

TD 608

Project Management and Analysis

Part I

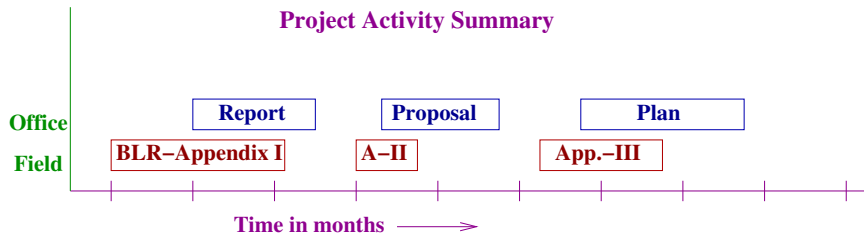
Project Conception and Execution



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Lecture 7

The Project Plan and Beyond

Let us look back on the time line of the our interaction with the community, our study and our documentation.



- The Base-Line survey
- Chapter-I and II: Community report and motivation for the project

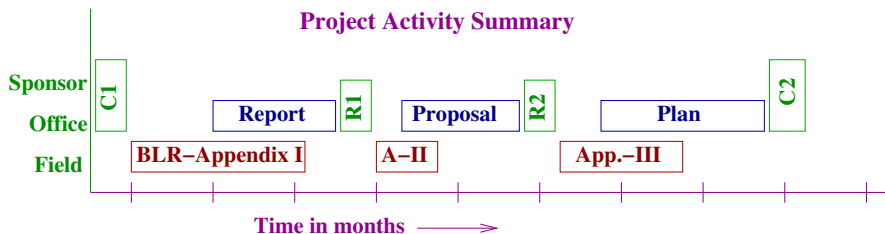
- Options assesment interaction
- Chapter III- Technology Option and research

- Appendix-III, Community Engagement
- Chapter IV- The project plan

The Sponsor

Sponsor: is the agency which provides the financial resources for the project and has a primary stake in the success of the project.

- It may be a bank, a government agency, a fund, a group of donors and so on.
- It will want key inputs and will make key decisions. These are marked below in the time line.
- C1, C2 are consultations, while R1, R2 are reports from the project office to the sponsor.
- C1 is the **project initiation** while C2 is the **Project Plan submission and review**.



Initiation to Plan to Execution

- At project initiation, i.e., C1, the sponsor usually makes clear its objectives in considering such a project.
- These objectives may be *abstract* such as "*Improve the lot of this community*", or fairly concrete, such as "*Increase the per-capita income by Rs. 2000*".
- The Project Plan must explicitly connect the project with the sponsor

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The point C2 is a decision-point where the sponsor

- may give the *go-ahead*
- On the other hand, it may ask for a fresh plan, in which case, *Appendix-III and Project-Plan* cycle must repeat!
- It is possible that the *project is cancelled!* .

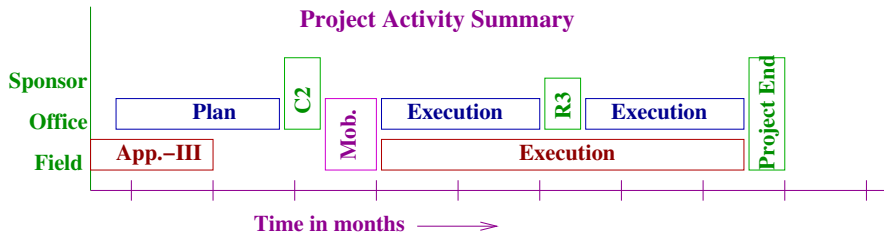
In this case, you must go back to the community and explain why it got cancelled.

- *Note that Appendix-III discussions and arrangements are non-binding and must be kept that way.*
- For example, no village committee was formed, only an informal *working group* helped in the meetings.

The Go-Ahead

The Go-Ahead will start the **Mobilization** and **Execution** of the project.

- Mobilization is the time between the **Go-Ahead** and the **Kick-Off**.
- Execution will have various **milestones** where the project office must report to the sponsor.
- Finally, we come to the **Project Completion**, wherein a formal ceremony involving all parties will mark the end of the project.



