



Rural Management

RL6 Project Management in Development Organizations

First Edition



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Ministry of Education

Editorial Board

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About the Book

Project Management is one of the key skills going forward in the 21st century. It is the prime movers of an increase in efficiency of the workforce. A project in its design is meant to be crisp. It is to provide a nice segue into a long haul job schedule as it is considered that every part of the schedule can be broken down into tiny modular segments. Each of these modular segments can be taken up as a project. A project can have a fixed tenure with a certain space for flexibility without hampering the larger scheme of things. Its' not a recent management language, it is a practice widely accepted by industries all over the world and more so important in the sector of development where a vast multitude of sector wise projects are taken on a regular basis. The funding, sourcing and all other management competencies are in wide demand now more than ever.

The book is divided in to five Chapters. Chapter 1 provides introduction to Project Management. Chapter 2 covers Project Planning, Chapter 3 covers Project Financing, Chapter 4 familiarises with Project Monitoring and Evaluation and Chapter 5 covers Post Project Evaluation and Life Cycle. To Do activities are provided across the chapters to facilitate students to do the activity and learn the concepts. Also, model questions, references and reading materials would facilitate the faculty members to further read and get acquainted with the concepts.

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Dr W G Prasanna Kumar
Chairman MGNCRE

Chapter 1 Introduction to Project Management

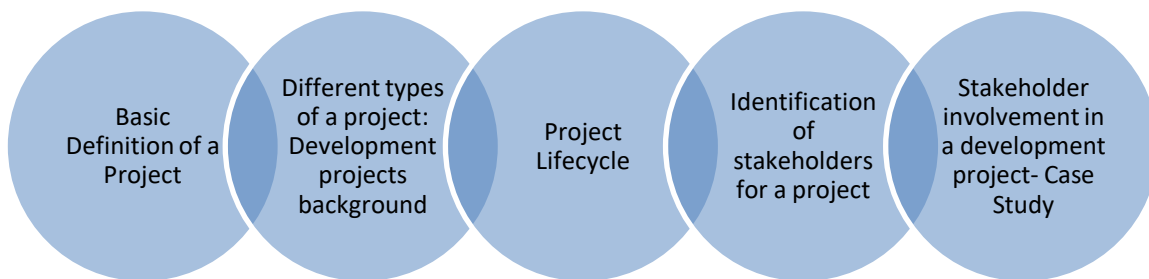
Introduction

Project Management is one of the key skills going forward in the 21st century. It is the prime movers of an increase in efficiency of the workforce. A project in its design is meant to be crisp. It is to provide a nice segue into a long haul job schedule as it is considered that every part of the schedule can be broken down into tiny modular segments. Each of these modular segments can be taken up as a project. A project can have a fixed tenure with a certain space for flexibility without hampering the larger scheme of things. Its' not a recent management language, it is a practice widely accepted by industries all over the world and more so important in the sector of development where a vast multitude of sector wise projects are taken on a regular basis. The funding, sourcing and all other management competencies are in wide demand now more than ever.

Objectives

- To familiarise basic terminology related to project management
- To familiarise with the different types of a project in general and development project in particular
- To examine the ways of identification of stakeholders
- To examine and develop an understanding to ensure involvement of all the stakeholders involved in a project

Chapter Structure



1.1. Basic Definition of a Project

Before delving deeper into the understanding of project management, we should be rather clear with the idea of project itself. So, a general question at the top of the head would be “What is a project?” According to the Project Management Institute, A project is temporary in that it has a defined beginning and end in time, and therefore defined scope and resources.

And a project is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal. So a project team often includes people who don't usually work together – sometimes from different organizations and across multiple geographies.

The development of software for an improved business process, the construction of a building or bridge, the relief effort after a natural disaster, the expansion of sales into a new geographic market — all are projects.

And all must be expertly managed to deliver the on-time, on-budget results, learning and integration that organizations need. According to Association for Project Management, A project is a unique and transient endeavor, undertaken to achieve planned objectives which could be defined in terms of outcomes, outputs or benefits. A project is usually deemed a success if it achieves the objectives according to their acceptance criteria, within an agreed timescale and budget.

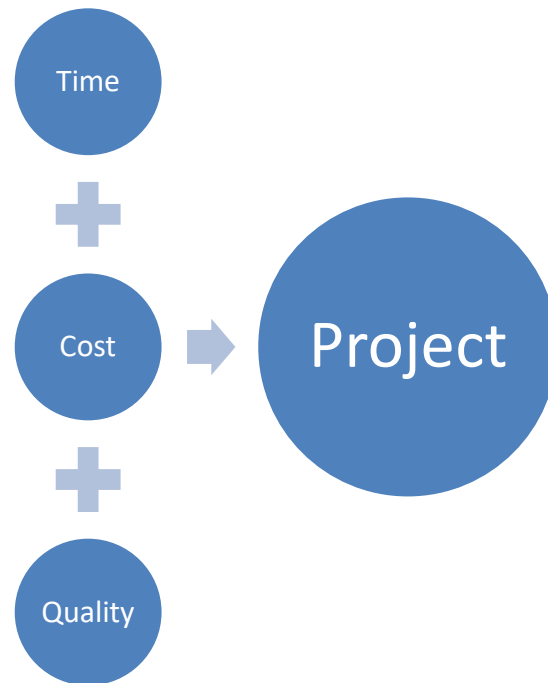


Fig 1.1- Building Blocks of a project

There are three major building blocks of a project:

Time: Scheduling a project is an important factor in the development of a project. A timeline needs to be established with requisite flexibility for extraordinary conditions to be accommodated over the course of the project.

Cost: It is not only the building block but a prime mover of the project undertaken. In simpler terms finance determines what goes in the project and if at all a project sees the light of the day. Not only finance is a deterrent but as a project proceeds there needs to be a clear cut plan and proposal for the constant flow of finance during the making of the project as well as the gains from the project in terms of returns to the investing or lending agency as well as other beneficiaries need to be taken into account.

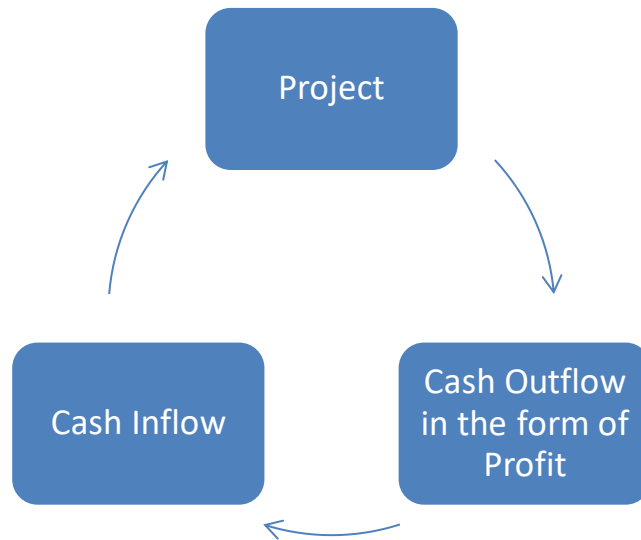


Fig- 1.2- Financial Circular Model for a Project

This cycle is a clear representative of the flow of finances and the viability of any running project and a consistent maintenance of the cycle are dependent on the flow of finances. After a point in time, the project has to be self sufficient and sustainable in terms of the finances i.e. the revenue it generates should make the project running providing an easy exit for the investing agency.

Quality: This parameter is subjective and can vary as per the requirement of the project. For a development project:

Example 1: If we take a development project like IBTADA, the development NGO in the region of Alwar works in the sector of primary education for girls of minority community in the region and in a separate initiative for women of the minorities in the region they have taken up the initiative to inculcate financial prudence and savings as a habit. They have created SHGs in and around the skills of the women in the region and have trained them in savings skills and lending within the group. We will now take up the chain of outcomes that would decide the quality of the project for the primary schooling as well as look deep into entire project cycle of both the projects.

Few discernable quality indicators in terms of primary education are put in the form of a pictograph below. They present a much lucid picture of the scale of expectations that are being set off from any new initiative undertaken.

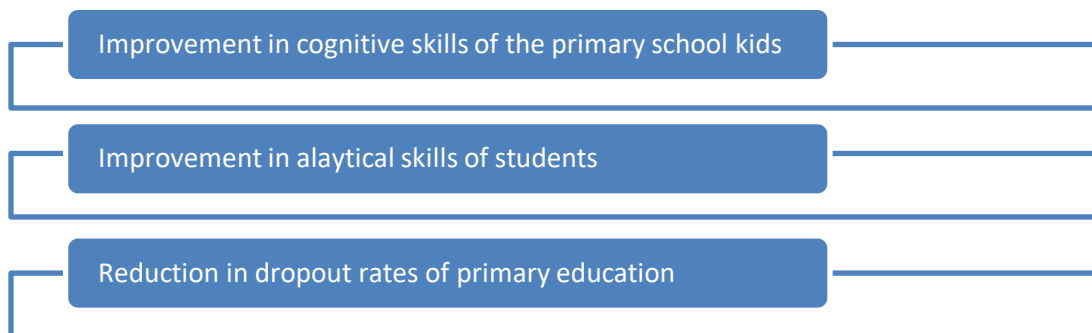


Fig-1.3- Outcomes of the IBTADA model of training for primary school kids



Fig-1.4- Outcomes of the IBTADA SHGs model

Example 2- A typical project cycle in a few steps can be drawn as follows

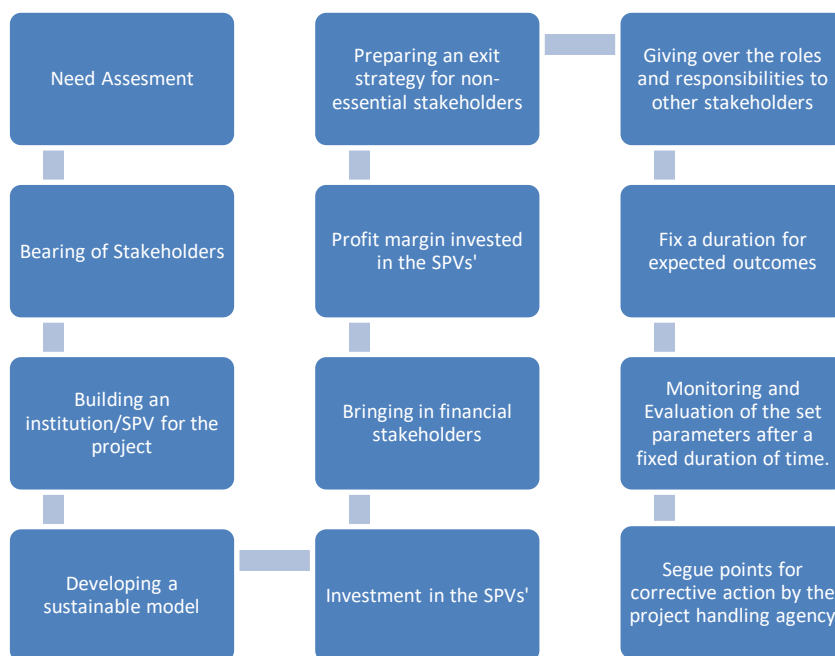


Fig-1.5- Project Mapping

Example-3- How an improper assessment of the scenario and a possible non-concerning basis leads to the failure of a novel idea and it also represents the gross miscalculations not taken in account in a hustle to replicate an idea successful and in trend from the near past?

This is a basic theme around which the structure of any project revolves. In the case of any development project as given in example 1, as IBTADA is the project handling agency; the organization targeted the poorest of the poor communities and did a need-based assessment. It made them realize two crucial aspects about the community.

Firstly, the ladies were running the households and hence were at the helm of financial holding for the households and thus would understand the need and utility of money better. They would already have a

saving aptitude but not enough resources to save. What caught the eye of the organization was that the women were skilled in activities such as making rugs and mats. This gave IBTADA the initial push.

Secondly, they realized that in order to gain trust and necessary impetus for its activities, it has to choose propagators of its idea from within the community and mostly women as the women they were dealing with were from the villages with a mentality deeply rooted in its stereotype of women not talking or facing stranger men, thus they chose female promoters from the community and taught them about personal wealth management via SHG formation and they were further trained in manufacturing rugs via machines and IBTADA also provided them with finances required to start up with the new task at hand. IBTADA was funded by the CSR wing of Bajaj Motors Pvt. Ltd. And they pushed in a small sum of money into the newly formed SHGs to kickstart the rugs business and simultaneously have cycles of lending. IBTADA after setting this up and overseeing a few cycles of lending and repayment have smoothed an exit strategy transferring the control rights of the SHGs to women in the groups. However, what they didn't take in account was that there was a religious angle to it as most of the minorities belonged to the Islamic sect of Meo community. Thus, under the purview of IBTADA, the lending and the SHG activities were undertaken smoothly. However, once IBTADA foreshadowed its control and transferred it to the women groups; they found it mighty difficult to continue as it was a deeply patriarchal society and they started to enforce Islamic norms on the women in the community who were a part of the different SHG groups and on the context that in Islam lending activities are considered as Haram or ill-willed activities. Thus, when IBTADA visited as a part of its monitoring initiatives undertook evaluation found out that most of the groups have become inactive or dead. This came as a huge setback to the organization as it overlooked religious practices to be a stakeholder in the formation of a new initiative.

Thus, it becomes suggestive of the fact that quality parameters and outcomes need to be altered based on the varying social dynamics of the multiple stakeholders involved which might not be indicative and cause of concern for a new initiative but definitely can take a toll on the productivity and final outcome determined leading to a lower qualitative outcome.

To Do Activity

Just like in the example of IBTADA, where we observed a non-entity becoming a significant stakeholder in the project and overlooking the same became a major hindrance for the project undertaken. Try to find out stories of Indian NGOs' and their initiatives which have failed at some point and according to the project mapping chart, point out the specific points in the map at which the project failed

1.2. Different Types of Project: Development Projects' Background

As seen in the last sub-unit, any project has a single most striking differentiating factor between a routine business activity and a project is uniqueness. As is clear from the etymology, routine business or better known as 'Business as Usual' is the term referring day-to-day activities undertaken to keep the office running. Any project would be an activity with a definite timeline.

Table-1.1- Difference between Business as Usual and Project

Attributes	Business As Usual	Project
Time Factor	Business as Usual doesn't have a time constraint or time line as it is the lifeline of the business, as long as the business is afloat the business as usual is running. It is the backbone of any business.	A project is an independent unit of a business for a specific outcome and hence has a limited time since inception to end point with a limited scope of flexibility
Risk Factor	Business as usual has a much reduced risk factor and the risk can be easily absorbed with slight modifications in the already sustainable model	The risk associated with the project is huge as it is an one-off endeavor and is expected to generate a specific outcome, if the specificity of outcome is lost, the project cannot sustain its life.
Deliverables	There are no specific deliverables in terms of business as usual, as far as deliverables are concerned because they are usually activities to uphold the business	Projects need to have an one-off deliverable and fixed outcome
Cost	Business as usual is the cost involved in the day to day operations	Projects have a cost fixed with a limited overhead and as a financial entity a project has fixed inflow of cash in form of an independent financial entity
Benefit	Seeks to maintain optimum actions in order to run the normal course of action and make an incremental change	Projects on the other hand are a distinct line of approach to bring about a long-term change

Source- Feedback please- Difference between projects and BAU, parallelprojecttraining.com/feedback-please-difference-between-projects-and-bau/

In the next part of the unit, we will take a brief look at the types of projects that are undertaken before delving deeper into the kind of project we are interested in

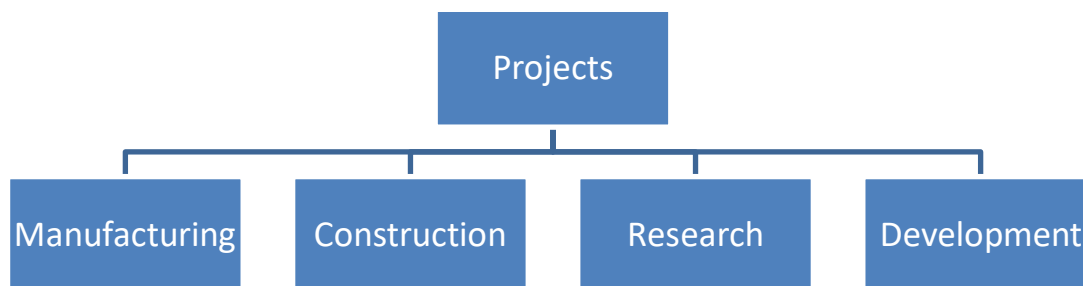


Fig-1.6- Types of Project

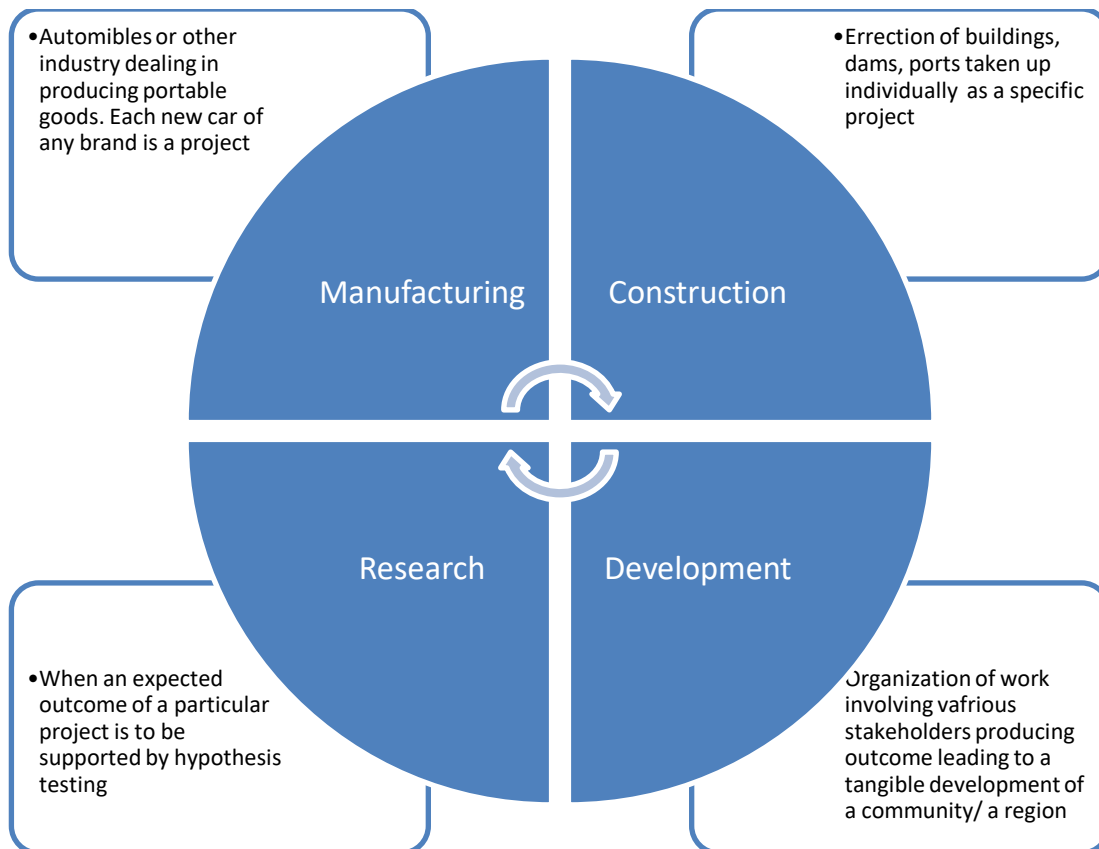


Fig-1.7- Brief about the various forms of project

Now we would delve deeper into development projects:

Development projects have been a part of every five year plan starting from independence. We will look into the history of five year plans, the tangible targets set and the amount of target achieved by the end of a five year plan.

