	Sources of information and methods used to collect and report it (including who and when/how frequently)	Assumptions (factors outside project management’s control) that may impact on the result-purpose linkage
<p><b>Activities:</b> The tasks (work programme) that need to be carried out to deliver the planned results  <i>(optional within the matrix itself)</i></p>	<i>(sometimes a summary of resources/means is provided in this box)</i>	<i>(sometimes a summary of costs/budget is provided in this box)</i>	Assumptions (factors outside project management’s control) that may impact on the activity-result linkage



## 4. LFM in detail: objectives, results, indicators, sources

### Objectives

**Overall (or general, strategic) objective:** the ‘why?’ of the project; the reason behind the project; in the mid- to long-term; limited number

**Purpose (or specific objective, goal):** the ‘what?’ of the project; the change brought about by the project; in the short- to mid-term; theoretically 1, to be reached by the end of the project, its fulfilment objectively verifiable; often expressed in the present tense



## 4. LFM in detail: objectives, results, indicators, sources

### Results

**‘Deliverable’**: typically tangible product or service generated through project activities

**‘Output’**: result of project activities

Deliverables and outputs have to be functional to achieving project objectives and are typically produced for a ‘customer’



## 4. LFM in detail: objectives, results, indicators, sources

**Indicator**: qualitative or quantitative element used to measure performance  
(achievement of an objective)

Key for project monitoring and evaluation

Typologies: for overall objective they tend to be qualitative; for purpose more quantitative

Requirements: SMART (Simple, Measurable, Attainable; Relevant; Time-bound)

**Source**: how are we going to measure indicators in an effective and efficient way?

**Secondary sources**: data elaborated and made available by third parties independently from the project (statistics, sectoral reports, etc.)

**Features**: cost-effective, easy to reach; impartial; often not available when and as needed

**Primary sources**: data are collected and elaborated for the project (questionnaires, studies,...)

**Features**: specific for project needs; may be costly (money and time).




**Exercise 1: Which of these are project purposes (or specific objectives, goals) and which are not? Can they instead be an overall (or general, strategic) objective?**

- Promoting scientific culture among the young
- A contribution will be provided towards UN SDGs
- Average waiting time is 25 seconds
- A 25% increase in investments in renewable energy plants will be achieved in the region by 2025
- Employment and competitiveness of enterprises will be enhanced
- Optimization of the production process of model XX engine, with at least 7% reduction in production costs



## Exercise 2: Find indicators and possible sources

- Increased employment in the FVG Region
- Increased interest of younger generations towards STEM (Science, Technology, Engineering and Mathematics)
- Reduced environmental impact of the XX manufacturing company
- Increased company competitiveness



### Exercise 3: Which categories (objective, result, indicator, source) do the following items belong to?

- Training course for 80 managers
- 7% reduction in energy consumption per inhabitant
- Prototype for model XX engine
- Risk register
- Manual index
- 50 people trained on new technologies
- 8 webinars
- 5 project meetings
- 20 staff members trained on the operational methodology



## 5. LFM in practice: an example (call and LFM from SIMPLA)

How do you go from a call to a proposal?



## 6. LFA stages: analysis and planning

An iterative learning process (primarily) in the Identification and Formulation stages

### The Logical Framework Approach

#### ANALYSIS PHASE

- ↓ Stakeholder analysis - identifying & characterising potential major stakeholders; assessing their capacity
- ↓ Problem analysis - identifying key problems, constraints & opportunities; determining cause & effect relationships
- ↓ Objective analysis - developing solutions from the identified problems; identifying means to end relationships
- ↓ Strategy analysis - identifying different strategies to achieve solutions; selecting most appropriate strategy.

#### PLANNING PHASE

- ↓ Developing Logical Framework matrix - defining project structure, testing its internal logic & risks, formulating measurable indicators of success
- ↓ Activity scheduling - determining the sequence and dependency of activities; estimating their duration, and assigning responsibility
- ↓ Resource scheduling - from the activity schedule, developing input schedules and a budget



## 7. Analysis: stakeholders, problems, objectives, strategies + risk management

### Preparatory analysis

Acquiring adequate context knowledge and awareness (policies, sectoral and institutional features, actors, issues, etc.)