Project Review and Appraisal may be done after a suitable time to check if the objectives of the project have been achieved.

Project Mobilization

Mobilization is the time where the final arrangements for the initiation of the project are made.

This includes:

- Allocation of Project-Office staff.
- Mobilization of the community:
 - ▶ Holding of first meeting
 - ▶ Finalizing commitments of key resources/labour/skilled workers
- Drawing up all contracts and their awards
- Arranging legal clearances and permissions
- Setting up of the site-office
- Correspondence (with sponsor, contractors, experts,

This also includes a detailing of the Project Plan

- Dividing tasks into sub-tasks
- Developing a weekly schedule and marking task/sub-task activities.
- Developing project-wide weekly resource requirements
- Allocation of all liaison duties and begin liaison process
- Establish financial and accounting systems
- Establish monitoring system (community)

Typical Detailed Work Plan

Here is a typical week in a **Check-Dam Building** project. The parties are:

- **The Project Office:** Omkar, Satyajit
- **The NGO partner:** Kalekar
- **The contractor:** Prafulla, Sanjay
- **The Community:** VCS is the village appointed supervisor

Week February 10-16					
Task	Start	End	Owner	Verifier	Remarks
Get NOCs for soil	Feb.12	Feb. 15	Kalekar	Sanjay	
Arrange for tanker	Feb. 12	Feb. 16	Prafulla	Omkar	
Continue with COT	-	-	Sanjay VCS	Omkar	
Expert Visit	Feb. 13	Feb. 13	Omkar	Kalekar VCS	
Change VCS Review labour Community Mtg.	Feb. 16	Feb. 16	Kalekar Satyajit Sanjay	Prafulla Omkar	

The Project Office

We have seen that the project manager needs to execute many tasks, which may be classified as under.

Note that for small project, most of these tasks will be done **in-house**, while for larger projects, many will be contracted out.

- **Technical and Social Design**: This is the design of all planned interventions.
- **Social Surveys**: The base-line survey and all other incidental surveys required.
- **Research and Analysis**: It is frequently needed to research into known similar projects and analyse various options.
- **Community Interactions**: It is required to maintain a fairly continuous dialogue between the community and the project office.
- **Monitoring**: This is most important during the execution part of the project.
- **Project Execution**: The actual creation of assets
- **Project completion**: This includes final documentation, liaison with sponsors, and hand-over.

Project Office: Expenses

Typical costs are

- Establishment costs and rents
- Salaries and Stipends
- Travel and Daily Allowances
- Stationery, supplies and computers
- Report preparation and documentation
- Social Surveys and initial testing costs

- None of these costs are part of the Project cost.
- They are, however, costs to the sponsor.

Social Surveys and initial testing costs: includes all costs incurred on location upto the formulation of the Project Plan. For example, in our **Kitchen-Garden** project:

- Soil testing
- Visits to different projects

All costs before launch are Project Office costs

Costs **included** in the project are:

- Land surveying
- consultant fees
- costs incurred after the formal launch of the project

Project Office-Manpower

The task headings again:

- Technical and Social Design
- Social Surveys
- Research and Analysis
- Community Interactions
- Monitoring
- Project Management

For a small project (such as the kitchen-garden), a 3-person team will suffice:

- A Social Worker-community
- A Field Engineer-design and monitoring
- The Manager-sponsor, R&D, documentation

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For a large project:

Project Manager

- R&D, Project Orientation
- Coordination, Sponsor, Monitoring
- Analysis and Delivery

Field Agency

- Community Surveys and Interaction management

Design Firm

- Engineering Designs, Monitoring

Contractor

- Execution

Manpower Expenditure

- **Manpower Salaries** is usually a large chunk of the project office expenditure.
- For small projects, this may well exceed the project costs.
- To get around this, the project office frequently operates several small projects.
- Another popular approach is **capacity building**, wherein individuals from the community are trained to undertake surveying, execution and monitoring tasks.

Capacity Building

A fundamental goal of capacity building is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation among development options, based on an understanding of environment potentials and limits and of needs perceived by the people of the country concerned". -UNCED, 1992

In other words, transparency and community participation in project management is an important tool for capacity building.