Table-1.2- List of Five-Year Plans till date

Plan	Targets to be achieved(key indicators)	Targets Achieved
First Five Year Plan (1951-56)	Agricultural Products prices to be stabilized Establishment of Power Grids A strong transportation structure in place Focus on increasing connectivity Rehabilitation of Refugees	Rehabilitation of Refugees Price Stability on agricultural commodities Food grain self sufficiency Expected Growth Rate: 2.1% Actual Growth Rate : 3.6%
Second Five Year Plan (1956-61)	Targeted Resource Allocation to Broad Sectors- Agriculture and Industry Increased Imports due to foreign loans infusion Introduction of a socialistic	Absence of a strong foreign exchange market leading to a reduction in expected growth targets Price uncertainty and unexpected price rises

	pattern in the society	Expected Growth Rate: 4.5% Actual Growth Rate: 4.3%
Third Five Year Plan (1961-66)	Self Reliant; Self generating Economy Agriculture was given top priority Exports and Industry was given priority Later phase focus shifted to defense development	Economic and Financial tailspin due to Chinese wars and aggression Expected Growth:5.6% Actual Growth :2.8%
Plan Holiday(1966-69)	Three Annual Five Year Plans due to failures from previous plans. Time to absorb shocks from the failures and derailments of previous plans. New Agricultural Strategy to be implemented Widespread distribution of high yield variety of seeds Focus on extensive usage of fertilizers Exploitation of irrigation potential and soil conservation methods implemented	Devaluation of Rupee Inflationary Recession led to deferment of five year plans Crisis in Agriculture and food shortage No specific growth targets in absence of a five-year plan
Fourth Five Year Plan (1969-74)	Growth with Stability became a pillar for this five year plan as after India-Pak war with unsupportive allies Targeted progressive achievement of self-reliance Growth of agriculture as a propellant for other sectors of economy Implementation of Family Planning measures	Influx of migrants from war was an important deterrent in the achievement of planned targets. Failure of Monsoon during the major part of the five year plan derailed the agricultural growth rate set and hence slowing down overall growth Expected Growth Rate: 5.7% Actual Growth Rate :3.3%
Fifth Five Year Plan (1974-79)	Two Primary Objectives: Reduction of Poverty and Attainment of Self-Reliance Promotion of higher growth rate Better distribution of income Higher domestic rate of return on savings Implementation of a 20-pointer program by PM.	High Inflation led to miscalculations of costs in the course of planning Overturn of political power led to curtailing of the five year plan Emergency implementation led to a stress on the growth pattern Expected Growth Rate:4.4% Actual Growth Rate: 4.8%
Rolling Plan (1978-80)	2 Sixth Five Year Plans proposed Major impetus on increasing employment	Widening inequality Increasing Poverty Improper planning at the behest

	Poverty reduction by expansion of economy	of tumultuous politics lead to no setting of growth targets.
Sixth Five Year Plan (1980-85)	Increase of national income Modernization of technology Ensuring continuous decrease in poverty Reducing unemployment through transferring skills (TRYSEM) and IRDP Providing Employment through lean phases through NRDP Initiatives to control population explosion	Almost every govt. led initiatives take off Drought in last year of the plan led to a reduction in the agricultural output as compared to the previous year output Expected Growth Rate:5.2% Actual Growth Rate: 5.7%
Seventh Five Year Plan (1985-90)	Major focus on Food, work and productivity Increasing Employment opportunities Increased production of food grains	One of the most successful five year plans Expected Growth Rate:5% Actual Growth Rate: 6%
Eighth Five Year Plan (1992-97)	Plans to combat worsening economic condition Major steps of economic liberalization led to broadening of economy further. This led to a change of fortunes for the economy of the country	Postponed due to political uncertainties at the centre Worsening Balance of Payment Debt burden and payment deficits Industrial recession Inflation Share of public sector in investments reduced to 34% After Economic reforms: High growth of agriculture and allied sector Manufacturing sector also elevated Imports and exports as a sector took off Improvement in trade and current account deficit Expected Growth Rate:5.6% Actual Growth Rate: 6.8%
Ninth Five Year Plan (1997-02)	Motto of the five year plan was “Growth with Social Justice and Equality” Impetus on private sector Govt. resource allocation to be increased in social sector and predominantly education Priority on agriculture and rural	Limited support of private sector led to a reduction in pace of development Major focus on economic development led to a transient focus on other sectors and hence a slowdown of growth Expected Growth Rate:6.5%

	development Developing infrastructure with limited private support	Actual Growth Rate: 5.4%
Tenth Five Year Plan (2002-07)	Set monitorable targets for 11 key indicators of growth: Reduction in gender gaps in literacy and wage rate Reduction in infant and maternal mortality rates Improvement in literacy Access to clean drinking water Cleaning of polluted river bodies	State role in development gained impetus with footing for Panchayati Raj Institutions State wise target for growth and social development of all the states. Expected Growth Rate:8% Actual Growth Rate: 7.6%
Eleventh Five Year Plan (2007-12)	Rapid growth reducing poverty Creating more employment opportunities Access to essential health services National Rural Employment Guarantee Program Environment Sustainability Reduction of Gender Inequality Improvement in Sex Ratio Increase in forest cover and tree cover in major Indian cities Connecting every village by telephone and broadband	Rise in domestic savings and investments to 36.7% Poverty of the country declined by 1.5% points year on year Price Stability became a pain point Expected Growth Rate:9% Actual Growth Rate: 8%
Twelfth Five Year Plan (2012-17)	Faster, Sustainable and More Inclusive growth Poverty Reduction Promoting group equality and regional balance Increasing FDI and infrastructure projects Manufacturing growth rate of 10% Generation of 50 million new work opportunities Elimination of Gender gap and social gap in school enrollments Reduce under-nutrition to NHFS-3 levels	Divulged in the mid by turning it to a 30-year vision

Source-MOSPI website,

http://mospi.nic.in/sites/default/files/Statistical_year_book_india_chapters/Five%20Year%20Plan%20writeup_0.pdf

In the first three five year plans the expected rates of growth were set on the context of national income. In, remaining other plans apart from the fourth five year plan, gross domestic product has been used.

To Do Activity

From the idea of the previous five year plans as studied above, pick out any two sectors to focus on in terms of development in the present scenario and give out specific deliverables and expected growth rate for that particular sector. From the current scenario, pick out the roadblocks in the particular sector which could possess a threat to the expected growth rate.

Taking each five year plan to be a project in itself with discernable goals and a time limit, we can bring down the development projects to certain key outcomes

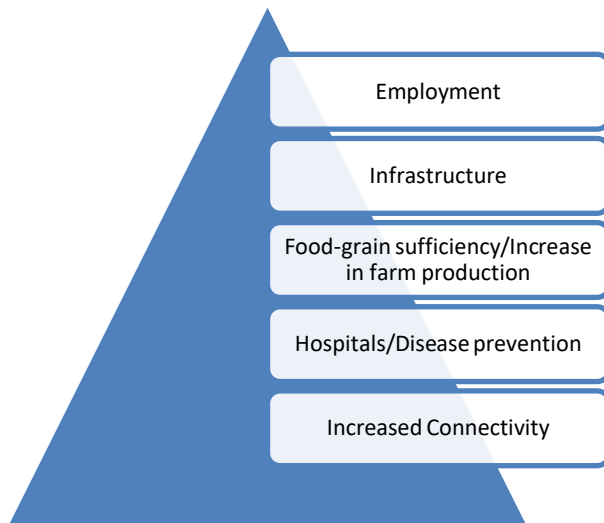


Fig-1.8- Key Focus Areas of Five-Year Plans

1.3. Project Lifecycle

As we know project is an endeavor with a fixed timeline, hence every project has to be divided into certain phases from beginning to the end.

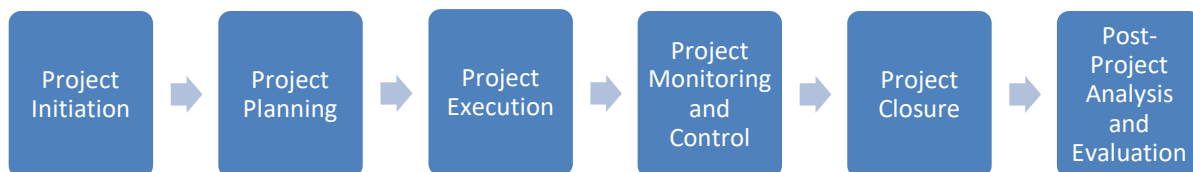


Fig-1.9- Phases of project life-cycle

The team behind a project always has a shared goal of carrying out the project in the best possible way to meet out all the obligations and deliver required outcomes within a stipulated time frame.

Initiation Phase

The project objective or need is to be identified. For example: - Increasing rates of unemployed youth in a particular region could invoke a project related to generation of employment opportunities for the youth according to the skillset.

An appropriate project proposal is to be put in place. For the above project to be taken up, there needs to be a documentation of the entire project looking forward for project funding agencies. In case of a development project by a local NGO, the funding responsibility is partly distributed amongst the govt. agencies and the philanthropic initiatives taken up by the corporate social responsibility wings of the business tycoons. The project document should outline deliverable outcome along with the pain points addressed; this has to be further strengthened with an audited project budget and timeline for the short term and long term goals to be addressed to make it impactful.

In the initiation phase only, need-assessment needs to be done and the viewpoint of the stakeholders needs to be taken into account. This is the most vital phase of any project and sometimes the most overlooked one as well. However, this becomes a major concern for the project as and when in the later phases. For example, one instance when a vehement opposition led to the downfall of a giant project is the opposition faced by the bauxite mining plant to be established at Kalinganagar in Odisha region. Here, one of the major stakeholders in the project the tribal communities were left out in the decision making and implementation of the project and as the project seemed flawless going on field with the agenda of being a development project for the community leading to the betterment of the communities and the state in general. However, this led to a violent protest and ultimately the state had to succumb as the livelihoods of indigenous communities in the region was to be affected and the project lost its purpose of serving the community was lost as it was at the behest of certain communities.

Multiple alternative routes needs to be planned for the project to come to fruition in case of extraordinary issues coming up in the midst of the project. For example, flexibility in term of time and financial limits is one of the most essential requisite. Assuming a scenario like a global pandemic bursting up in the midst of the entire race to complete the project and the project would be derailed untimely. This situation would demand extraordinary measures to prevent the derailment. It would require an additional time span and on the financial front the stakeholders of the project need to be kept financially stable during the lean phases as well so that when the time is right, the project is brought to feet with minimum lag. The project covering all the aspects would serve as a justification for moving ahead with it in due course of time.

Project Planning

Once a project is justified and all the stakeholders are brought on the same page, the project manager/ the project managing govt. or NGO agency gives a green signal for the further detailed planning of the project. Here the on-field officials try to chalk out a detailed vision and mission of the project. The project management team needs to delve deeper in this phase with on-ground implementation strategies. Strategies are also required to plan and utilize the available financial resources. On-ground implementation would have constraints which are applicable as and when further planning is done. Each roadblock to be acting as a hindrance, an active way to counter it would be to come up with multiple alternative ways of action, site feasibility as in case of setting up a community center/ construction of a pond, the site to be chosen should be free of conflict and easily accessible to the community at large. Another aspect that is keenly put in community

development projects is to take into account the employment generation opportunities and it should be acting as a direct benefit for the communities in vicinity. The communities in the neighboring regions of the project need to be questioned of their aspirations from the project and the outcomes from the project need to be planned accordingly.

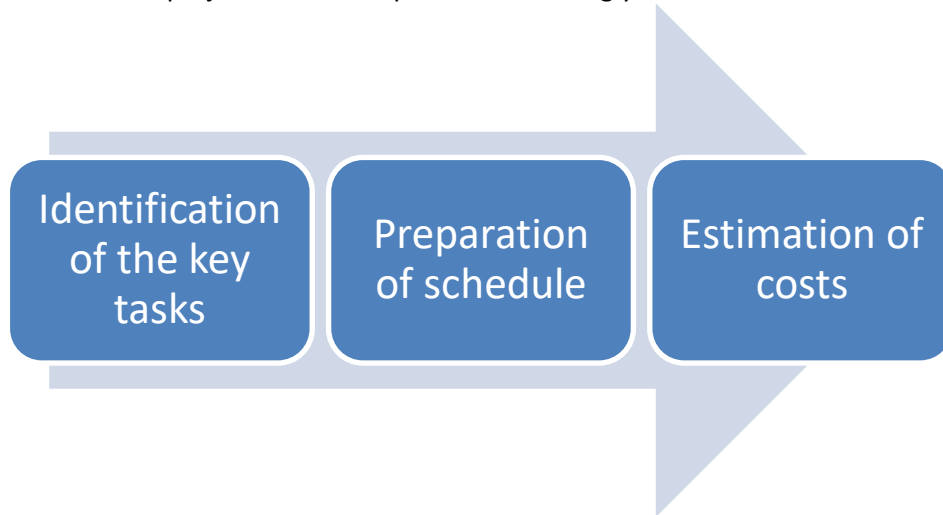


Fig-1.10- The key aspects of Project planning

The projects tasks to be performed and resources to be outlined are together known as scope management. The project is initially run on a short trial to look at any risks involved as a part of the project and to calculate an off-limit set for safety due to flexible circumstances while the project is on-going on a larger scale. It is known as risk management. High-threat potential issues are identified with a requisite plan of action for a larger scale implementation, to reduce its impact or mitigate it from the project in real time.

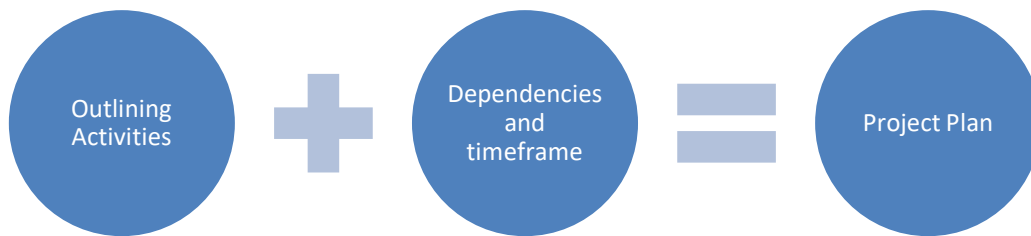


Fig-1.11- Components of a project plan

Execution Phase

This is the moving phase of a project. The previous step, the planning is put into action in this phase. Major parameters to hold the project together is control and communication, throughout the entire project period. Progress is constantly to be monitored and rectifications are to be made as per the requirement of the project. The project taking agency keeps an eye over the overall direction in which the project is headed. Regular status reports are to be developed and provided to be discussed among all stakeholders. Measures need to be taken to keep the project moving on track.

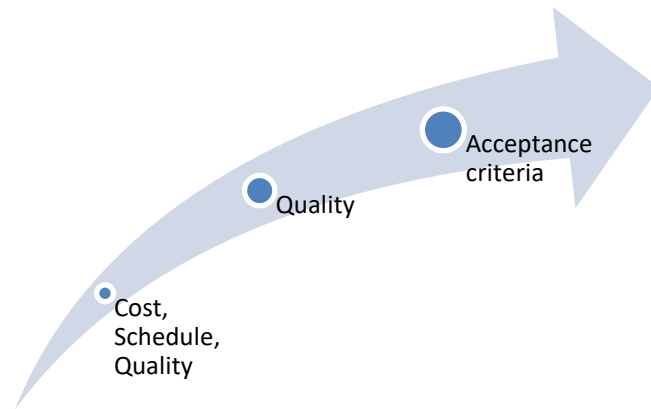


Fig-1.12- Parameters for the end point of the project

Closure Phase

The project in its most vital form has to be transferred to the beneficiaries and they have to be made the primary stakeholders. Essential knowledge and awareness need to be transferred to the key members of the community. Acceptance of the project by the community is a key constraint moving forward and the trust building of the project controlling agency within the community is a prime mover of the project closure phase. The exit strategy is to be planned in a staggered fashion to lower the disruption caused by the loss of controlling agency. A proper control setup, with influential and enthusiastic members of the community at key positions are to be taken into confidence. They need to put in positions of control and authority to regulate the sustainable flow of project deliverables for a longer time frame ultimately making the project self-sustainable.

Post-Project Analysis and Evaluation

As a project planning and implementation agency this turns out to be a vital yet conveniently neglected phase of any project. For Example, often, we see roads being built that don't last even for a month, any infrastructure project taken up starts failing with months to a few years after their construction even though the promised life of the same is way longer. In terms of the projects related to development, even after the parent agency hands over the control to the community, it has to be sustainable in the longer run to be of any use to the community. However, it is seen as the implementing agency parts its ways the entire established setup goes for a toss. There is an established order and hierarchy of control as under the implementing agency. Appropriate community interventions are made by the project implementing agency as and when the project is conceived and the community interactions with the project later help the project to hold grounds and the balance is maintained by the implementing agency monitoring the growth in the initial stages of the budding project. However, beyond a point of time the project agency has to make a move handing over the reins of the project to the community. The learning of the project though unique according to the hindrances faced but paves a way for more robust and stable development pathway for further projects. However, since no project is the exact replica of any other, the community interactions, requirements as well as aspirations are bound to be different.

A development project planned for the irrigation in the arid regions of Rajasthan would include water management and a controlled irrigation measure such as drip irrigation while the same irrigation project to be implemented in rain-fed regions of Kerala. This is not only dependent on the availability of water in the respective regions but the crops that are grown in the region. However, the major missing part of a project is its continuity. More often than not the community based projects die a slow death or fight a lost cause in absence of maintenance of order and control on the project. Here, many communal interactions come into play just as the people in control

apparently lose interest in upkeep of the project or are too indulgent to exploit the project to the best of their interest making it devoid to the rest of the community and thus, the project loses its purpose. The parameters for the post-project analysis need to keep the power dynamics of the many issues in control.

The project needs to generate sustained financial edge to survive on its own and it can be monitored easily by overseeing the financial audit. One major issue cropping up in major development projects is the alienation of the masses from the community projects over time, as the communities fail to keep track of the project and it is left in its own state considerably hampering the positive impact to be created by the project. The project management agency in due course of time needs to step up to address the anomalies coming up in the project over time and bringing the alienated communities together for the common cause seeding rejuvenated interest in the project and in case of a lacking maintenance should remove the community management selecting new individuals. They can further democratize the process of community control where the community members can be made the watchdogs for any discrepancies created by the controlling members and fixing tenure for the governing body. In case of complaints by the community over the governing body inaction, a member of the implementing agency along with the community discretion should be given the authority to remove the governing body and replace them with more able members to fit the job.

To Do Activity

Go to BAIF website and search for artificial insemination projects. Study the report on artificial insemination for a particular state. List out all the phases of project lifecycle from the report.

1.4. Identification of Stakeholders for a Project

Firstly we need to understand what a stakeholder is? A stakeholder for a project is anyone or a group who is positively or negatively affected by a project.