Key documents: EU and where applicable national strategy papers, policy documents, etc.

Goal: assessing how much and what kind of information is available (often reported synthetically in the proposal)

## 7. Analysis: stakeholders, problems, objectives, strategies + risk management

### Stakeholder analysis

Any subject (individual, group of people, institution, company, etc.) with an interest in the success or failure of the project (as beneficiaries, implementers, intermediaries, competitors, etc.)


Features: interest in the project, willingness to get involved, power and capacity

Connected issues: ownership, participation

### Typologies:

- **Stakeholder**: individual/organization which may directly/indirectly, positively/negatively affect or be affected by a project (or programme)
- **Beneficiary**: individual/organization which benefits from the project can be a 'target group' (will be directly positively affected by the project) or 'final beneficiaries' (benefit from the project in the long term)
- **Project partner**: implements the project, may be a target group

Stakeholder and basic characteristics	Interests and how affected by the problem(s)	Capacity and motivation to bring about change	Possible actions to address stakeholder interests
<b>Fishing families:</b> c.20,000 families, low income earners, small scale family businesses, organised into informal cooperatives, women actively involved in fish processing and marketing	<ul style="list-style-type: none"> <li>• Maintain and improve their means of livelihood</li> <li>• Pollution is affecting volume and quality of catch</li> <li>• Family health is suffering, particularly children and mothers</li> </ul>	<ul style="list-style-type: none"> <li>• Keen interest in pollution control measures</li> <li>• Limited political influence given weak organizational structure</li> </ul>	<ul style="list-style-type: none"> <li>• Support capacity to organize and lobby</li> <li>• Implement industry pollution control measures</li> <li>• Identify/develop alternative income sources for women and men</li> </ul>
<b>Industry X:</b> Large scale industrial operation, poorly regulated and no-unions, influential lobby group, poor environmental record	<ul style="list-style-type: none"> <li>• Maintain/increase profits</li> <li>• Some concern about public image</li> <li>• Concern about costs if environmental regulations enforced</li> </ul>	<ul style="list-style-type: none"> <li>• Have financial and technical resources to employ new cleaner technologies</li> <li>• Limited current motivation to change</li> </ul>	<ul style="list-style-type: none"> <li>• Raise their awareness of social and environmental impact</li> <li>• Mobilise political pressure to influence industry behaviour</li> <li>• Strengthen and enforce environmental laws</li> </ul>
<b>Households:</b> c.150,000 households discharge waste and waste water into river, also source some drinking water and eat fish from the river	<ul style="list-style-type: none"> <li>• Aware of industrial pollution and impact on water quality</li> <li>• Want to dispose of own waste away from the household</li> <li>• Want access to clean water</li> </ul>	<ul style="list-style-type: none"> <li>• Limited understanding of the health impact of their own waste/ waste water disposal</li> <li>• Potential to lobby government bodies more effectively</li> <li>• Appear willing to pay for improved waste management services</li> </ul>	<ul style="list-style-type: none"> <li>• Raise awareness of households as to implications of their own waste disposal practices</li> <li>• Work with communities and local government on addressing water and sanitation issues</li> </ul>
<b>Environmental protection agency:</b> Etc	etc	etc	etc