Field Agencies, Contractors and Consultants

The role of field agencies in projects may be quite important.

This can be as:

- community contact, trust-building and liaison
- parallel program and scheme implementors
- consultants and experts on local issues
- social surveying and primary data collection

Many of these are NGO's, i.e., either Trusts, Societies, or Section 25 companies.

Contractors and Executors

- Usually for-profit companies
- Must specify a *contract*:
 - ▶ A clear technical brief
 - ▶ execution and operational plan
 - ▶ Payments to be made and clauses
- Must reflect a clear-cut delegation of project tasks with pre-agreed measures of success and compensation

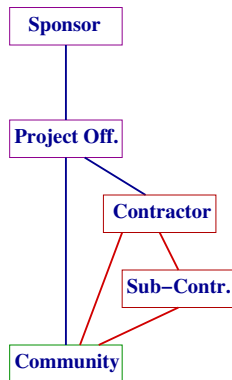
Consultants

- Usually experts called for *independent review* of various project tasks.
- **Input**: Clear specification of the problem.
- **Delivery**: A written report!

Careful with Contractors

Note that the contractor (and sub-contractors) introduce a new interaction-between the community and the contractors. This is fraught with tensions:

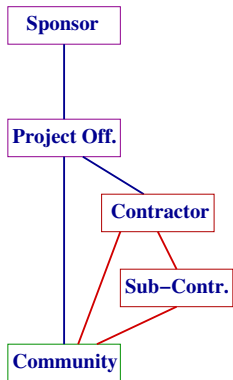
- The contractor, unless made explicit, feels responsible only to the project-office, and not to the community
- This will usually mean an impatience in its dealings with the community.
- This may compromise many of the project objectives such as
 - ▶ transparency
 - ▶ quality
 - ▶ capacity building
- Vested interests may creep in into the choice of contractors and sub-contractors.



Contractors: MOU

To compensate for this, following measures may be used:

- Modulate the contractor-community interaction:
 - ▶ Ask the community to have a *supervisor* through which the interaction must be routed.
 - ▶ Key decisions must be in periodic public meetings
- Educate the contractor on capacity-building objectives.
- Keep these clauses as pre-conditions in the hiring of sub-contractors.
- Keep all project-contractor-subcontractor interactions in the public domain.



Externalities

Externalities : unpredictable parameters outside the analysis of the project, but which have significant influence on the projects viability

- Macro-economic parameters
- Political and social arrangements
- Bureaucracy and the laws of the state
- Vested interests

Be careful

before labelling a parameter as an externality. Argue why the parameter

- was not factored in the analysis
- and does indeed influence the project

- **Inflation** is not an externality. Economic models to predict inflation exist, and must be used in the analysis.
- *bakri-owners* would have been wrongly labelled as a **vested interest**. We see, after analysis, that they have a genuine interest *against* the project, which must be articulated.
- **Taxation rates on agricultural produce** is an externality.

PAFs/PAPs

Project-affected-families/persons : those who are adversely affected by the project.

- PAFs always exist, their existence must be foreseen.
- Make sure that PAFs related issues are also considered at the time of technological choices for the intervention.

PAFs may be some of the weakest segments of society. If that is so:

- Redesign the project-as we did for the kitchen-garden.

The well being of the weakest sections is foremost to development.

- Identification and Rehabilitation of PAFs is an integral part of the task-list of any project.
- The PAFs task-list must follow the life-cycle of any other task, i.e., community-interaction, design, research, implementation, monitoring
- Rehabilitation plans, if any, must include representatives from PAFs.
- Costs of rehabilitation must be factored into the project analysis.

Discussion

- 1 Consider the project of provision and stabilization of drinking water for Karjat tribal block. What would be the major study and decision points for this project? Who could be a possible sponsor? Why?
- 2 Consider the Tata-Singur project and its failure to start. Why do you think it failed? How is it different from a SEZ-failure?
- 3 What is the role of governance and corruption in this phase of the project?
- 4 Do you agree with “[Medha Patkar has been instrumental in changing the way projects are designed](#)”?