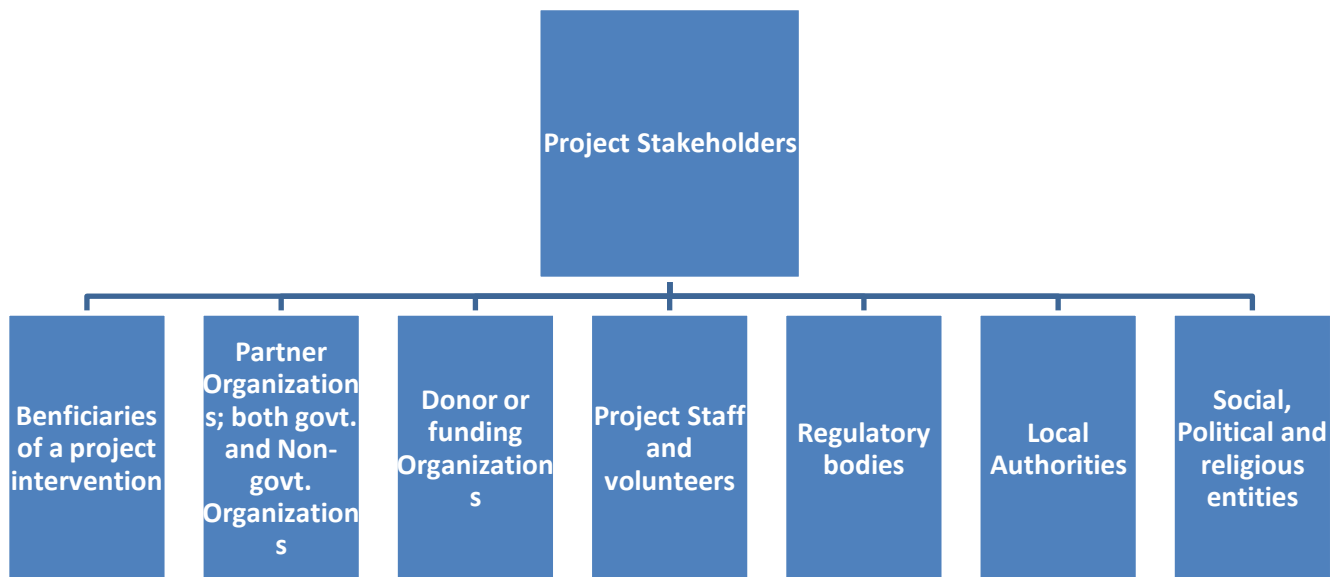


Fig-1.13- Different stakeholders of a project

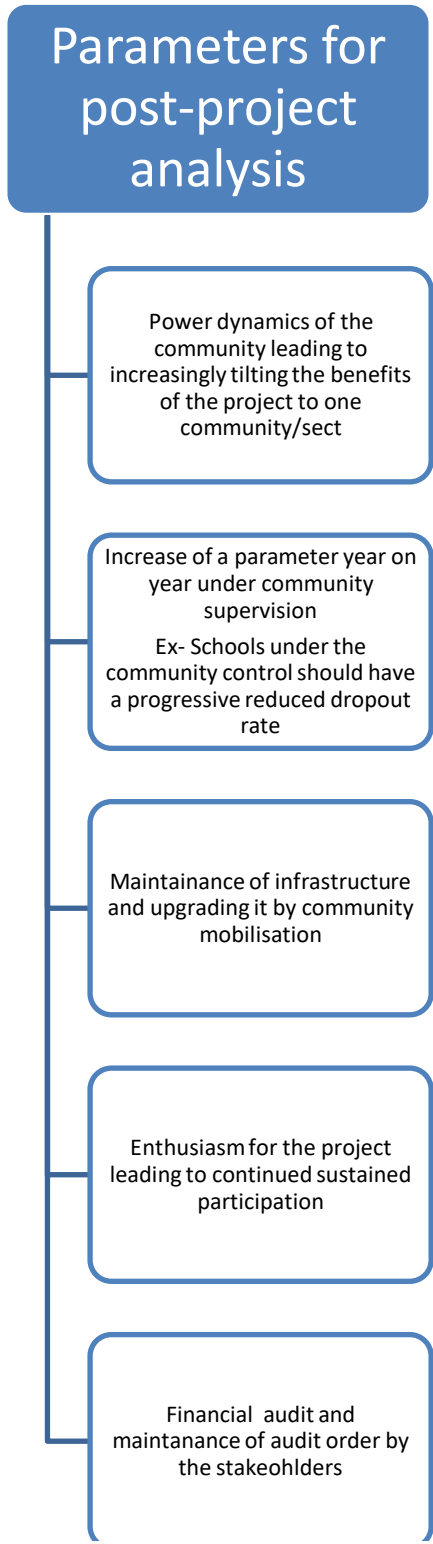


Fig-1.14- Parametric post-project analysis of a development project

Looking at each stakeholder in detail for a project:

Beneficiaries of a Project Intervention: These are the individuals or communities who are in line to derive the maximum benefit out of a new project. Often, they are the ones who are in line to take over the project to maintain the project sustainably for a longer run. They also need to be made aware of the operational guidelines to extract the maximum benefit out of the project. It is a part of their responsibility as well to look after the maintenance and upkeep of the project. The project cannot or should not be left unattended or used for unintended personal benefits rather than community usage. They should be allowed to frame rules governing the usage and maintenance of the project and they hold the first hand accountability if the first hand reins of a project are transferred to them.

Partners: They can be any organization govt. or private or an NGO driving the core of the project. They have the responsibility of making community interventions for deep rooted community ties with the project at hand. They are provided with the responsibility to conceive the idea of a project based on a need-assessment of the communities in consideration, and then the next step in the process is vital for the partners to act i.e. to bring in different sects within the communities to be affected by the project on the same page. The project planning, proposal and funding sources need to be considered for the project. After the setting of the project, there is an initial phase of hand holding to be done by the partners before transferring the stakes of the project to the community for management. This is in addition, to the responsibility of monitoring the project after a regular point in time. This has to be done after a fixed tenure of community management. The conflicts and rifts arising out of the community also need to be monitored so that they don't become a roadblock or pitfall for the project.

Donor or Funding Organizations: There are two kinds of funding or donor agencies predominantly in the private sector. To look at the govt. each project undertaken by the govt. for development perspective is guided by the principle for the greater good of the community and the community to derive maximum benefit out of it with minimal or no return on investment expected. The least to be expected out of a community project is it to be self-sufficient, generating enough revenue to do the same.

Table-1.3- Funding Agencies, their approaches and beneficiaries of the community development projects

Funding Agency	Example of an Activity	Nature of Activity (Based on Returns Generated)
Government	Construction of Community Halls/Ponds	Purely developmental with costs of construction being incurred by the govt. Incremental community benefits in return over time as the community hall can be used for recreational purpose or the ponds being used as a perennial water storage facility for the community. The community is also bestowed with the shared responsibility of owning the resource, equitable distribution and further upkeep of the resource in good shape
Private CSR projects	Mid-day meal being offered/ pandemic relief being offered as a part of corporate social responsibility bestowed under the responsibilities as part of government act to increase social spending and aid the govt, in maintaining the social security net.	The initiative is set up as a part of investment on govt. mandate. For example in the Alwar region of Rajasthan, Havell's offers mid-day meal to primary school students across the region on a daily basis. In this initiative, the outcome is to aid and assist the govt. and here the outcome is completely social. The organization maintains and upkeeps the service with no expected return on investments. This also receives considerable support from the communities of teachers and parents of the region and is considered a goodwill generating impact for the organization.
Private projects in community participation	The projects like skill-building exercises and training modules offered by institutions is setup in collaboration with govt. /sometimes independently like in Haryana, Honda motors has setup skill training institutions which produces students trained with skills such as fitters, mechanics and these are then employed in different plants of Honda.	This initiative though taking off under the aegis of skill building initiatives of the govt. of India is also helping Honda in procuring in-house trained skilled workers for its' plants and production units, thus reducing the cost and burden of hiring talented individuals from elsewhere, thus supporting the communities in the vicinity of the plant.

Project Staff and Volunteers- The project staff are a part of the project implementing agency, they are the frontline as well as the backend workers working within the implementation agency for the planning and implementation of the project and even after the implementation, there are personnel of the project implementation agency to ensure the smooth running of the project. The volunteers of the project predominantly belong to the beneficiary communities. The volunteers take up the responsibility of spreading the good word amongst the community on behalf of the project implementation agency. They are the people who later on become the face of the project and try to instill goodwill for the project as well spread information about exploiting the benefits of the project. They become connecting points of the project implementing agency to the community.

Regulatory Bodies/Local Bodies- They are the bodies in the administration who have an authority and control to permit projects in a particular area. They have to be kept informed of the project planning and the region under project purview as well as the permission to use the resources in the region has to come from them. Any conflict resolution within the communities or the community and the project management agency has to be done by the local governing bodies.

Social, Political or Religious Bodies- it is one of the most overlooked stakeholders in terms of a project planning and execution. However, it has been seen that many a times, overlooking the best interest of these stakeholders lands the project on troubling grounds and their demands unmet can bring a project to the standstill. They are a group/ sect taking deep interest in community culture and thus, taking deeper interest in activities associated with the community. They often, raise issues which are intricate to communities and are missed by the project planning agency. Hence, they are to be made a part of project planning phases to keep an eye on possible fallouts of the project. For example The Narmada Bachao Andolan started as fallout of the construction of the dam over the Narmada River would have engulfed the neighboring regions under water making it unlivable for the communities surrounding the dam. This touted as a project for increasing the power supply came at an unbearable cost of displacing the communities in the vicinity and no clear cut plan was put in place for alternative livelihoods of the people affected by the issue. Thus, the NGOs' in the region had to come in to stage their voice and pitch the concerns of the communities making them heard and overhauling the state of the project.

To Do Activity

Go to BAIF website and search for artificial insemination projects. Study the report on artificial insemination for a particular state. List out all the phases of project lifecycle from the report.

How do we define the stakeholder interest? The technique of identifying the needs and interest of various communities and stakeholders is known as stakeholder analysis.

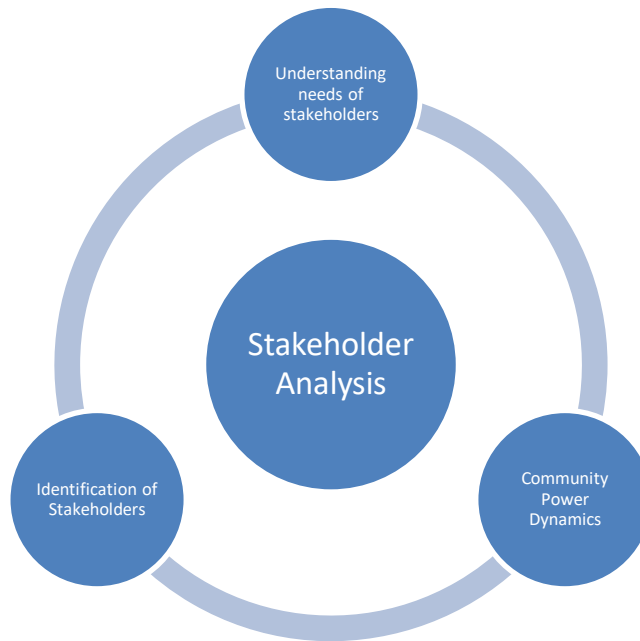


Fig- 1.15- Stakeholder Analysis

Important tool in the identification of stakeholder is to create a stakeholder matrix/stakeholder map which essentially places each stakeholder according to growing scale of interest and concern towards any project. By delving deeper into the community interactions the project management organization can understand the power dynamics within the community and the level of interest different factions will have towards the project.

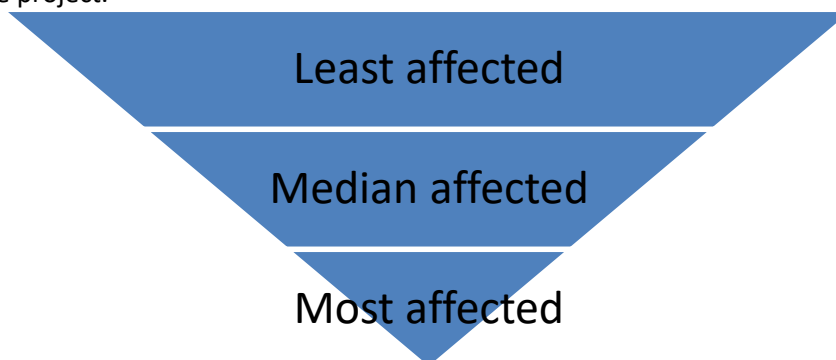


Fig-1.16- Stakeholder Matrix

1.5. Stakeholder Involvement in a Development Project-A Case Study

We will see this aspect through a small case study as to how stakeholder involvement leads to differing impacts within the community and missing out on right intervention strategy can make the project derail its path without dropping a hint and how the power dynamics within the stakeholders if misses the eye becomes a cause of concern and a major roadblock in the future of the project. Many a times, the project intervention committee doesn't spend enough time in creating inroads for new projects within the beneficiary communities and implements the entire project in a haste leading to its downfall in the long run.

Roopmati Devi was sitting on the pedestal of her house and crying over her fate relentlessly, as Chinkoo

approached her. Getting off his cycle, she approached him and asked if there is any scope of her getting into the stitching workshop. Chinkoo was the face of Haikoo, a development NGO working in Chabad region of the state Sinbad. Roopmati Devi was a widow and mother of two. Feeding them had become a major concern for her since the day her husband left. Her husband was a drunkard and lost his life to multiple organ failure. He was a carpenter and did odd jobs by day to have a living; however, he had a severe drinking problem. This later became a menace for their family as a lot of money was spent over the process of trying to cure his ailments and ultimately by the time of death, the family was left to meet dire straits in the process of making ends meet on a daily. Since, they lived on day-to-day income and were always on move in search of better earning opportunities from place to place; they were a part of no social security schemes of the government. Hence, they evaded through the govt. list of beneficiaries and Roopmati had to start working in families of the neighboring households as they moved back to their dilapidated house in their hometown in the Chabad region. Mr. Pradyuman Singh, the head of Haikoo was once on a visit to the neighboring village. He could see the strain of Phoolmati finding it difficult to make ends meet. Seeing her misery Mr. Pradyuman was moved to see the scale of poverty and decided to do something about it. He went to meet his friend Mr. Vishnu, who was working as a manager of the corporate social responsibility wing of a huge MNC which had a plant in the neighboring region. He was willing to support an initiative to assist the livelihoods of the hundreds of people in nearby villages. Thus, he decided to collaborate for a project to reduce the strain and provide some skill development platform where they exploit the platform to become self reliant and provide a marketable skill training and the organization can support in marketing the products or skills to provide a steady earning to the community. Thus, the MNC in support of Haikoo decided to open up a skill centre and hence, wanted Mr. Pradyuman to start a community intervention in the region to find out the skill most likely popular within the members of the community. The skill analysis of the community was done on a large scale with a few members from the community. These members were close associates of Mr. Pradyuman since the inception of the NGO. They were members of the community and after a detailed analysis; they came up with two skill sets in huge numbers: stitching and weaving of cotton. Thus, after discussion with Mr. Vishnu they came up with the consensus that each skill training camp for the skills are to be open in phases, i.e. the stitching training would be initiated first followed by the skill centre for weaving.

The skill centers after being set up were under the purview of Haikoo. New enrollments were to be taken up for first few months and then a team of most active participants were asked to propagate the idea of the skill development training. After an initial phase of 8 months, the NGO slowly started to withdraw handholding activities like overlooking the training program and by the end of the year the NGO transferred the reins of the organization to the community before moving on to the next assignment. That was when the entire focus of the NGO shifted from the project as they had set up market linkages for the produce and had assured of a steady cash inflow from the sale of commodities produced. The value chain was steady and this ensured that it was a safe and strategic exit point for the NGO making the community self-reliant. Though, there were watch guards employed by the NGO to overlook the activities of the training; over time they had become slow with regard to monitoring the training regularly. Over time the project was left in shambles but one day Mr. Vishnu wanted to overlook a project report and was unhappy about the lack of monitoring by Haikoo. Hence after a brief interaction with Mr. Pradyuman, he asked him to have a brief monitoring set up by the NGO to figure out the health of the project. In the meantime, since the NGO has left monitoring and the onus has fallen on the people who have taken up the initiative for controlling the entire project. The entire structure of the project was slowly overtaken by the religious divide in the communities. Since a particular sect was in lesser numbers within the governing body of the project, they were slowly and meticulously strayed away from the opportunities of self development and growth on an economic

scale. There was a grave injustice done to the people of the sect as the development project lost the purpose and rather began to be used for the personal benefit of a particular group

An important learning as far as the stakeholder management and selection is concerned can be observed from the above case study is not only the components that are tangible and visible to common eye act as a stakeholder.

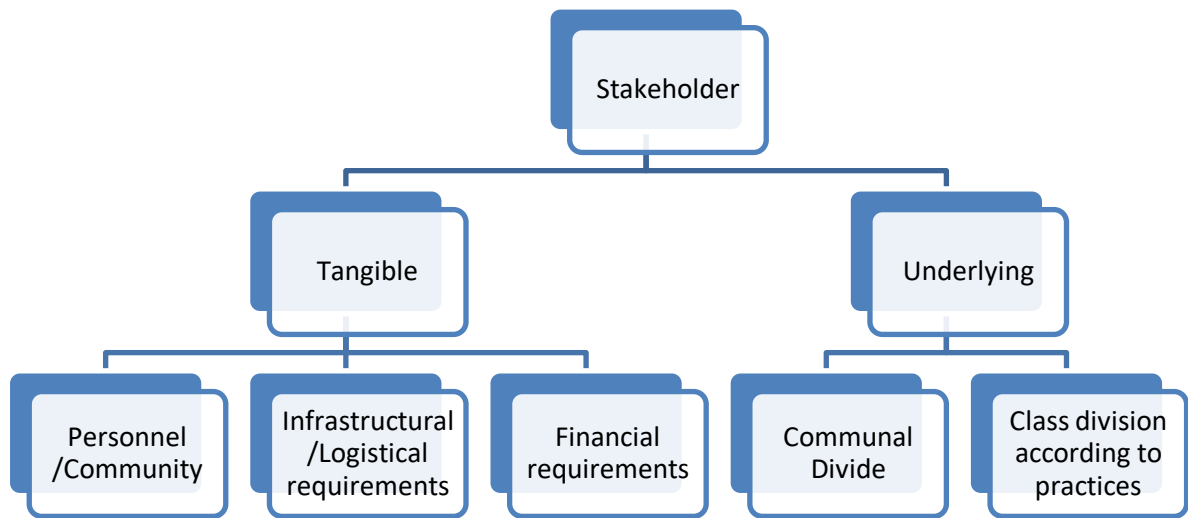


Fig-1.17-Stakeholder categories

Thus, the common notion of tangible stakeholders has to be done away with. It should be well understood that the success of a community development project more or less depends upon the interaction of the communities with the project and the interaction of communities within themselves. Many a times, with this aspect of project establishment being overlooked heavily becomes a faltering point for the project. This reduces the institutional capabilities of the project and further derails it from the track as soon as the control of reins is transferred over to the community. The differences suppressed by the external order keeper seep in destroying the cause of the project. As a project manager it is these nuances that have to be kept under check for the project to run its due course.

Chapter Summary

A project is an individual endeavor independent of any other initiative with its fixed vision, mission and a set of outcomes to be achieved within a stipulated time frame. For every project, there needs to be a proper documentation to start with which lists out all the stakeholders and their interests and aspirations need to be taken into consideration. The sourcing of finance has to be done alongside the project proposal. The project proposal has to be sent across financing agencies for them to go through objectives and set targets. Once the project financing agency is onboard, the

project management agency has to make inroads into the community and make them aware of the collective good of the community for which the project is established. After a small period of handholding further the control has to be passed on to the members of the community making them self reliant. The project has to be monitored regularly by the concerned project management authorities to reduce any anomalies and derailments from the cause of the project.

Questions

1. Define a project and provide a brief of a project timeline.
2. Describe ways to improve community awareness about project goals and the ways of community intervention for a development project.
3. Set out the parameters a funding agency needs to look at before funding a project for community development.
4. Read more about five-year plans of the Indian govt. What are the major drawbacks in each of the five year plans according to you and provided an opportunity what are the changes you would like to bring in the plan?
5. In the case of Phoolmati Devi, imagine yourself in place of Mr. Pradyuman and provide ways for the better implementation and upkeep of the project.

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Chapter 2 Project Planning

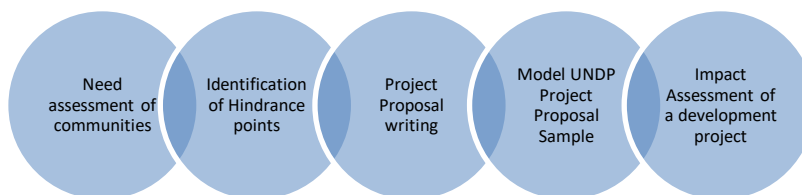
Introduction

In the first unit, we just had an overlook of the project management. We went through the steps of project management starting from the planning to implementation phase ending with the monitoring in brief. Now, in this unit we take up one segment of the project management in greater detail. Project planning is the core of the activities undertaken as a part of the project. As a part of project planning we have to take an overall look of the major activities to be undertaken as part of planning. There will be phases of need assessment to be done as part of it after bringing in the stakeholders on board. Overall need assessment for the region is done to come up with a plan for the project and to bring communities on board who see their larger interests vested in the project. A major part of the planning is proper documentation and bringing out a project proposal that draws interest of not only communities but every other major stakeholder. Be it a project financing body, local regulatory body or the religious or social institutions of a region, everyone is to be brought on the same page for a project to be implemented on full-scale on the ground. In this unit, we will take a deeper look at the processes that are undertaken for a full-fledged project planning approach.