## SWOT analysis: a strategic tool

- 1) An organization's **internal** strengths and weaknesses and **external** opportunities and threats are outlined
- 2) The situation is analysed to see how **strengths** can be used to overcome weaknesses, face threats and benefit from opportunities and how **opportunities** can be exploited to help overcome weaknesses and minimize threats.
- 3) A **strategy** is formulated to make a decision on how to proceed.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Grassroots based and quite broad membership</li> <li>• Focused on the specific concerns of a relatively homogenous group</li> <li>• Men and women both represented</li> <li>• Provide a basic small scale credit facility</li> </ul>	<ul style="list-style-type: none"> <li>• Limited lobbying capacity and environmental management skills</li> <li>• Lack of formal constitutions and unclear legal status</li> <li>• Weak linkages with other organizations</li> <li>• Internal disagreements on limiting fishing effort in response to declining fish stocks</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Growing public/political concern over health impacts of uncontrolled waste disposal</li> <li>• New government legislation in preparation on Environmental Protection – largely focused on making polluters pay</li> <li>• The river is potentially rich in resources for local consumption and sale</li> <li>• New markets for fish and fish products developing as a result of improved transport infrastructure to nearby population centers</li> </ul>	<ul style="list-style-type: none"> <li>• Political influence of industrial lobby groups who are opposed to tighter environmental protection laws (namely waste disposal)</li> <li>• New environmental protection legislation may impact on access to traditional fishing grounds and the fishing methods that can be employed</li> </ul>



## Problem analysis

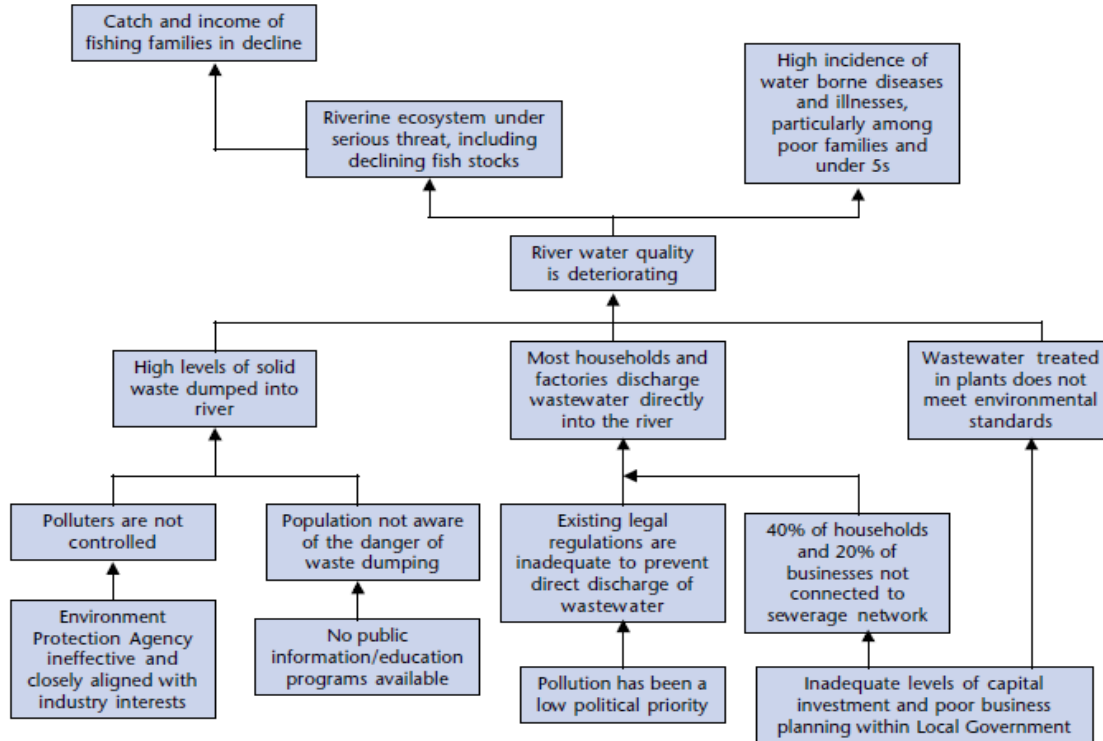
Outlines the negative aspects of a situation and establishes cause and effect relations

Steps:

- 1) Definition of framework and subject of analysis;
- 2) Identification of major problems faced by target groups and beneficiaries;
- 3) Visualization in a problem tree ('hierarchy of problems' with 'cause and effect' relations)