Objectives

- To familiarize students with the importance of need assessment of communities before drawing a project plan
- To make students conversant with the methods of figuring out pain points in the project and ways to address it
- To familiarize students with writing project proposals
- To understand the need of a case-by-case impact assessment of a project

Chapter Structure



2.1. Need-Assessment of Communities

Every project has a multiple number of stakeholders but the major one of them is the community around whom the project has to be planned. Their needs and aspirations are keys to the planning of any project. Firstly, we need to understand the structure of planning followed in our country. Our country follows what is known as the decentralized model of planning. The basic level of planning begins at the grass root level as the requirements of the communities are to be best addressed by them.

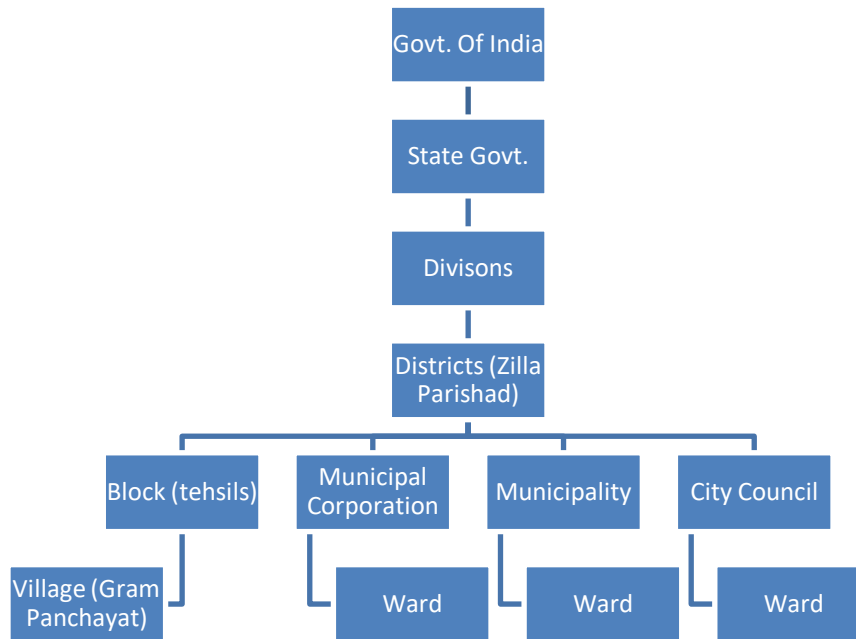


Fig-2.1- Decentralized Structure of Governance and Planning

Let us now take a look at the differences between decentralized and centralized structure of governance concerned with the planning for govt. development projects.

Table-2.1- Difference between a centralized and decentralized structure of project management

Key Parameters	Centralization of Powers	Decentralization of Powers
Meaning	When all the execution powers and the planning structure are at the peak level of authority.	Dissemination, sharing of information, responsibility, authority and accountability to the various levels of power structure.
Level of Control	Authority remains at the top and restrained flow of orders to the masses directly.	Authority is distributed at each level for smooth conduct of planning and implementation.
Flow of Information	Vertical and only one way flow from top to bottom.	The flow is bi-directional and information flow from both ways while resources at the centre are to be equitably distributed between federal structured states.
Pace of Flow of Decision	Slower pace of decision making since no channel of information flow for planning.	Authority distributed at each level makes the planning easy at all levels.
Benefits	Single leadership making Unitarian decision making.	Burden of decision making and planning is done at grass root level.
Authority of Decision Making	Single leadership	Leadership at each level
Process of Implementation	Difficult to oversee as with each level structure gets weakened.	Each process is smoothly implemented as the control is distributed at each level and authorities are empowered to take decisions regarding implementation of program.
Suitability	Suitable over a smaller organizational structure.	Suitable over larger organizations.

Source- <https://keydifferences.com/difference-between-centralization-and-decentralization.html>

Digging deeper into the Indian system of planning as it pans out, we are clear of the fact that we are in a decentralized authority enabling the people at the bottom of the chain making relevant decisions for them. However, the key question that comes up is what are the fundamental human needs that are taken to be addressed by the various projects or to put it up in further simpler terms how does a project development agency comes up with prioritizing what issues to address from a vast multitude of issues? Now to simplify the underlying interests of the communities in the development of projects, we will look at what is the motivation behind the design of the project.

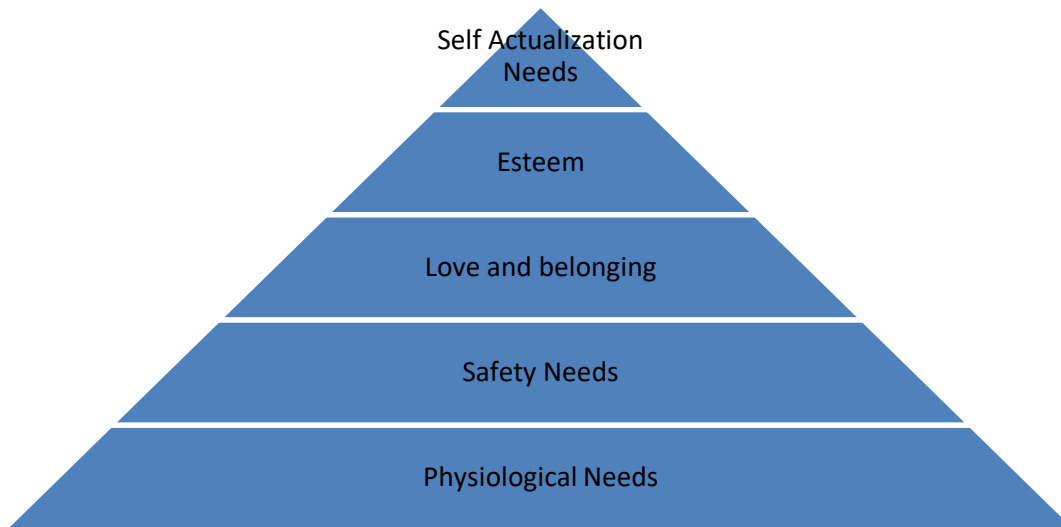


Fig-2.2- Maslow's Hierarchy of needs

Source: Maslow's Hierarchy of needs explained, ThoughtCo., <https://www.thoughtco.com/maslows-hierarchy-of-needs-4582571>

In terms of the list of needs that every human has, the list moves from bottom to the top. The first set of needs: the physiological needs are the most primitive and basic needs that a human has. Water, food and shelter are the basic right of any individual to lead a life of dignity. However, as we see approximately 22% of the Indians live below poverty line i.e. on a meager income of 1.25 USD daily and owing to the inflation and current prices of the commodities are unable to fulfill their most basic requirements. Hence, it is the responsibility of the govt. to assist these people in their endeavor to lead a dignified life. Hence, the govt. in assistance of the people of the lowest rungs in terms of administrative structure, works on dissemination of power to the people themselves as they have the clear understanding of demographics and resources in any particular region, to utilize them to the maximum potential to fulfill their requirements. Thus, food security though a fundamental right is in forms taken up as a project by the central govt. and there are millions benefited of the food security programs.

Antoydaya Anna Yojna is one such scheme where poor households are provided 35 kg of food grains at marginal rates to offset one of the most fundamental needs. This scheme is run alongside many schemes providing low cost food grains by the state govt. In addition to this, the govt. monitoring the state of the students in the primary schools run by it, also runs a food security program for all the school going kids. This program is known as Mid-day meal scheme and has multifaceted outcomes. Firstly, it has acted as an incentive for the children to come to school daily and has reduced the dropout rate thus increasing the attendance. Secondly, the mid-day meal is supposed to be a balanced diet providing for a sumptuous meal for the kids in their formative years. The meal is supposed to be full of essential

nutrients spread throughout the week and would additionally act as a support system for the kids ensuring them at least one full meal a day. In the Antodaya Yojna, upto 75 percent of rural poor and 50 percent urban poor are to be covered. In case of the food grains being non-available there is an option of Direct Benefit Transfer (DBT) to the accounts of the beneficiaries. There are multiple projects running simultaneously as a part of social security schemes.

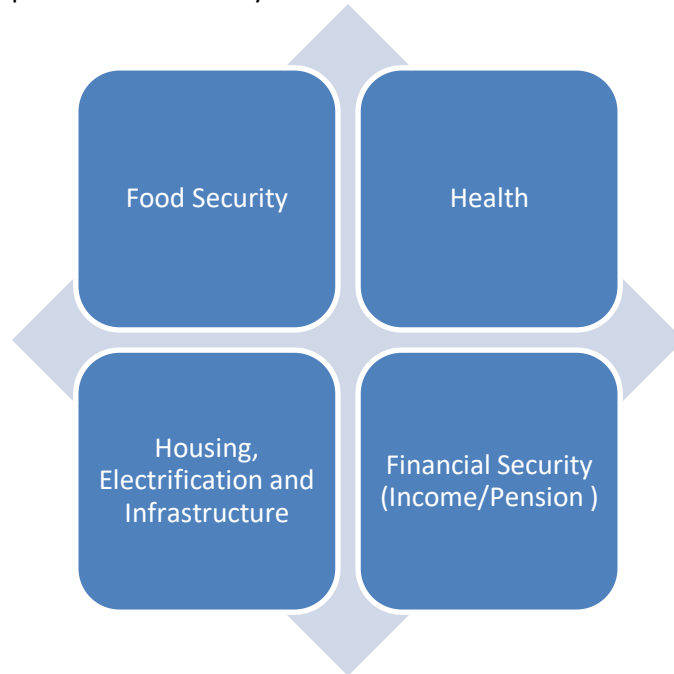


Fig- 2.3- Fundamental issues for project planning

That’s the format of basic structural plan to be developed around each project. The planning of any govt. project is thematically around these issues. This then helps communities to get over the initial barrier of needs to move on to the next pedestal of safety needs reaching to the point of self actualization. The core of development projects be it a govt. initiative or a non-govt. project focuses on these fundamental requirements and thus takes up projects around that.

To Do Activity

List out a few projects taken up by the government or NGO’s in the four sectors listed above and list out the expected outcomes of the project and the achievements of it.

But as it is always considered the project is not so smooth sailing even after bringing only a section of the stakeholders on board, there are always concerns about the underlying factor. In this instance, we will go through the stakeholders’ issues causing issues in a project.

2.2. Identification of Hindrance Points in a Project

The underlying motive of any project is development of all its stakeholders and catering to their interests. However, in the process of achieving the same, we come across a number of hindrances. In this unit, we take a deeper look at each of the hindrance faced at each level of project planning.



Fig-2.4-Objective issues with project planning

In the list of project planning issues, we would take each issue and discuss it in detail.

- i. Ineffective project planning and preparation- Firstly, the biggest problem that any project faces is planning is way out of expectations and is hap hazardous. There are boundary conditions not covered in a project plan. In some cases, for example the issue comes up as to one of the stakeholder is missed from being taken onboard. Most of the times, the organization taking charge of project planning and implementation fails to grip the unwanted snowballing effect that the people in the proximity drag it into. Most of the times, the consensus is being drawn from the most influential members of a community. It suppresses many plausible solutions and recommendations coming from the bottom of power matrix. Even in many cases, their issues don't reach the discussion table and are easily overlooked. They are either misrepresented or under-represented in the team leading up to project planning. Many, a times the funding agency is eyeing a different set of/ broader set of outcomes and hence undermines many smaller yet relevant to the community objectives. Hence, they go unaddressed in the project planning. Many a times, the state or local regulating authorities do act as a hindrance in taking up one or more project outcomes to overshadow the inefficacies or drawbacks in the established order. The capacity of the projects to seep in on the grass root level is also up for question in many scenarios. Many a times, the overall objective addresses the broader issue of development but come up at a cost that is unacceptable or unbearable to the larger section of communities. Prime example of it, would be the Kalinga Nagar Project that though would have supported the livelihoods of many would have also led to a displacement of many and hence had to be stopped at the phase of implementation. Thus, the state govt. and the planning and implementation body had to pay a huge cost for not heeding the voice of many and not bringing a sect of the community on the same page. Sometimes, a project with a host of outcomes are undertaken

and the project deviates from its ultimate motive leading to a small portion of the original investment goes into the major outcome of the project and the subsidiary elements taking up the centre stage in the major investment frame of the project. Insufficient technical expertise is one of the primary reasons for the disruption in planning procedures. One of the major issues is the layout of the project planning agencies is sometimes they lack expertise in the requisite field and it leads to major hindrance in moving the project forward.

- ii. Ineffective project planning and appraisal- The project sometimes clearly lacks a well-defined objective and output or goals. This, hindrance is one of the biggest inefficiencies of the project. Many a times, the project implementing agency fails in making a proper intervention and thus, fails to figure out the real requirements during the developmental phases of the project and as the project steps up in the implementation phase it clearly fails to make an impact. Many a times, the emphasis on financial targets or tangible goals precedes the human value or the long-term sustainable goals take over the community perspectives from the project. The financial motive is just lowering the scale of an implementation of any project as the expenditure of a project sometimes overruns its overhead costs and thus drawing on the costs sometimes reduces the impact of final outcomes of the project. Emphasis on the technical aspects of a project sometimes neglects the ecological and environmental impacts of the project. The social, cultural values of the communities are neglected many a times in taking up a project. Lag phase for the approval of the projects takes the intent down. The red tape in the implementation of the project and approval takes a long duration leading to the reduction in the focus on implementation of the project. Learning from the previous projects rides into the new projects and a fresh perspective keeps on lagging in the new projects. This closes the opportunity for new members within the community to take the stage as implementation partners. The knowledge repository overdrive of the implementation agency leads to the failure of a new project being observed for the minute differences or the changed nuances. With slowing down efficacy of the project implementation, there is a cost overdrive associated to the project leading to a further slowing down of impetus towards a proper implementation.
- iii. Failure in requisite project design- The project overlooks the capacities of the beneficiary communities to be an equal stakeholder in the planning and implementation of the project leading to a stressful and weakened implementation of project by the burdened implementation agency. In most of the projects to cut on the costs, resource utilization is put under scanner and most of time; the resources either go underutilized or over-utilized. Many a times, with the running of a project and in the midst of the run time; it is observed that the cost of implementation planned and cost of implementation in real is starkly different as many a times the resource allocation under particular heads is not up to the mark and disruptions arising in the middle will lead to a further lowering in the quality of the output. Improper detailing of the project proposal many a times works against the implementation and scaling up of the project. Many a times, the successful prototype is scaled up on the basis of a too few tests to a grander scale implementation. The fallouts of such an implementation are many a time detrimental to the final outcome of the project. Sometimes the magnitude of a single disruption changes the course of entire project. There is a lack of plan B or C in case the anticipated way to reach the final outcome fails and in absence of a contingency plan, the project falls out at slight unplanned disruptions. The absence of any ground based assessment makes the implementation of a project even more difficult. As the baseline study for the lacking of a development parameter in the region becomes a major hindrance and a source for an unexpected additional cost and personnel implementation for a project. Many a times, the baseline surveys are pretty much

outdated to provide a classic standpoint of the real scenario on the ground. A study to setup a baseline parameter has to be conducted even before the project planning in the ideation and inception phase. Abrupt policy changes in the cycle of project implementation brings about unnecessary and unexpected hindrances in the project planning and many a times the project has to be remodeled to bring about a way to incorporate in the specific changes due to a policy change at the macro level.

- iv. Hindrance to put the implemented project to effective starting point- Project goes through a lot of bureaucratic red tape and even after crossing that point in a project, at the local level and at the community level, there are hindrances and opposition to a development project. Many communities or groups are completely unaware of the goals and fail to see the underlying developmental motive of a project. The communities at the grass root have to be brought on the same page and feel dedicated to the cause of the project rather than seeking personal vested interest out of it. This also adds up to the hindrance at another level, if the communities or specific sects of communities don't see their vested interests being addressed by the project, they lack to support the project with their full heart and many a times cause disruption to the project implementation agency by blocking their access to the local resources. This also adds to the overhead costs in either procuring the raw materials available locally from external sources or to adopt strategies or personnel to bring the protestant communities on board. Many a times, the lack of adequate expertise and manpower leads to a faulty implementation of the project. There is a grave failure in preparation a nondescript backup in the backdrop of an unforeseen or extraordinary obstacle. Inadequate analysis of project goals moving further in the project leads to a dilution of cause midway.
- v. Lack of interest and effectiveness in project implementation, monitoring of operations- Due to progressive red taping and organizational structure failure many times a project implementation becomes extremely slow and many a times deadlines are molded around and extended beyond a point. This extension leads to a fatigued existence of project. Slowly and eventually the project beneficiaries as well as the implementation agencies lose the purpose and drive for the implementation of the project and many a times cost overruns and loss of effective personnel in the process drains the effectiveness of project at the grass root level. By the time, the project is ready to be up and running there is a stark change in the ground reality of the implementation. Many a times, the project becomes too lagging and slows down the entire process creating a loss of interest and impact of the project. Fragmentation and division of project responsibilities as well as resource scheduling is improper at times. The delivery of services as a project proposal gets hindered due to lacking on the part of the community. There can be a difference in opinions among the communities and the implementation agencies and these differences in opinions hinder the progress of the project and even when the project finds a roundabout to finish the establishment stage fails at the implementation and sustainability scale once the project agency finishes the handholding period. Once the project monitoring agency leaves the reins of the project to the community governance, another issue that seeps in the community differentials in terms of caste and religion and other barriers leads to a complete overlook of interests of a particular sect and ultimately decimates the outcome of the project is heavily altered and the benefits are heavily lowered. Inability of the project organizations to spot valuable people within the community to take community specific advice in the matter leading to development of a less desired project. In the meantime of project implementation, there is a lack of training facilities and personnel skill development approaches by the project management authorities for the communities and as the control is handed over to the communities they lack the appropriate

monitoring skills and over time the mission of the project is greatly altered or deviated from the due course.

- vi. Influence of external factors in the execution of the project- Many a times the project is not deviated from the constructs within but from a lot of external factors such as if there is a similar themed project run by local authorities, it leads to a clash in the objectives as well as diluted goals and objectives. As in India, many a times due to the federal structure of the governance, the power holding authorities at the state and the centre differs. Driven by political motivations of gaining goodwill for electoral politics, the governance at the centre and the state rather than working in coordination work parallel in tandem to bring up projects with most of the objectives being drawn from a similar framework to a point where even the beneficiaries of the project end up being the same. Thus, this brings the outcomes and effectiveness of the projects in a fix. This also leads to a failure in funding mechanism as the funds get doubly exploited and the resources in the region are overexploited due to excessive usage. This also causes the scarcity of effective personnel for the project proposal planning and implementation.
- vii. Improper planning for monitoring and post-project analysis- Many projects run well until it is monitored and handled by the project implementation agency as and when the control of the project is passed on to the community, most of the projects derail and fail to maintain the impact and strength over a longer duration. Many a times due to the federal structure and cost cutting measures; post-project analysis and corrective measures which are a core to the project going strong and sustainable over a longer run aren't included in the project planning phase and hence, there are no resources allocated to the phase post the project implementation. A mid-project withdrawal of support from the project governing and funding agency also hinders the end of the project on the right note as the closure is brought about in haste. Lack of technological implementation and intervention also makes it a tough job to keep an eye on the project beyond a point and makes the crumbling of it much easier.
- viii. Overrun of project and personnel deadline and cost – An excess availability of funds and inherent corruption cropping up as part of the project implementation agency corrupts the cause of the project. The project in abundance of funds might become overstretched and run overboard on hiring of personnel and the agency may get tempted in delaying the project to the peak to continue receiving the funding and divulging the fund in a different sector or over different projects altogether.
- ix. Unstable management and community disruption- Internal conflicts amongst the project management agency can cause a drip down detrimental impact over the projects undertaken by the organization. The mode of operation of an unstable management will have unstable outcomes on the ground and major shifts in the outcomes of the project over time can be observed. A change within the administrative rungs of the project management agency would cause a removal of known faces of the community from the agency and this will have ripple effect of sorts over the community as the level of trust over the organization may fail leading to a considerably lower effectiveness of the project undertaken by them. The community based project is based on the rapport between the implementing agency and the community and in order to re-establish the same level of rapport would need a great deal of time investment again leading to an overrun of time for the undertaken project.