## Problem analysis – river pollution





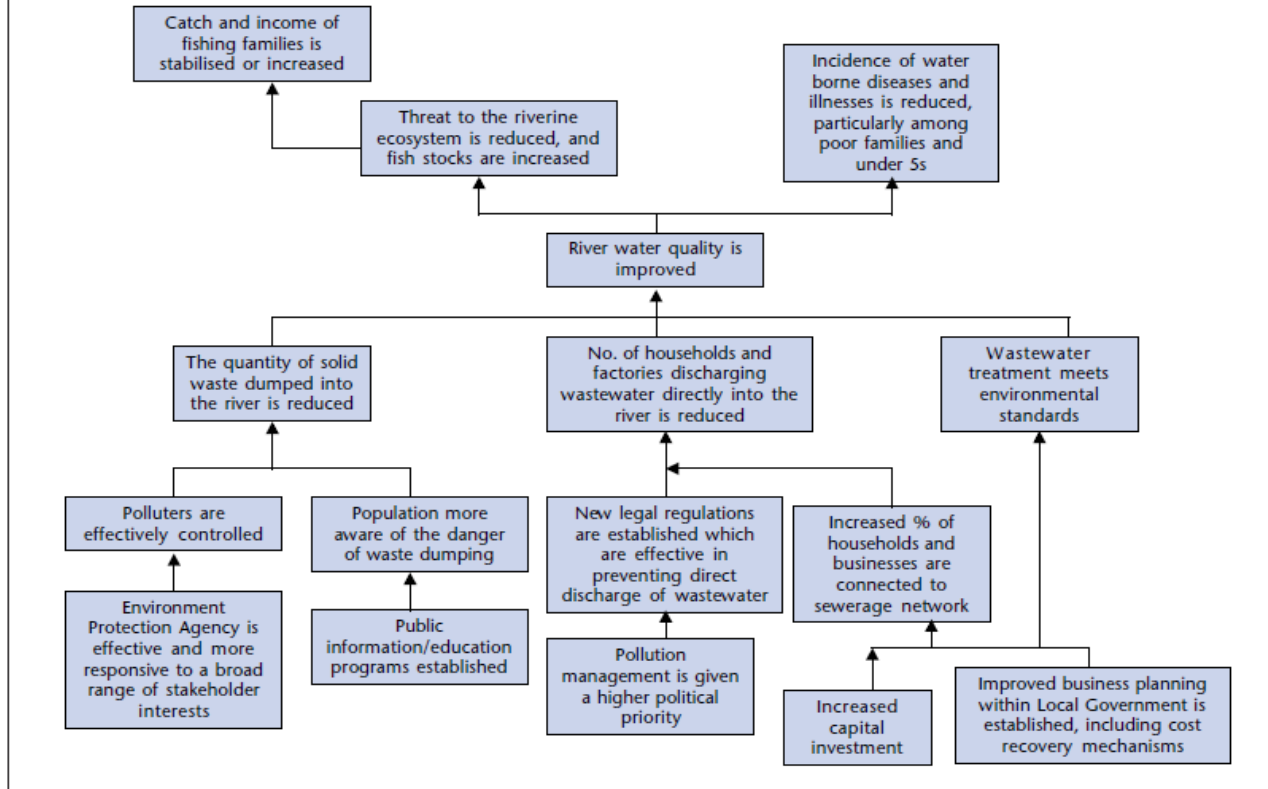



## Analysis of objectives

Aims: **describing** the desired situation in the future once the problems identified in previous analyses have been remedied; **defining** a hierarchy of objectives with means-end relations

Descriptions of problems are **converted** into description of solutions

## Objective tree – river pollution





## Analysis of strategies

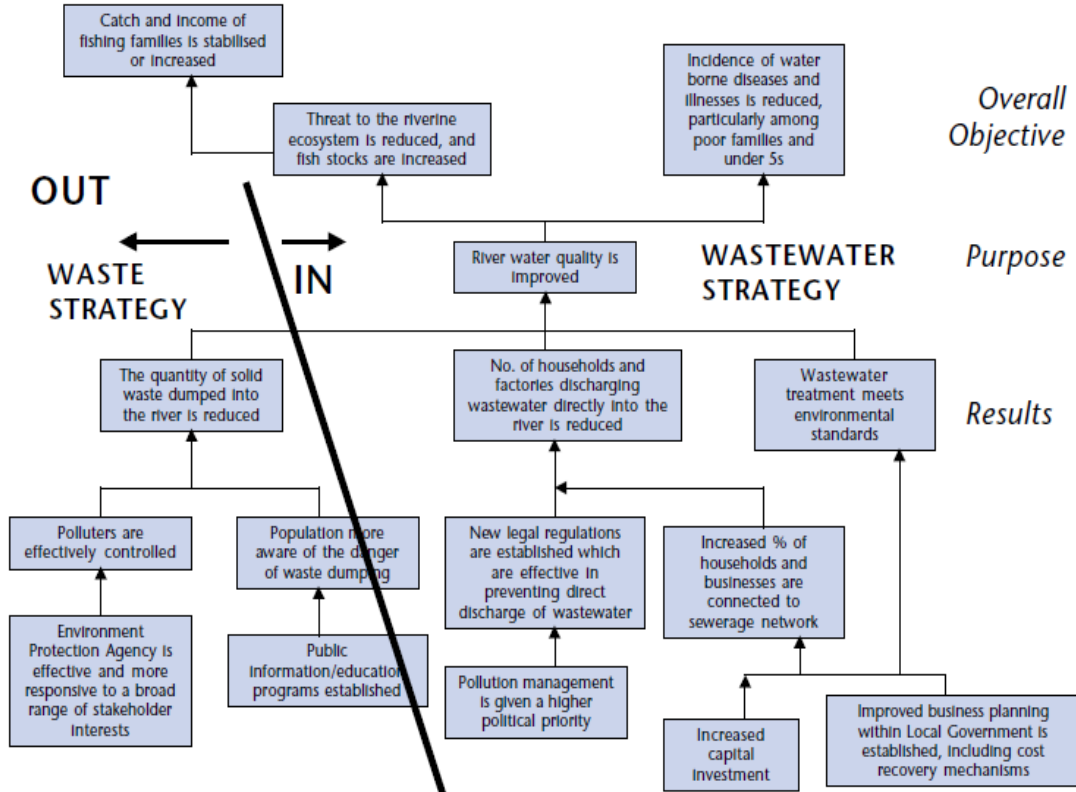
### Decision time

- Which problems/objectives should be tackled?
- Which strengths and opportunities can be exploited to face threats and overcome weaknesses?
- What combination of actions can bring desired results?
- How is local ownership of the project best supported and local capacity developed?
- What are the most cost-effective, feasible and sustainable options?

### Reference criteria:

e.g.: key policy objectives; benefits to target groups; synergy with other ongoing or planned initiatives; sustainability (technical, environmental, social, economic)

# Strategy selection





## Risk management

The achievement of project objectives is always subject to influences beyond a project manager's control.

The external environment needs to be monitored to understand if assumptions made are likely to hold true, what risks may be emerging, which actions to take to manage or mitigate these risks (not shortcomings in project planning/implementation!).

The risk management matrix: a monitoring tool needing consistent periodic review and update



LF ref.	Risks	Potential adverse impact	Risk level (H/M/L)	Risk management strategy	Responsibility
1	The Program Stream Coordination Unit (PSCU) and ASEAN Secretariat (ASEC) staff do not establish an effective working relationship	Delays in processing proposals through the committee endorsement system	M	Annual Managing Contractor/PSCU staff performance assessment by co-chairs of Joint Selection & Review Panel (JSRP) and appropriate remedial action taken by all parties	Delegation, ASEC and Contractor





## Exercise 4: Which out of these are risks

Delay in WP3's implementation

Exceptionally rainy season

Increase in market prices much higher than in previous years

Poor training of research team's members

Stakeholders do not approve the offered solution

Fall in demand for the XY product

Insufficient number of applications to participate in the capacity building programme provided by the project





Grazie per l'attenzione!

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