These are a few of the major roadblocks in the running of the project and implementation of the same

on the ground. In the next section, we will see how to write a project proposal.

To Do Activity

Read about the projects undertaken by various state govt. and central govt. agencies, List out the flaws in the implementation phase and categorize them into one of the above drawbacks of a project planning phase.

2.3. Project Proposal Writing

Before taking nascent steps as a development project official, we should have a clear perspective and hands-on experience of how to write effective project proposals. Project proposals definitely are the first hand impression created by any project implementation agency on the project funding agents as well as on other stakeholders. Here, we would dive deeper into the nuances of creating a template or basic understanding for the development projects. But having said that, the students should be extremely clear of the fact that each project addresses a unique problem that itself represents an issue unique to a particular region or community and hence would require the project officials to be approached as a fresh incident and no fixed template or an one size fits all template for any project proposal. Here, we will look at the broader headings under which major project issues could be outlined. The basic components of a project proposal can be outlined below.

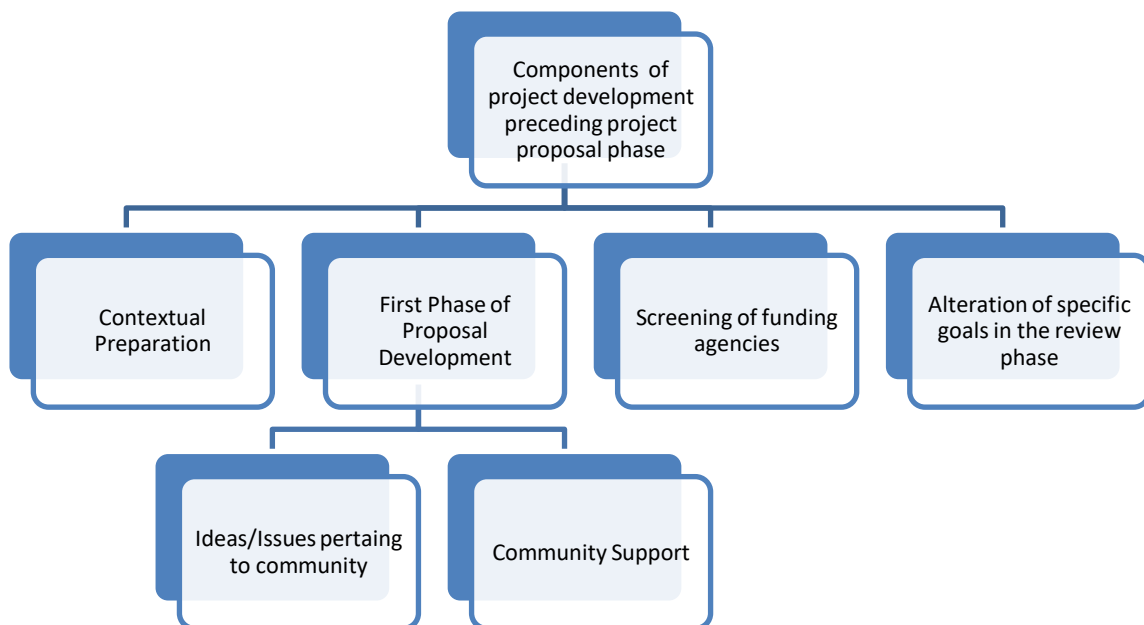


Fig-2.5. Components of a pre-project approval, Source- Project Proposal Writing, <https://ngosindia.com/project-proposal-writing/>

There are fundamental issues that need to be kept an eye on before going to the phase of project proposal development. The contextual preparation phase leads to rounds of community intervention or any other community mobilization activities as deemed fit for building an able ground to bring the issues. Then, we would move on to the first phase of proposal development which is a deeper

interpretation of issues faced by the community and there should be a concrete outline of a list of outcomes to be proposed as part of solution to come up with. This at the basic level needs a strong association of the project implementation organization with the beneficiary communities. They have been at the helm of affairs since times immemorial and they will add a crucial perspective coming to the development of the project. With the community on the side, the project proposal has to be developed in accordance to the financial agency that the primary project proposing agent has kept an eye on for funding requirements. The funding agency needs to be focusing on similar objectives as mentioned in the project proposal and still may not agree to fund it suggesting some changes to align it perfectly to its goals or close the agreement and the project implementation agency moves in the next phase to change a few objectives to align it with the financial agency expectations or search for an alternative funding arrangement. The project that is to be undertaken needs to be unique with respect to the close vicinity of the geographical region and the set objectives need to be distinctively different from previous projects taken up in the region. There should be a space of community scrutiny in the project proposal building. Finally after the review of the project in one go by the funding agency, it is put under multiple layered by authorities at institutional level. If the organization is new on the grounds of project implementation and planning it needs to take support of an experienced institution to develop a project in forms of a project consultant or a consulting support agency having an expertise in the domain of project proposal development.

- (i) A project proposal should be effective in communicating the major goals of the project. It should frame the interests of major stakeholders in a coherent fashion and aligned to the interest of funding agencies and local authorities as well. Initiation of a project should be done with a brief project summary. It should be at the starting point of a project proposal. It can be a supported document in form of a cover letter laying in crisp statements the broad objectives of the project or the part of project proposal in itself. It should be a short one not spanning more than two or three paragraphs at the maximum. This would become the pillar of support for the further development of project proposal
- (ii) The project proposal should also include a credible history along with the introduction of the organization. This should include a brief biography of the board of implementation of the project. It should present the vision and mission of the implementation agency along with a few success stories of previous project implementation to strengthen their case as a credible project governing agency. Relevant data and appropriate baseline survey outcomes and interpretations needs to be included as part of the brief introduction making a further stronger ground for project implementation.
- (iii) The problem statement is the core of the project proposal. It is a clear, crisp and well versed problem factor with data supporting the credibility of the problem taken. It should include facts from the community interventions and structured and unstructured interview conclusions from within the community. It should clearly project the need for the project, the beneficiaries and the way in which the project would benefit them. It would then move on to the evidences of the problem and the identification benchmarks used. The alternative ways in which the project can reach to completion to bring in more compliance to the underlying goals of the funding agency. Provide a comprehensive review of the resource appraisal and resource requirement in the run of the project. They would also need to brief in detail about the methodologies used for sapling and deriving necessary information
- (iv) They are a set of specific activities to be undertaken as the part of project implementation on the

ground. This part of the proposal should have measurable indicators as the potential growth measures for a mid-project or end project outcome review. They should be realistic supported on the basis of groundwork or additive literature studies. The organization has to be doubly sure in mentioning the growth parameters as it would further become the criteria for withdrawal of the funding agency in case the organization is not able to fulfill the basic testing criteria at regular intervals of inspection. This in addition should be flexible enough to provide space for accommodating further unforeseen issues as the scope of project grows beyond the scale projected in the proposal. This should encompass for the change in goals of the funding agency and be smooth enough to be aligned with the reframed objectives as well.

- (v) Moving on to phase of developing a design of project and the methods to deliver the project on ground. The activities here are to be listed alongside with the resources required for each phase of activities. A flow chart of the features of each phase of the project and with each phase to be described in detail. The project phases have to be interrelated with each other making the entire structure coherent. Identification of the structural basic elements supporting the project phases. Each project phase has to be supported by the measurable outcomes and at each stage of reportage. It also has to include the basic facilities lacking in the region which has to be developed in order to fundamentally support the project to gain grounds. The concept of project proposal has to go through peer reviews before gaining further approval. It is far better to include block diagrams as part of the project proposal for the financially aiding agency to look into deeper detail with each block representing a phase of activities undertaken that would be a key building ground for the further appraisal of the project. There can be a mix of narratives included to support and substantiate the motive of any step included that seems unique or innovative to the project proposal. Usage of supplementary data in form of attachments and appendices.

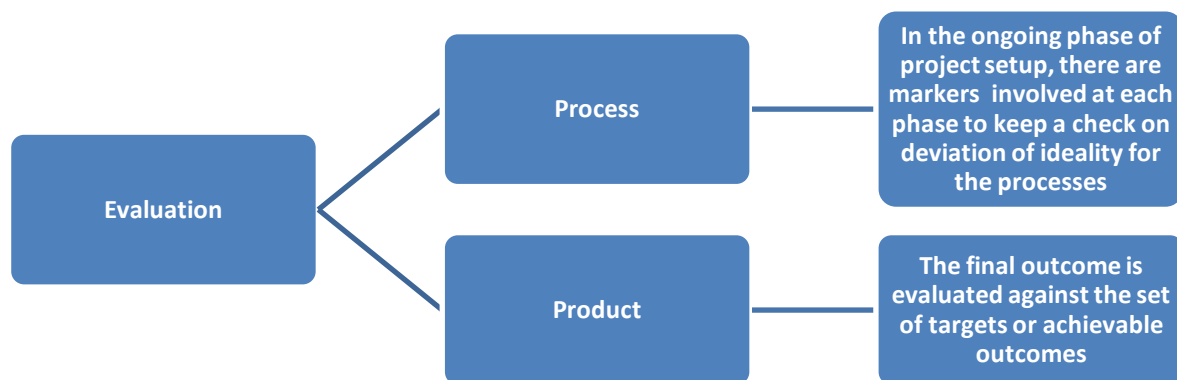


Fig-2.6-Project proposal evaluative measures, Source- Project Proposal Writing, <https://ngosindia.com/project-proposal-writing/>



Fig-2.7-Project proposal key components, Source- Project Proposal Writing, <https://ngosindia.com/project-proposal-writing/>

- (i) In the proposal phase as well, the project management agency needs a claim to be supported i.e. they need to show a sustainable structure of cash inflow into the project ecosystem for the project to stay sustainable even after the funding from the agency is stopped.

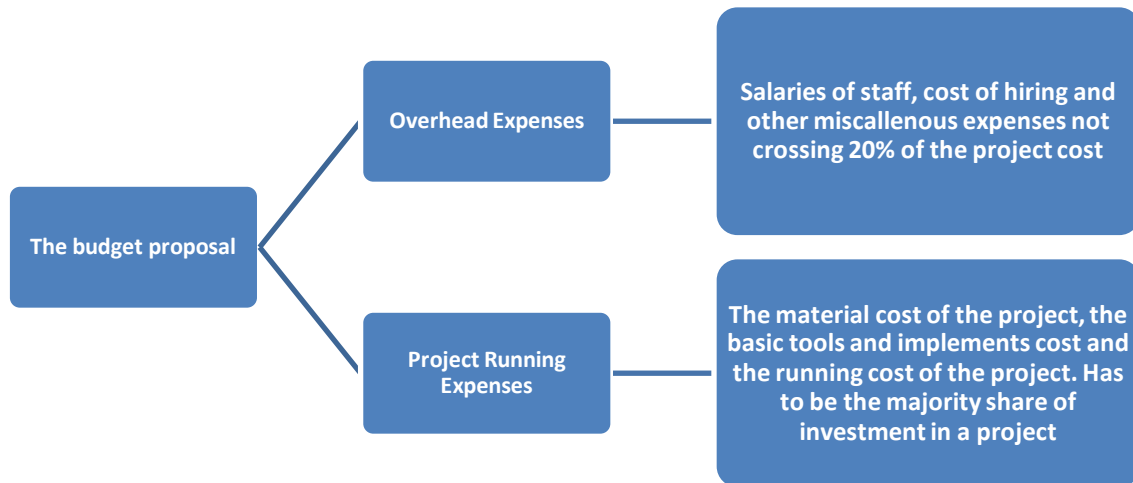


Fig-2.8- Components of a project budget, Source- Project Proposal Writing, <https://ngosindia.com/project-proposal-writing/>

To Do Activity

Go through a project proposal by any NGO and find out whether the above themes in a project proposal are addressed or not.

2.4. Model UNDP Project Proposal Sample- Understanding UNDP up close

As we have seen in the last section, the NGOs in a particular region take up development issues pertaining to that region and then scrutinize many appropriate funding agencies where it believes to reach out for funding its project. One such agency that goes global and all-out to provide resources and support to the poorest and developed regions for further development of communities is the United Nations Development Program. It has offices across 170 nations of the globe and takes up projects across different geographic locations pertaining to different dimensions of overall development of the communities. Since it is one of the biggest funding agencies for development projects across the globe and many projects up and running across our country, it is imperative to develop an intrinsic idea about UNDP, its vision, mission as well as the goals of the organization. So that, in future, as the need might be to address the issues of funding a development project, you as a project manager can draw up a project proposal close to the ideals of UNDP for it to ascertain funding your project.

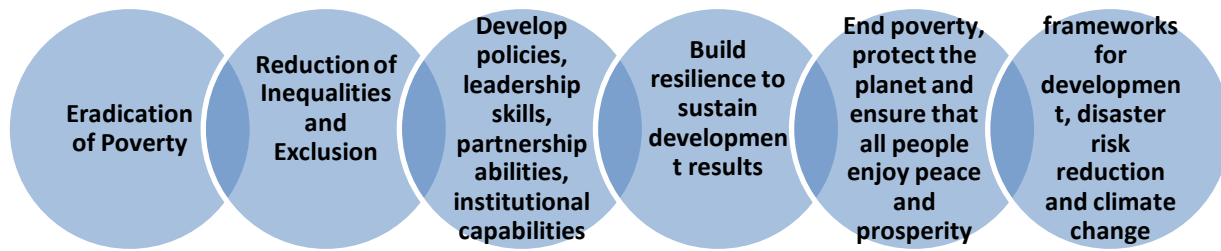


Fig-2.9- Futuristic Goals of UNDP, Source- United Nations Development Program,
<https://www.undp.org/content/undp/en/home/about-us.html>

This list out the key futuristic goals developed by UNDP and any projects within the ambit of the 4 blocks is easy for gaining an approval. On the lines of these blocks, the projects that can be developed are basically projects for skill training and skill and infrastructure development that would come under an initiative of reduction of poverty. For projects to develop institutional capabilities, policies and leadership skills it is required that the projects have a scope for the inclusion of the beneficiary communities to contribute not only by resource means but also by means of resource utilization and equitable distribution policy. The project proposal must include a clear cut exit policy for the project implementing agency at the end of the handholding period as well as provide grounds for the community to build capacity to host the project themselves. This would help them ascertain skills of leadership as well as partnership skills with others in the group to administer the project with support of each other. Lastly, one of the most vital steps of a project is for it to have a sustainable life beyond the point of execution and drive by financial push from the funding agency as financial viability of the project is one of the vital stakeholders of the longevity of the project. Thus, a source of financial inflow has to be established and made clear as a part of the project proposal itself. Any project developed needs to address the following four quadrants simultaneously apart from making sure that the project is unique with respect to its goals for achievement and it has to have a strong fundamental groundwork supporting the cause of the project. The project also needs to be provided with the methodologies adopted during the research for the viable projects to be taken up and how did the project management organization zero down on a single project. The project in turn needs to have to be viable and equally feasible multiple alternatives to reach to the outcome. The project should not address or cater to one outcome. It should rather look to address multi-faceted issues within the broader frame of holistic development of a community. One of the primary drivers for the UNDP to take up the project funding would be the degree to which the community involvement or inclusion is driven as a factor for the project. The more the degree of inclusion of various groups within the community and the more the project does to address the disparity, the more influence and traction it would gain in the eyes of UNDP to receive a strong funding and finally the funding would also look forward at how strong are the measures put in place for monitoring of spending of the funding and in case the organization finds improper measures in place, it would either take over the monitoring from the project management agency or even withdraw the funding entirely, and it would also look at the proper planning of a phased exit strategy to be in place that would cause the least disruption in the project and would make the project financially self-sustained. On the broader objectives, the goal should be should be close to developing planet friendly projects with a focus on developing resilience towards changing external

environment with an increasing impetus on making people active participants in disaster management processes and this would make an entire community evolve out of disaster on a stronger note. In fact the projects that are considered for funding should be addressing the 3P initiatives taken up by increasingly global agencies.

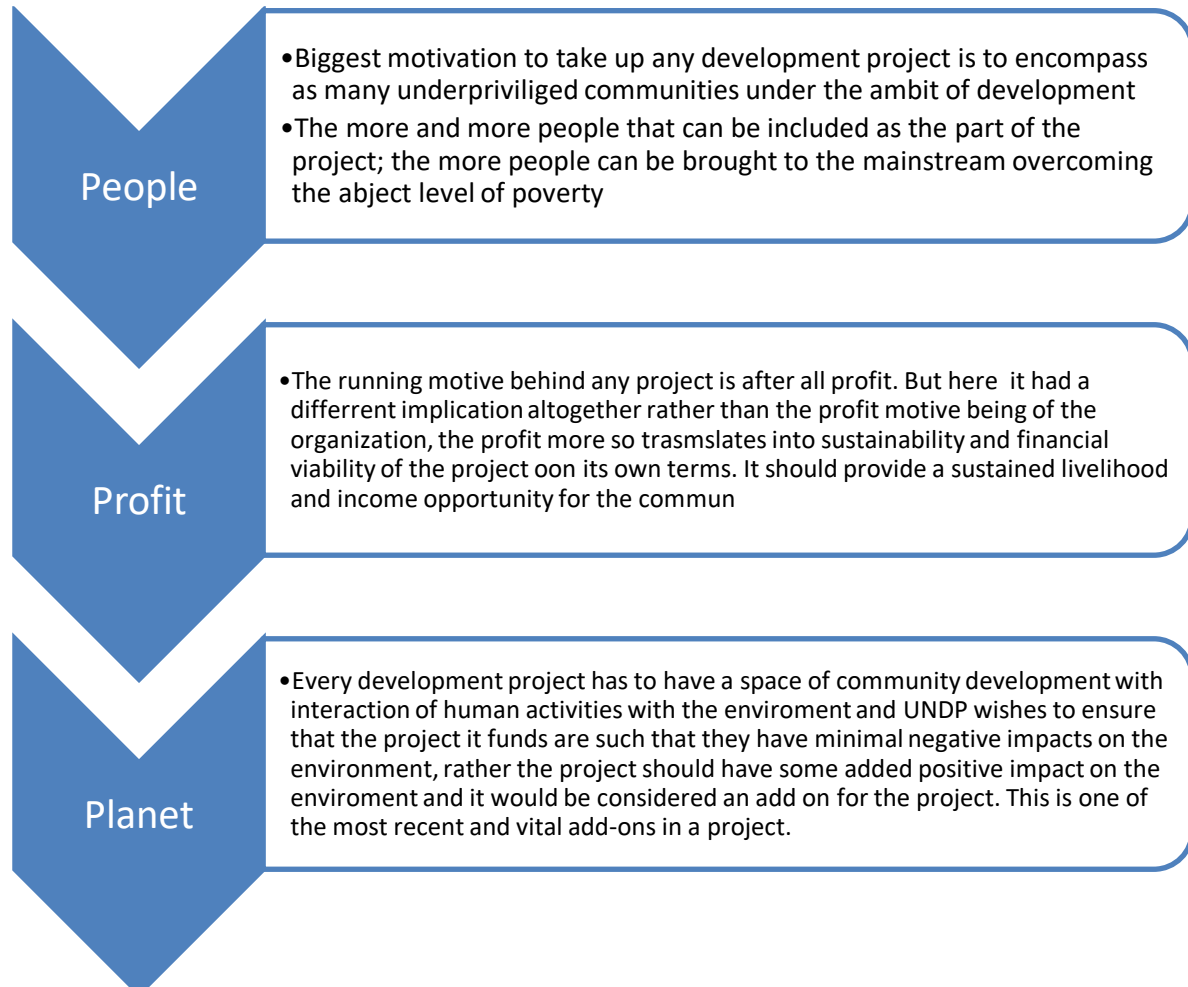


Fig-2.10- The triple bottom line established by UNDP, Source- United Nations Development Program, <https://www.undp.org/content/undp/en/home/about-us.html>

The goal is now three layered for UNDP supported projects as it addresses triple bottom line of human needs and establishes a co-existence between the three key objectives. Earlier there was more of a push towards only the quantitative measures of people whose lives are touched or the margin of income growth shown by most individuals as a part of the project. However, over global increasing concerns of environmental concerns of pollution leading from the new projects established under the aid of development agency, the UNDP has mandated against funding projects that even though provide income and financial independence and stability to a large section of population but come up at the cost of polluting the environment. Thus, the UNDP funding body strictly scrutinizes the environmental impact of the project undertaken. As a project manager going ahead with a plan to request for funding a

project, this has to be made clear that the development doesn't come at the cost of environment of the neighboring areas. The project has to clear off all the environmental benchmarks in the region set up by local authorities and by the UNDP to pass as funding approved proposal. The next step is the constant monitoring of the people's participation and as well as maintenance of environmental standards during the initial phases of implementation of the project. At each phase of the project, the project has to stick to environmental guidelines issued by the UNDP and has to keep up to any changes in development module with regards to environmental laws of the region. Regular project monitoring reports regarding the health of the project with respect to the triple bottom line needs to be submitted for monitoring and scrutiny to UNDP. In case of any difference in opinions, UNDP would suggest a few modifications to the implementation structure of the project. However, in case of non-compliance of the project guidelines by the implementing agency or violation of any code of conduct would lead to withdrawal of funds from the project at a short notice.

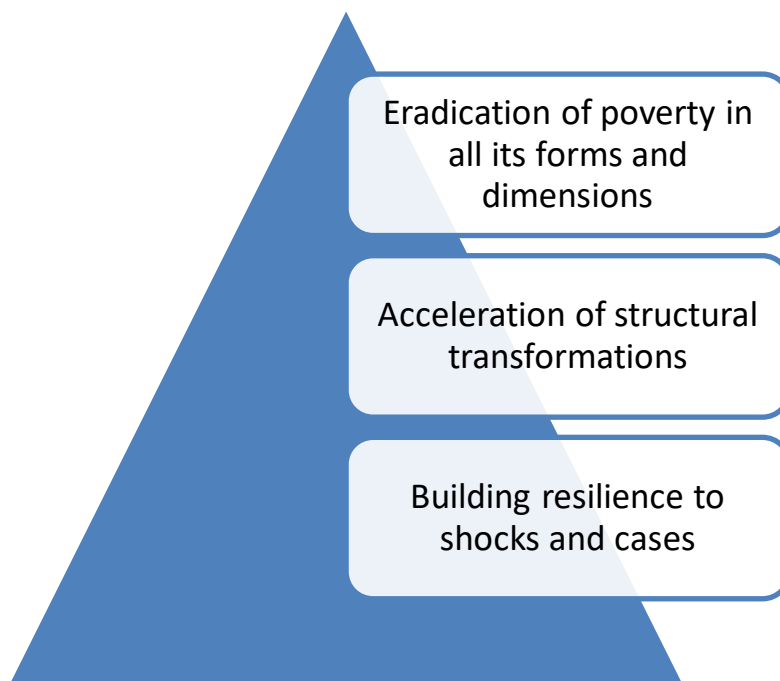


Fig-2.11- Strategic Plans of UNDP (2018-21), Source- United Nations Development Program, <https://www.undp.org/content/undp/en/home/about-us.html>

The strategy of developing the plans and implementing the same effectively on ground is based on following methodologies established by UNDP in the frame of activities to be undertaken as part of its development project ideologies and there can be slight modifications to the process of implementation but broadly a project proposal has to be guided according to the following principles. To keep an undivided focus on the issue of addressing global developmental scheme through a blend of solutions that range as follows:

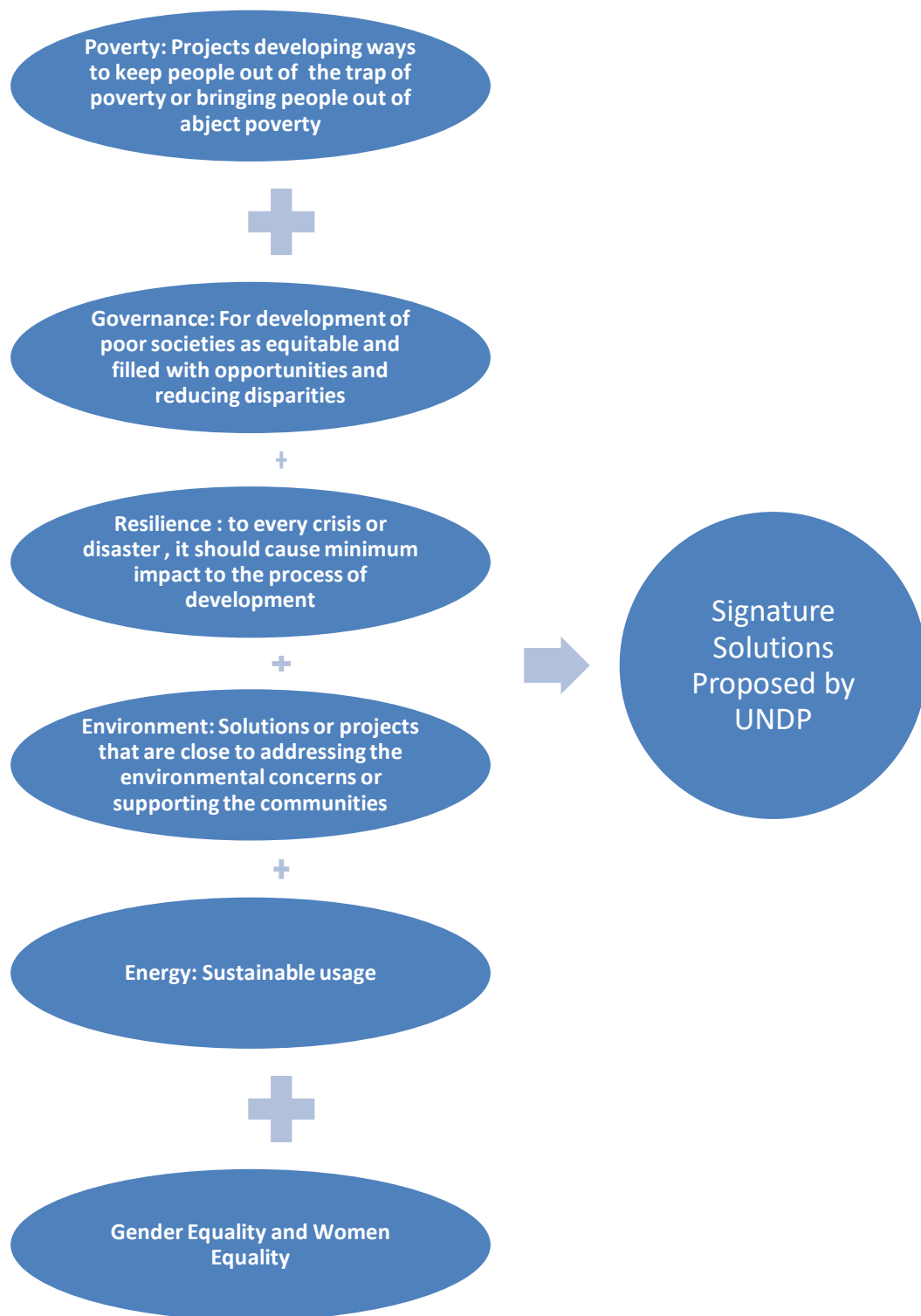


Fig-2.12- Signature Goals of UNDP, Source- United Nations Development Program, <https://www.undp.org/content/undp/en/home/about-us.html>

Major goals as part of UNDP that are planned to be taken up as projects for funding support. These are actionable goals for which UNDP has decided up to take up supportive measures. They are known as Sustainable Development Goals and targeted to be achieved by the end of 2030.



Fig-2.13- Sustainable Development Goals, Source- What are Sustainable Development Goals, <https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

These are the goals that UNDP is currently looking at and tries to bring them to a zero by the end of the decade. The UN council meeting of all countries in the year 2015 led to a tectonic shift towards planning an actionable goal for the end of the decade rather than looking at disparate attempts of meeting ends of another version of these goals earlier established as Millennium Development Goals (MDGs). These goals had a longer timeline and thus led to no structured flow of actions. Bringing in the SDGs into picture and committing the countries to these goals with a finite and smaller deadline would change the laid back approach of many countries and communities towards these goals and rather bring them on the forefront with a stronger intent and a much noticeable drive. It will lead to govt. taking up projects with a fixed tenure and noticeable parameters rather than pushing the deadlines. The govt. taking a strong intent to bring down these parameters to zero would mean the development agencies within the ambit of the country working on the development sector in similar lines would change their tactics as well. Their new projects would definitely need to align more towards addressing one or more sustainable development goals. All the older projects where there might be demands of increase in funding or would be looking to source funds from UNDP would now have to ascertain and take decisive and convincing measures to include these goals as cornerstones of a project proposal

To Do Activity

Take up any two SDGs and look for issues in your native place to come up with project proposals for any new projects to be taken up as a project manager

2.5. Impact Assessment of a Development Project

In the entire chapter, we have looked at various dimensions of writing a project proposal starting from scratch. It is imperative to have a brief and crisp set of goals and measurable outcomes form the basis of projects and provide impetus for the project to be approved by funding agencies because a measurable set of indicative goals add credibility and transparency to any project. But what are the key indicators of credible outcomes for a development project and how can a project manager define a set of measurable objectives from a given set of constructs? We will delve deeper into the details of how to create parameters for a development project and the ways we can undertake monitoring and assessment. We will also look at a set of establish methodologies for impact assessment of projects. Before even taking up impact assessment under purview, a project manager should be clear of what counts as an impact of the project. Roche defined the impact of a project as 'the systematic analysis of the lasting or significant changes - positive or negative, intended or not – in people's lives brought about by a given action or series of actions.

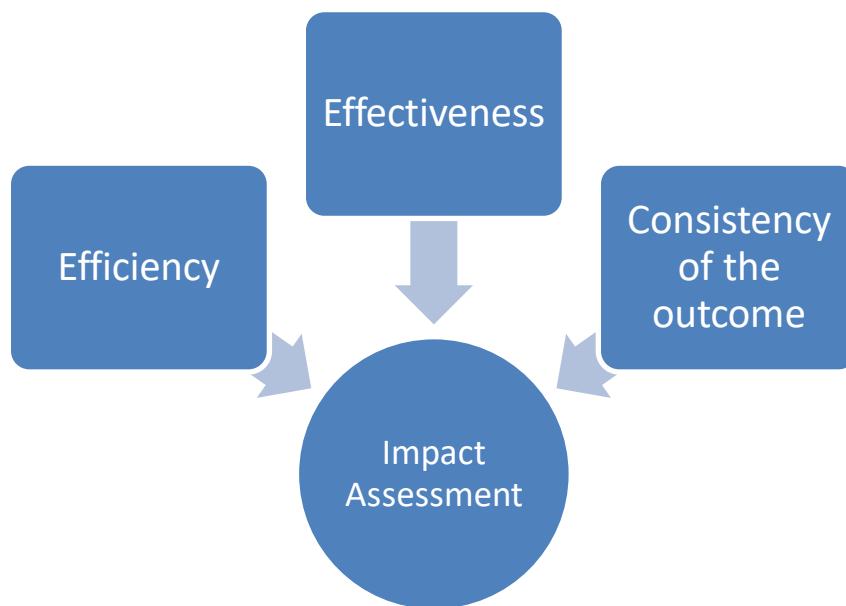


Fig-2.14- Parameters of Impact assessment, Source: Roche,1999:22, adapted from Willot,1985

There are parameters set for impact assessment that leads to the methodologies that can be adopted for an impact assessment. Even before the impact assessment, the agency should be clear of the pre-intervention baselines for a particular indicator, to make the judgment unbiased. This assessment should be made at regular intervals and more so in form of randomized trial. In a randomized trial, no two groups of respondents must be similar. This would prevent from any biases. However, even with the checks in place, there are biases like if any particular community or sections of community from the expected beneficiaries are getting the benefits more truncated in their favor, their response to the impact of the project would be more favourable. In order to avoid such a scenario, snowballing effect must be controlled. In a snowball sampling method, the next sets of correspondents are chosen by the recommendations of the first set of correspondents and it is a common practice for the project management organization to have a selection based on influential members of the community and many a times this leads to a biased cycle of correspondents as they would eventually be in more favor and the responses would not be able to paint a clear picture of the state of the project.

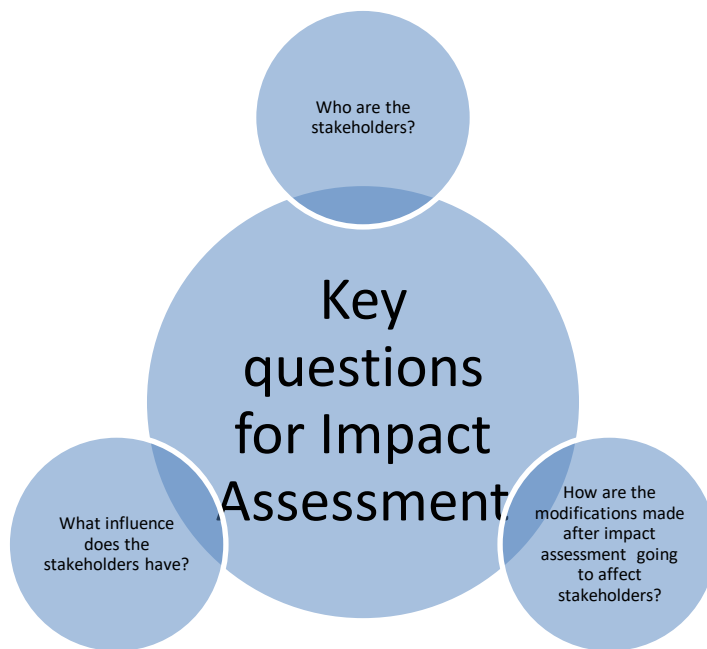


Fig-2.15- Key questions for Impact Assessment,
 Source- Impact Assessment: An overview (Kate Bird, 2002), <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/1780.pdf>

Table-2.2- The Goals of Impact, Assessment

	Proving Impact	Improving Practice
Primary Goal	Measuring the impact of project interventions precisely	Understanding the processes of the intervention and their impacts so as to improve those processes
Main Audiences	Academics Policy Makers MDAs Evaluation Departments Program Managers	Program Managers Implementing Agents Donor Agencies NGOs Intended Beneficiaries
Associated Approaches	Objectivity Theory External Top Down Generalization Academic Research Long Time scales Degree of Confidence	Subjectivity Practice Internal Bottom Up Contextualization Market Research Short Timescales Level of Plausibility

Source- After Herbert and Shepherd 2001, adapted from Hulme, 1997

There are multiple ways of assessment undertaken for a plethora of stakeholders. One of them which are quite popular in terms of fixing the accountability as well as addressing the assessment and outcome expectations of many stakeholders at different levels.

Impact Assessment for Lesson Learning	Impact Assessment for Upward Accountability	Impact Assessment for Downward Accountability
<ul style="list-style-type: none"> • Embracing errors in project interventions • For managers and funding agencies 	<ul style="list-style-type: none"> • Critical Judgement Affected and may affect future interventions. • Management overemphasizes the successes of the intervention. • Is to be provided to external funding agencies 	<ul style="list-style-type: none"> • Deliver accountability to communities • Project management generally have lesser impetus on this form of impact assessment.

Fig-2.16- Forms of Impact Assessment, Source- Impact Assessment: An overview (Kate Bird, 2002), <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/1780.pdf>

Table-2.3- Compatibility of Different Goals to Impact Assessment

Approaches	Learning	Upward Accountability	Downward Accountability
Internal Assessment	Compatible but competency of internal staff in question	Results may present a biased view focusing only on positive outcomes	Provides a more real and better feedback
External Assessment	Not well appreciated or taken in stride by the project implementing agency	Expected familiarity with the agency's objectives and presents reports likely in a format appreciable to higher authorities	Likely to be removed from the priorities of local/ground level staff
Bottom Up	Likely to get agreeable and commonly accepted lessons	Differences between demands for data as there will be multiple points of aggregation	Is open for evaluation with involvement of local stakeholders
Top Down	Unacceptable to the staff and stakeholders at the bottom of hierarchy.	Compatible	Incompatible
Interpretative	Is difficult to find concrete lessons and has a diverse sides being brought up.	Difficult to standardize or generalize	Compatible

Objective	Key to lesson learning. The methodologies used in process don't reflect the opinions of the stakeholders.	Provides standardized data and generalizations	Incompatible
High Frequency	Is a part of process projects. Important for projects requiring regular review.	Enhances Accountability	High costs and labor involved
Low Frequency	Constrained learning in case of no regular reviews.	Able to provide inputs at key moments.	Less Labor intensive

Source: Herbert and Shepherd, 2001

Table-2.4-Impact Assessment Methodologies

Method	Features
Sample Surveys	Quantitative modeling of parameters. A sample randomized trail outcomes to be matched against a preset valuation of parameters
Rapid Appraisal	Special tools and techniques developed under Rapid Rural Appraisal
Participant Observation	Extended stay by impact assessment groups in the region of study using Qualitative Research Methods
Case Studies	Detailed studies of a specific unit with open ended questions and preparation of background details
Participatory Learning and Action	Impact Assessment Method prepared by beneficiaries of a timeline, impact assessment parameters, Well being and Wealth Ranking Pre and Post- Invention baseline surveys
Specialized Methods	Photographic records and Videos

Source: Herbert and Shepherd, 2001, adapted from Hulme (1997) and Montgomery et al (1996)

Table-2.5- Strengths and weaknesses of key impact assessment methods

Method Criteria	Surveys	Rapid Appraisal	Participant Observation	Case Studies	Participatory Learning and Action
Coverage	High	Medium	Low	Low	Medium
Representativeness	High	Medium	Low	Low	Medium
Ease of Data Standardization and Aggregation	High	Medium	Medium to Low	Low	Medium to Low
Ability to isolate and measure nonintervention causes of change	High	Low	Low	Low	Low
Ability to cope with the problem of attribution	High	Medium	Medium	Medium	Medium

Ability to capture qualitative information	Low	High	High	High	High
Ability to capture diversity of perceptions among stakeholders	Low	High	High	Medium	High
Ability to capture unexpected negative impacts	Low	High	High	Very High	High
Ability to identify and articulate felt needs	Low	High	High	Medium to Low	High
Degree of participation	Low	High	Medium	Medium	Very High
Potential to contribute to building capacity of stakeholders	Low	High	Low	Medium to High	Very High
Probability of enhancing downwards accountability	Low	High	Medium	Medium	High
Ability to capture the multidimensionality	Low	Medium	High	Medium	Very High
Human resource requirements	Specialist supervision, large numbers of less qualified field workers	High skilled practitioners who are able to analyse and write up results	Mid-skilled practitioners. Long time commitment. Need good supervision	Mid-skilled practitioners. Need good supervision	High skilled practitioners
Cost range	Very high to Medium	High to Medium	Medium to Low	Medium to Low	High to Medium
Timescale	Very high to Medium	Medium to Low	High	High	High to Medium to Low

Source: Herbert and Shepherd, 2002, adapted and extended from Montgomery 1996 and Hulme, 1997.

These are the methodologies and the advantages and disadvantages of every form of impact assessment of the project. In addition to that, as a budding project manager it should be understood that with the evolution of the kinds and needs of developing a project; the frame of the project and its ambit is continuously expanding. As a project manager it should be understood with evolving needs and interests of various stakeholders over time there will be a host of new modifications or tweaks coming up in coming years in terms of how a project proposal is written and how its achievable outcomes are to be assessed with respect to interest of various stakeholders. Though, this unit provides an overall idea of project assessment, the budding project managers should welcome any new innovative project assessment methodologies being introduced over time and can simultaneously expect the old ones to go outdated.

Summary

In this unit, we first understood as a project management agency, we need to make appropriate community based interventions for figuring out needs and aspirations of the residents of a particular region. Based on the interactions of the community we need to understand the hindrances to development. Next we moved on to develop a tangible and achievable set of goals to be put in form of a development project. We then looked into the nuances of developing a well planned out project proposal based on the need-assessment of the communities. This has to be kept in mind that before developing a project proposal, the project manager needs to look back to figure out that the current project should be unique in terms of the outcomes it has decided to achieve. They also need to take care that such a similar project shouldn't have been undertaken in the same region or its vicinity of the region in which the proposed project is to be undertaken. Next, we look at the sustainable development goals established by UNDP in unison with all the member organizations as a set of achievable goals by the end of this decade. The project proposal should be developed in lines with the goals to increase the possibility of getting a funding approval by the global development organizations. In the final sub-unit, we consider the need and methodologies of impact assessment through internal or external agencies of a project over time to keep in check of the deviations of the project from the common outlined objectives.

Questions

- 1 You are appointed as a project manager of an NGO in your region. Based on the knowledge of the unit, list out a few of the glaring need gaps to be fulfilled. List out the strategies to be implemented for the need assessment of the region.
- 2 Discuss the reasons of these issues not being addressed and try to find out how or where the pain points of these issues lie?
- 3 Develop a project proposal based on the need assessment of your region. Include all the necessary parameters to strengthen the project proposal.
- 4 Based on the need assessment, try to find out which Sustainable Development Goals (SDGs) provided by UNDP is addressed under the proposal.
- 5 Try to develop methodologies and parameters for impact assessment of the project.

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3. Misra, R.P. and Achyutha, R.N., Micro-level Rural Planning : Principles, Methods and Case Studies, Concept Publishing Company, New Delhi, 1990
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Chapter 3 Project Financing

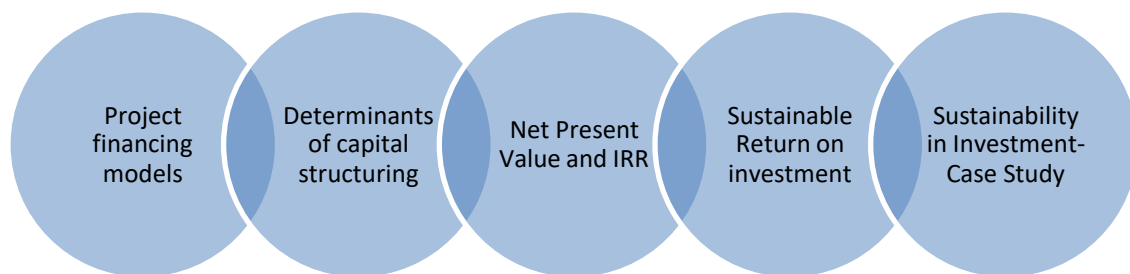
Introduction

Financing a project is one of the core contexts of a project. It is one of the prime movers of the project and one of the biggest challenges as well while designing a project proposal. As a project manager, it's vital for us to learn the basics of financing as well as look into the models of financing. This will help in developing understanding of how to develop a financially viable project. This not only would help the project managers to develop project keeping the financial feasibility in mind. On the other hand, it will also act as a guiding principle for many of these managers to set up parameters and to look out for these in a project. The unit would give a clear picture of the issues with financing and the various approaches of financing a particular project. We would look at different aspects of generating funds for a project. In this unit, we take a brief look at new models of financing and the concept of sustainable finance as a coming off age to fund development projects. We would look into concepts of Internal Rate of Return (IRR) and Net Present Value (NPV) as measures of calculating financial return of the project.

Objectives

- To develop a deeper understanding of the various approaches of project financing.
- To familiarize students with the new trends in project financing.
- To understand the exit methodologies of a project funding agency and develop innovativeness in finding out ways to make a project sustainable
- To be able to figure out key parameters for feasibility of project to be funded.
- To develop analytical skills for developing a funding mechanism for a project and rationalize a sustainable revenue generation model for longevity of the project.

Chapter Structure



3.1. Project Financing Models

Even before delving deeper into project financing models, we need to understand what exactly is project finance? There is no widely accepted definition of project funding. It is any form of borrowing to finance a project. It is made by a single purpose company/ special purpose vehicle whose principal assets are constituted of that project for which funding is to be collected and whose liability is concerned to borrowing directly or indirectly in return to a guarantee, indemnity or any other form of assurance, undertaking from any of the project management agency's members. The repayment of the investment is limited to liability of the project only. To understand here, we need to be clear of the fact as to what is a special purpose vehicle. A special purpose vehicle is providing an independent unit to the project. The

project undertaken has to be disassociated with the project management agency in general. Thus, if the project fails midway the liability won't fall upon the project management agency instead the funding agency would be covered up by providing salvage value of assets being held under the part of the project. There are a plethora of development projects undertaken by various development organizations and this also takes in account of the vast range of funding sources for each project. Taking in account here are a few ways to finance a project. We need to understand the reasons for project management agencies to go for project finance. Reasons as to why would a project management agency would go for project finance



Fig-3.1- Reasons to look for project financing, Source- A Guide to Project Finance, Dentons

Having looked at the benefits of project financing, it has become quite clear that in order to fund large projects with limited risk taking capabilities, the right way to approach any project is through project financing. We will now look at the ways in which we can approach project financing.

Table-3.1- Different models of project financing

Features		
Non-Recourse Financing	Project	<p>No cover over the loan provided</p> <p>Depends much on the anticipated cash flow from the project</p> <p>Project Management Agency is not liable to pay off the debt, maximum debt recovery liable to selling off the project assets.</p> <p>More risks associated with funding the project.</p>
Limited Recourse Financing	Project	<p>Responsibilities of project management agency limited.</p> <p>If the debts owed are not covered by selling off the assets of the project, for the coverage of the loan the assets of the project implementing agency can be sold off</p>
Bonds		<p>Long Term Fix Rate Funding</p> <p>Generally cheaper than bank loan</p> <p>Much Cheaper than bank loans and provides a much longer time frame for repayment</p> <p>Helps improve project economics</p> <p>Much less chances of getting waivers</p> <p>Project bond based repayments are structured to last installment being a heavy one.</p> <p>Mostly provided to project implementation agencies with a healthy track record.</p>
Leasing		<p>Mostly the form of financing for heavy asset investment based projects</p> <p>Mostly invested in projects with minimal risks</p> <p>Most of the times the lease financing is done through assets owned by the lessor (leasing agent)</p> <p>However, no financial risk is taken up by the lessor and is entirely on the project management agency.</p> <p>A part of contingency fund needs to be set up for uncertainties by project management agency</p>
Build Operate Transfer Model (BOT Model)		<p>Variations of the model include: DBFO(Design, Build, Operate, Transfer)</p> <p>BOD(Build, Operate, Deliver)</p> <p>BOL(Build, Operate, Lease)</p> <p>Includes granting a license for a fixed number of years involving a transfer of some or all of the assets</p> <p>Grant of Concession</p> <p>Assumption of takeover of control and responsibilities by the project management agency at the end of granting period.</p> <p>Advantageous as it's a form of off-balance sheet financing</p> <p>Ability to push funds to other priority projects as the financing burden on this project is minimal.</p> <p>Opens up various parts of project to multiple BOT holding agencies diversifying major risks for projects.</p> <p>Helps in developing more technologically sound and robust projects</p>
Forward Model/Advance Payment Facility	Purchase Payment	<p>Advance Payment made by lenders to project management agency for purchase of any tangible end products of the project as deliverables.</p> <p>Requires indemnification to be provided by the lending agency as part of protection against losses on the revenue generated from investment in the project</p> <p>Suitable for structured finance models to be covered by obligatory debt coverage.</p>

Source- A Guide to Project Finance, Dentons

With each financing models comes a varied range of risks associated with financing, here we would take a look at the various forms of risk associated with financing a project.



Fig-3.2- Units of Risk Assessment, Source- A Guide to Project Finance, Dentons

Table-3.2- Risks associated with financing a project

Types of Risks	Features
Completion Risk	<p>Lenders are more happy and willing to fund projects assuring a fixed lump sum amount within a regular due date.</p> <p>Cost and time overruns are generally put on the project management agency to reduce the chances of delay or excessive overhead expenditures</p> <p>Performance and defect liabilities of the project would be covered either by an insurance cover or the project management agency.</p> <p>Lenders would have the right to supervise and monitor the deliverables of the project</p>
Operational Risk	<p>Project Management Agency should have a proven track record of maintenance and handling of large projects</p> <p>It should have adequate staffing with appropriate skill set</p> <p>Proper Management keeps a track of operating cost overruns</p> <p>Sharing and documentation of future maintenance responsibility</p> <p>Sharing of unexpected damage costs cover by both the project management and project funding agency</p>
Market Risk	<p>Availability of ready market for project deliverables</p> <p>Chances of long-term agreements of prices to cover up for market fluctuations of end product prices over time</p> <p>Maintenance cost of a robust supply chain to be agreed upon to be shared by both the parties</p>
Political/Legal Risk	<p>Nationalization of Project Risks</p> <p>Failure to get approval of requisite authorities for a particular project</p> <p>Bureaucratic Red tapping forcing the slowdown of the project</p> <p>Imposition of Increased taxes and tariffs</p> <p>Changes in laws and regulations</p> <p>Politically motivated strikes</p> <p>Terrorism</p> <p>Laws of the land under host jurisdiction</p> <p>Opposition of the projects by communities in the vicinity of the project</p> <p>Structural risks of fitting all the end products to provide the best suitable outcome of a project</p> <p>Loss of cause of the project with the development of a project with similar outcomes in the proximity of the ongoing project</p>

Source- A Guide to Project Finance, Dentons

To-do Activity

Find out which of these risks would be applicable on a development project. List out mitigation strategies to mitigate each form of risk.

3.2. Determinants of Capital Structuring

Capital Structure is the process of determination of how much fund for each project will be brought up to the table in form of debt from financing agency and the other part of the funding is to be brought in the form of equity i.e. the part of fund coming from project management agency.

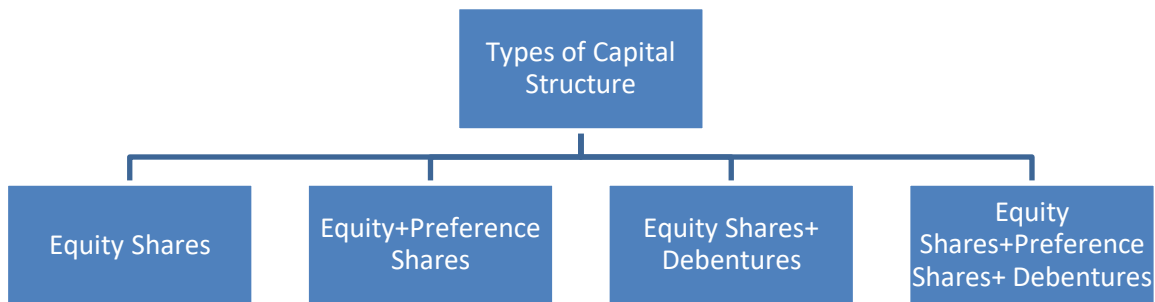


Fig- 3.3- Types of Capital Structures, Source- VSSD College. (n.d.). Unit 7- Capital Structure

Table-3.3- Equity, Preference Shares and Debentures

Types of Shares	Features
Equity Shares	Fractional form of business ownership Shareholders share the risks associated with the business as well. Equity share holders have voting rights in company's decision making process Used by the organization to raise long term capital Paid on the basis of earnings of the company and have no right to claim a fixed dividend Better equity share holdings prove creditworthiness to debtors Don't have entitlement to any claims in case of failing of the venture leading to a less stressed way of raising capital
Preference Shares	Shares with a fixed dividend structure Repayment takes priority over ordinary equity shares Generally don't have fixed form of return and is only on discretion of directors Don't have voting rights Payment of fixed rates of dividends may make the company declare higher rates of return
Debentures	Debt instruments used to raise a loan Has a fixed rate of interest Don't carry voting rights Debentures reduce borrowing capacity of the company

Source- <https://www.toppr.com/guides/business-studies/sources-of-business-finance/equity-shares-and-preference-shares/>

Example-3.1- ABC Ltd. Company has a share capital of Rs 1, 00,000 divided into shares of 10 rupees each. It goes for another expansion of investment Rs 50,000. Following are the alternatives available:

- (i) Issue of 5000 equity shares of Rs 10 each.
- (ii) Issue of 5000, 12% preference shares of Rs 10 each
- (iii) Issue of 10% debentures of Rs 50,000.

Tax rate is at 50%. The company's present earnings before interest and tax (EBIT) are Rs 40, 000 p.a. You are required to calculate the effect of each of the above modes of financing of the earnings per share (EPS) presuming:

- (a) EBIT continues to be the same even after expansion
- (b) EBIT increases Rs 10,000

Solution- When EBIT stays at Rs 40,000 p.a

Particulars	Present Capital Structure	Proposed Capital Structure	Proposed Capital Structure	Proposed Capital Structure
	All Equity	All Equity	All Equity+ Preference Shares	Equity+ Debt
EBIT	40,000	40,000	40,000	40,000
Less: Interest	-	-	-	5000
PBT	40,000	40,000	40,000	35,000
Less: Tax	20,000	20,000	20,000	17,500
PAT	20,000	20,000	20,000	17,500
Less: Preference Dividend	-	-	6000	-
Profit for Equity Stakeholders	20,000	20,000	14,000	17,500
No. of Equity Shares	10,000	15,000	10,000	10,000
EPS	2	1.33	1.4	1.75
Dilution against initial EPS of Rs 2	-	0.67	0.6	0.25

To Do Activity

Calculate the second part of the question

Optimum capital structure is a mix of debt and equity modes of financing that would provide the maximum market valuation to a company. The ratio of Debt:Equity is known as leverage ratio and this is the leverage ratio. There are four major theories of capital structure and we will have a look at each of them.

(1) Net Income Approach

It was suggested by Durand. According to this approach the capital structure of a firm is directly proportional to valuation of firm. A change in corresponding capital structure leads to a corresponding change in cost of capital leading to change in valuation of firm.

Assumptions

- (i) No corporate taxes
- (ii) Cost of debt is lower than cost of equity
- (iii) Debt amount doesn't change the perception of investors

Calculation of value of firm

$$V = S + B$$

V = Value of firm

S = Market Value of Equity

B = Market Value of Debt

Market value of Equity, $S = NI / k_e$

NI= Earnings available for equity shareholders

ke= Equity Capitalization Rate

Example-3.2- A Ltd. is expecting an annual EBIT of Rs 1 lakh. The company has Rs 4.00 lakh in 10 percent debentures. The cost of equity capital or equity capitalization rate is 12.5%. Calculate total value of firm and the cost of capital.

Solution-

Statement Showing the Valuation of Firm	
EBIT	1,00,000
Less: Interest at 10% on 4 lakh	40,000
Equity available for Equity Shareholders	60,000
Equity Capitalization Rate	12.5%

Market value of Equity = Earnings available for equity shareholders/Equity Capitalization Rate=
(60,000/12.5)*100 =4,80,000

Market Value of Debt= 4,00,000

Total Firm Value= (4,80,000+4,00,000)= 8,80,000

Overall Cost of Capital = (EBIT/Total Firm Value)*100 =(100000/880000)*100 = 11.36%

The value of firm increases in case of equity is decreased by issue of debentures, bonds and other debt instruments to equity shareholders.

(2) Net Operating Income Approach

It was suggest by Durand and is reverse of Net Income Approach. In this approach, the market valuation of a firm is not affected by the capital structure changes but by capitalizing the net operating income at the cost of capital, which is taken to be constant in this case.

Value of Firm- $V=EBIT/k$

Where, V=Value of Firm

k=Overall Cost of capital

EBIT= Earnings Before Interest and Taxes

Value of Equity= Value of Firm- Value of Debt

$S= V-B$

Example-3.3- TV Ltd., has an EBIT of Rupees 1 lakh. The cost of debt is at 10 percent and the outstanding debt is at 4 lakh. Assuming the overall rate of capitalization is 12.5%, calculate the valuation of firm and the equity capitalization rate.

Solution-

Statement Showing Value of Firm	
Earnings Before Interest and Taxes	1,00,000
Overall Capitalization Rate	12.5%
Market Value of the Firm	$(1,00,000/12.5)*100 =8,00,000$
Total Value of Debt	4,00,000
Market Value of Equity	4,00,000
Equity Capitalization Rate	$(1,00,000/8,00,000)*(40,000/4,00,000)*100*(60,000/4,00,000)*100=15%$

Validity of NOI Approach, $k= kd(B/V)= ke(S/V)$

k= Overall Cost of capital

kd=Cost of Debt

ke= Cost of Equity Capital

B= Value of Debt

S= Value of Equity

V= Value of the firm

$$k=10\%(400000/800000)+15\%(400000/800000)= 10\%(1/2)+15\%(1/2)= 12.5\%$$

Here, we need to mention that this k is known as the weighted average cost of capital

Increasing the debt and reducing the equity, the market capitalization of the company would remain unaltered. Equity Capitalization goes up.

Market price per share as per NOI approach would remain unchanged.

(3). Modigliani-Miller Approach

Table-3.4- Propositions and limitations of MM Hypothesis

Basic Propositions	Limitations
Overall Cost of Capital and Value of Firm are independent of each other	Rates of Interest are not same for individuals and for firms as firms have generally a better credit standing
Cost of equity is equal to capitalization rate for a pure equity firm+ a premium for financial risk Financial risk increases with an increase of more debt in the capital structure	Homemade leverage is not an appropriate substitute for corporate leverage as homemade leverage in case of a dilution of a firm in homemade leverage the entire assets of financier is at stake. However in corporate leverage, the liability ends with the shareholding of the entity.
The cutoff rate for investment is independent of the way in which investment is financed	High transaction costs involved
	Institutional Restrictions
	Corporate taxation model deflate MM hypothesis

Source- VSSD College. (n.d.). Unit 7- Capital Structure

4. Traditional Approach

This approach suggests that a firm through considerate use of debt and equity mix increase the valuation of firm. It is a mixture of NI approach and NOI approach with some limitations. The approaches and their context is provided below:

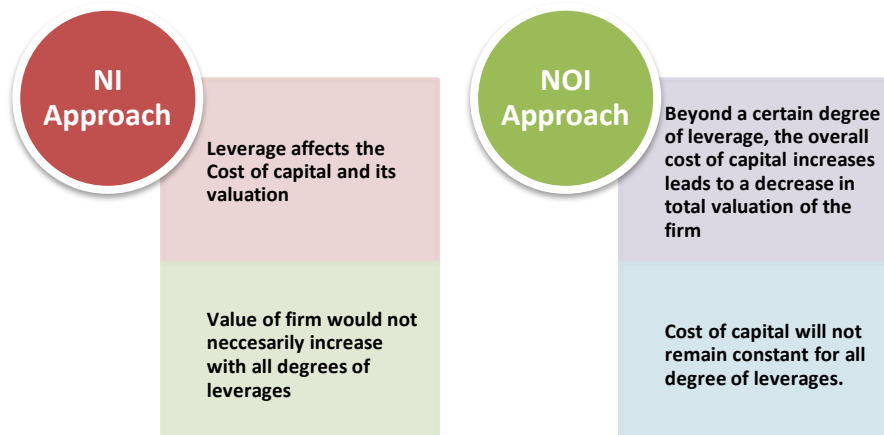


Fig- 3.4- Approaches of NI and NOI as part of traditional approach, Source- VSSD College. (n.d.). Unit 7- Capital Structure

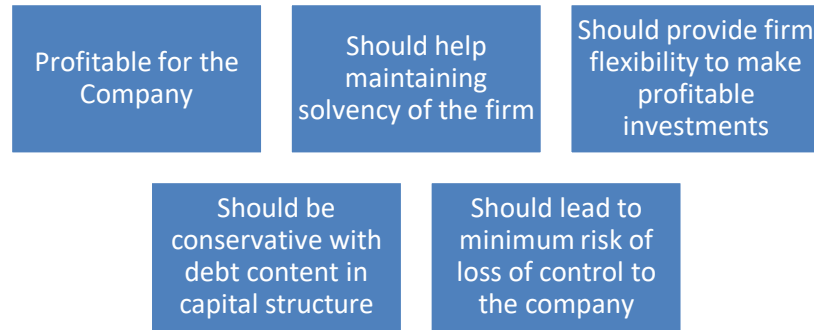


Fig- 3.5- Features of Appropriate Capital Structure
Source- VSSD College. (n.d.). Unit 7- Capital Structure

Determinants of Capital Structure

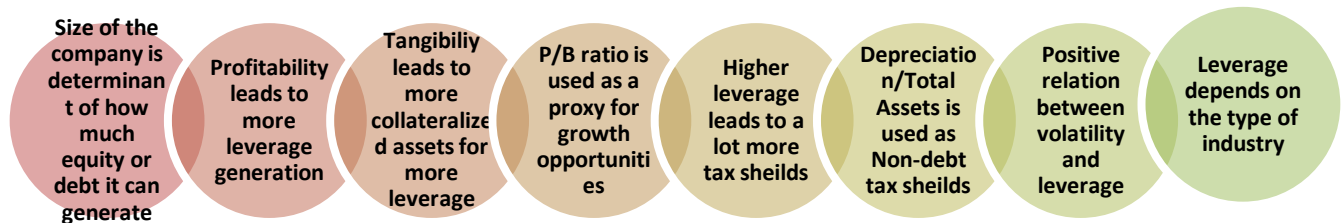


Fig-3.6- Determinants of Capital Structure
Source- Bauer, P. (2004). Determinants of Capital Structure. Finance a Úvûr – Czech Journal of Economics and Finance

3.3. Net Present Value and Internal Rate of Return

There are three factors whose knowledge is primary to effective budgeting decisions.

- (i) Estimation of cash flows
- (ii) Discounting factor and cost of capital
- (iii) The duration of project period

Features of capital budgeting:

- (i) All the cash flows coming in the project should be considered to determine the profitability of a project.
- (ii) There should be clarity in parameters of selecting a bad and a good project based on the budgeting parameters.
- (iii) This would lead to categorization of projects on the basis of ability of being profitable.
- (iv) The projects chosen on the basis of the capital budgeting should account for distinct investment projects to maximize investors' wealth.

We would take three popular cash budgeting techniques which are a part of both Non-Discounted Cash flow model and Discounted Cash flow model. We will go deeper into each model and try to understand its merits and demerits.

- (A) Payback Period- Number of years required to recover the original investment in a project.

Table-3.5- Merits and Demerits of Payback period

Merits	Demerits
Simplest Methods of Calculation	Time value of money is absolutely not added in the model leading to violation of most basic principles of finance
Favors projects generating a huge cash inflow in initial years, thus helping the firms dealing with liquidity crisis to gain substantial funds to avoid liquidity crunch	Completely ignores the cash flow beyond the point of payback period. This leads to nullification of the projects which have the potential to generate revenues over a large period of time and a later stage.
Selects projects with earliest recovery of investment.	It's a measure of project's capital recovery and not of profitability

Source- Pandey I M, Financial Management, Vikas Publishing House Pvt Ltd

Methods of Calculating Payback Period

(A) When the cash flow after taxes is uniform

Payback period= Initial Value of Investment/Value of Constant Annual Cash Flow

Example-3.4- If ABC financing agency has invested 1,00,000 rupees in a weaving and manufacturing plant and the profit after taxes is uniform at Rs 20,000 each year. Find out the payback period.

Solution- Initial Value of Investment= Rs 1,00,000

Value of Constant annual cash flow after taxes= Rs 20,000

Payback period= $1,00,000/20,000 = 5$ years

(B) When the cash flow after taxes is not uniform

Payback Period= In case of non-uniform cash flows, the sum total of cash flows over time are accumulated till the cash inflows cumulative value becomes equal to the amount of initial investment made.

Example-3.5- ABC firm has invested Rs 20,000 in a project. The annual cash inflows for next five years are Rs 6000, Rs 8000, Rs 5000, Rs 4000. Calculate Payback period.

Solution- Sum of each year's cash inflow= Rs 6000+Rs 8000+Rs 5000+Rs 4000=Rs 23000 but the cash outflow for the project stands at Rs 20,000. Thus, from the last year's inflow we need to check the point at which we recover the first 1000 rupees will be our payback period.

So, in unitary method, the cash inflow=4000

In one month the cash inflow =333.33

In 3 months the cash inflow would be Rs 1000.

Thus, the total payback period is 3 years 3 months.

Then as a project management agency, how do we decide which project to undertake based on the payback period.

- (i) If the payback period of the project is lesser than the acceptable payback period, then we would take the project.
- (ii) If the payback period of the project is greater than the acceptable payback period, then we would drop the project.
- (iii) In case there are multiple projects with payback period lesser than the acceptable payback period, then the project with the least payback period is undertaken.

Before heading forward, we need to understand two important concepts regarding the present and future value of money which would further help us understand the other methods of capital budgeting

(a) Present Value of Annuity

An amount of money that we can invest today which will generate some income in the future

$$C \times [(1 - (1+i)^{-n}) / i]$$

Where, C=cash flow per period

i=rate of interest

n= frequency

Example-3.6- There is an annuity payment of Rs 1000 for the next 25 years from beginning at the end of each year. Assuming rate of interest = 5%

Solution- $1,000 \times [(1 - (1+5\%)^{-25}) / 0.05] = 14,093.94$

Present Value of annuity is used for periodic payments such as rent, pensions, periodic interest paid.

(b) Present value of annuity due

The present value of a series of future payments to be made in a predetermined time frame.

$$P = (C [(1 - (1 / (1 + i)^n)) / i]) \times (1+i)$$

Where, C= Value of each due payment

P= Present Value of Annuity

i=rate of interest

n=frequency

Example-3.7- XYZ organization had to pay a bill of 1,00,000 rupees at the beginning of each year for next 8 years. Assuming the rate of interest to be 5%, find out how much it would cost XYZ if they were to make the payment at one go?

Solution- $P = (100,000 [(1 - (1 / (1 + .05)^8)) / .05]) \times (1+.05) = 678,637$

(c) Future Value of Annuity

The value of payments on a future date for a series of periodic payments with payments made at the end of each period

$$P = C [((1 + i)^n - 1) / i]$$

Where, C= the value of each annuity payment

i=rate of interest

n=frequency

Example-3.8- The investment facility of QPM expects to invest Rs 1,00,000 in a long-term investment at the end of each year for five years. A return of 7% is expected from the investment. Calculate the amount at the end of the five year period.

Solution- $P = 100,000 [((1 + .07)^5 - 1) / .07] = 575,074$

(d) Future Value of Annuity Due

The amount a stream of future payments will become in value assuming that the money

gets compounded over the measurement period. The payments are provided at the beginning of each month.

$$P = (C [(1 - (1 / (1 + i)^n)) / i]) \times (1+i)$$
 Where, C= Value of each due payment
 P= Present Value of Annuity
 i=rate of interest
 n=frequency

Example-3.9- An organization expects to invest 5,00,000 rupees from the firm’s funds in a long term investment at the beginning of each year for next five years with an expectation of 6% return annually. What is the value of payments at the end of five years?

Solution- $P = (50,000 [((1 + .06)^5 - 1) / .06])(1 + .06) = 280,475.50$

(B). Discounted Payback Period

It is the number of years that it takes to cover the initial investment in terms of the present value of all the future cash flows.

Example-3.10- A project requires an initial value of investment of Rs 80,000. The cash flow is 22000,30000,40000,32000 and 16000 rupees each year starting from the first year respectively.

Solution-

Years	0	1	2	3	4	5	Discounted Payback period
Cash Flow	(80000)	22000	30000	40000	32000	16000	-
Present Value@5%	-	1/1.05	1/1.05 ²	1/1.05 ³	-	-	-
Present Value	-	20952.38	27210.88	34553.50	-	-	-
Cumulative Present Value	-	20952.38	48163.76	82717.26	-	-	2.99 Ears

(C). Average Rate of Return

Average Rate of Return= (Average Annual Profit After Tax/Average Investment)*100

This is an accounting method rather than a cash flow method.

$ARR = 2[\sum_{i=1}^n EBIT_t(1-T)]/n(I_0 + I_n)$

Example-3.11- A project needs an investment of Rs 10,00,000. The plant and machinery have a scrap value of Rs 80,000 at the end of 5 years. The profit after tax and depreciation are given as follows:

Year	1	2	3	4	5
PAT	50000	75000	125000	130000	80000

Solution- $ARR = \frac{2(50000+75000+125000+130000+80000)}{(1000000+80000)} * 5 = 17.04\%$

If ARR is higher than the rate set for investment, then it is a better investment.

If ARR is lesser than the rate set for investment, then it is advisable not to invest.

Table-3.6- Merits and Demerits of Average Rate of Return

Merits	Demerits
Easier Calculation	Based on accounting principle only and not on the cash flows
Based on a fair knowledge of accounting principles	Doesn't take into consideration of the time value of money
Considers benefits to be distributed over the entire life of the project	Does take into consideration of all years' profit but averages them out
	ARR benchmark is set by the industry

, Source- Pandey I M, Financial Management, Vikas Publishing House Pvt Ltd

(D). Net Present Value

It is a discounted cash flow technique. According to it, cash flows value differs based on the varying time intervals of their inflow. It is calculate on the basis of present value.

NPV= Present Value of Cash Inflows-Initial Investment

$$NPV = A_1/(1+K) + A_2/(1+K)^2 + \dots + A_n/(1+K)^{n-1} - C$$

$$NPV = \sum_{t=1}^n A_t/(1+K)^t - C$$

Where $A_{1,2,3,\dots,n}$ =Streams of benefits coming the way over a course of time

C= Cost of Investment

K= Discount rate to check quality of A

Example-3.12- Calculate NPV for a project for an initial investment of Rs 2,50,000. It has 10% cost of capital. The cash flow is as follows:

Year	Cash Flows
1	90000
2	80000
3	70000
4	60000
5	50000

Solution-

Year	Cash Flows	PV @10%	PV
1	90000	0.909	81810
2	80000	0.826	66080
3	70000	0.751	52570
4	60000	0.683	40980
5	50000	0.621	31050
		∑PV	272490
		Less: NCO	250000
		NPV (Rs)	22490

If NPV is greater than 0, accept the project.

If NPV is lesser than 0, reject the project.

Table-3.7- Merits and Demerits of NPV

Merits	Demerits
Explicitly uses time value of money in calculations	Includes uncertainties leading to complex calculations
Uses all the cash inflows over the lifetime of the project	Discount rate calculation is a prerequisite for calculation
Provides an absolute measure of profitability	Cannot give a precise calculation for mutually exclusive projects
Provides scope of incorporation of changing discount rate to be included. Thus, it is one of the most flexible	
Satisfies value additivity principle of Net Present Value. Thus, $NPV(X+Y) = NPV(X) + NPV(Y)$. It helps in calculating the value of the firm.	
Consistent with the goal of wealth maximization	

Source- Jain P K & Khan M Y, Financial Management (4th ed), Tata McGraw-Hill Publishing Company Ltd

(E) Cost-Benefit Ratio

The present value of returns per rupee invested.

Profitability Index = Present Value of Cash inflow / Initial Cash Outlay

$$\sum_{i=1}^n [C_t / (1+K)^t] / C_0$$

C_0 = Initial Cost of Investment

C_t = Total value of all cash inflows

K = Discount rate to check quality of A

If Profitability index is greater than 0 accept the project.

If Profitability index is lesser than 0 reject the project.

If profitability index is 1, then it's upon firm's discretion to select the project or not.

(F). Internal Rate of Return

Internal rate of return is the discount rate that equates the NPV of the project to zero. It provides a break-even point for the investment in a project.

$$IRR = C_0 = C_1/(1+r) + C_2/(1+r)^2 + \dots + C_n/(1+r)^n$$

$$IRR = \sum_{i=1}^n C_t/(1+r)^t - C_0 = 0$$

C_t = Cash flow at time t
 C_0 = Initial investment

Calculations- When any project has an uneven cash flow, IRR is found by trial and error.

Example-3.13- A project has an initial investment of Rs 32000 and generates a cash inflow of Rs 16000, Rs 14000, Rs 12000 for the next 3 years. Calculate the IRR.

Solution- Let us take two values (10% and 18%).

Year	Cash Inflows	PV@10%	PV	PV@18%	PV
1	16000	0.909	14544	0.847	13552
2	14000	0.826	11564	0.718	10052
3	12000	0.751	9012	0.609	7308
		Σ PV	35120	Σ PV	30912
		NCO	32000	NCO	32000
		NPV	3210	NPV	(1088)

$$IRR = r + (PV_{CO} - PV_{CFAT} / \Delta PV) * \Delta r$$

PV_{CO} = Present Value of Cash Outlay

PV_{CFAT} = Present Value of Cash Inflows

r = Lower rate

Δr = Difference between higher and lower rate

ΔPV = Difference in present values of cash flow after taxes at higher and lower rate

Difference between higher and lower rate = 18% - 10% = 8%

PV required = Rs 32000

PV at lower rate = Rs 35210 PV (lower rate) - PV (required) = Rs 3120

PV at higher rate = Rs 30912 PV (higher rate) - PV (required) = Rs 4208

IRR = 16%

If a project generates equal cash flows annually

Example-3.14- A project requires an investment of Rs 6000 and it would generate a cash inflow of Rs 2000 for next 5 years. Calculate the IRR.

$$\text{Solution- NPV} = (\text{Rs } 6000) + \text{Rs } 2000(\text{PVAIF}_{5,r}) = 0$$

$$\text{PVAIF}_{5,r} = \text{Rs } 6000 / \text{Rs } 2000 = 3 \text{ years}$$

If IRR is greater than the cost of capital, then accept the project and NPV would be positive.

If IRR is lesser than cost of capital, then reject the project and NPV would be negative.

If IRR is equal to the cost of capital, then NPV=0 and the project management agency can have its willful discretion in taking up the project.

Table-3.8- Merits and Demerits of IRR

Merits	Demerits
Considers time value of money and takes into all the cash flows over the lifetime of the project.	Complex calculations and based on trials and errors.
It measures profitability percentage of projects and thus makes it an easy go comparative with the opportunity cost of capital	Mutually exclusive projects may lead to conflicting outcomes by IRR
Consistent with the wealth maximizing objective of shareholders	There can be multiple IRRs for same project with non-conventional cash flows
	Doesn't withhold the value addition principle like NPV

, Source- Jain P K & Khan M Y, Financial Management (4th ed),Tata McGraw-Hill Publishing Company Ltd

3.4. Sustainable Return on Investment

On a day to day basis, humans are becoming more conscious of the surroundings than ever before. The investors who were earlier concerned with only financial gains of an investment are increasingly becoming conscious of the social as well as environmental impact that their invested project is making alongside the conventional benchmark of financial profits. This is expected to create more value for the project. Earlier it was considered to be a govt. initiative to invest in projects with a more socially inclined outcome; but these days even private ventures are taken up with a similar cause of creating a social impact. Sustainable Return on Investment or SROI provides a framework for such initiatives while providing scope for ample flexibility for various cultures of private or govt. institutions across geographies to mould the guidelines to provide for new initiatives to be introduced. So, what basically this framework does is it tries to bring into conscience of investors to invest in projects that add social and environmental values.

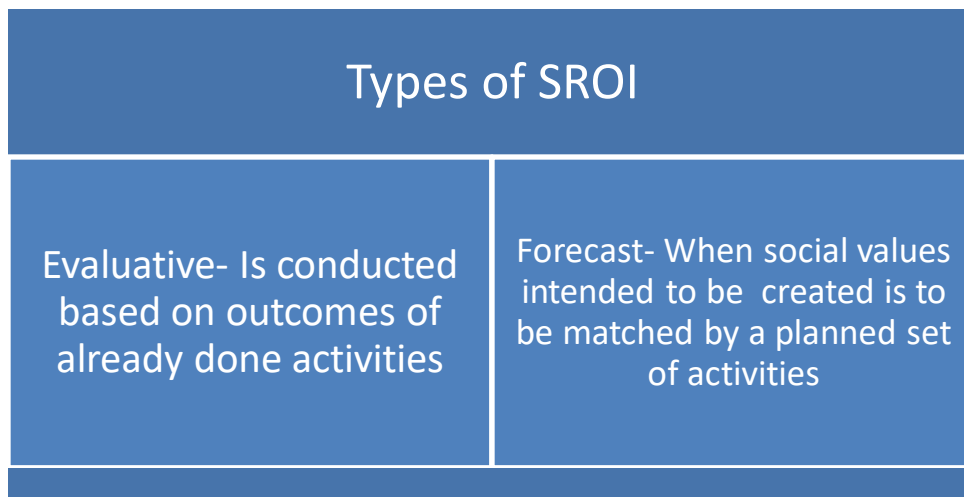


Fig-3.7- Types of SROI, Source- A Guide to Social Return on Investment

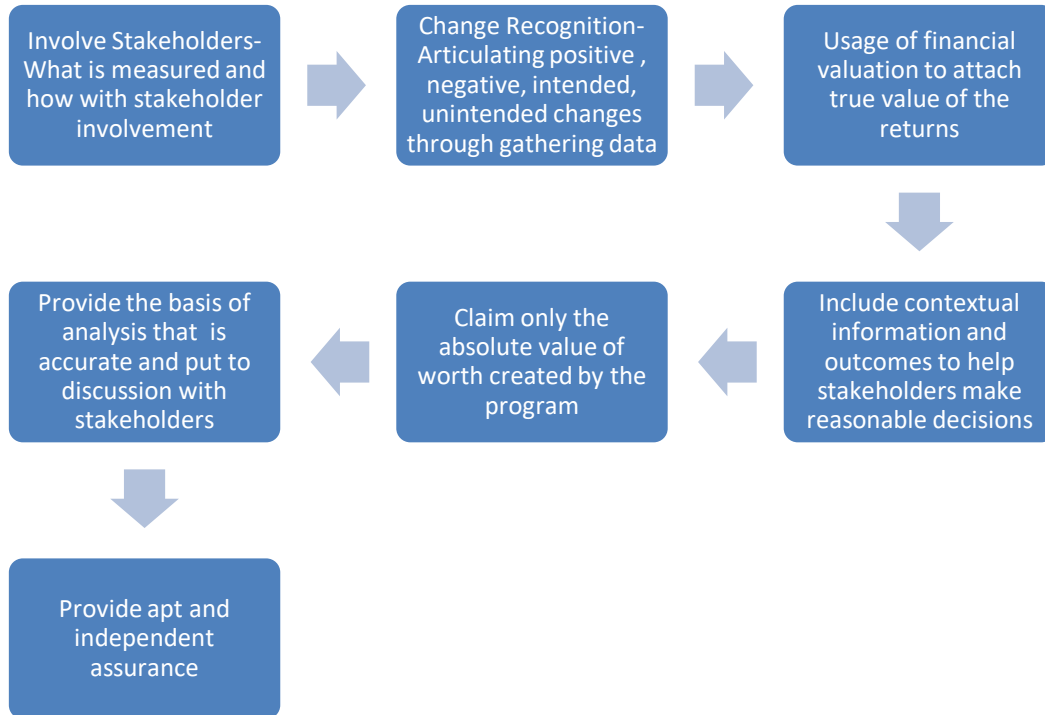


Fig-3.8- Principles of SROI, Source- *A Guide to Social Return on Investment*

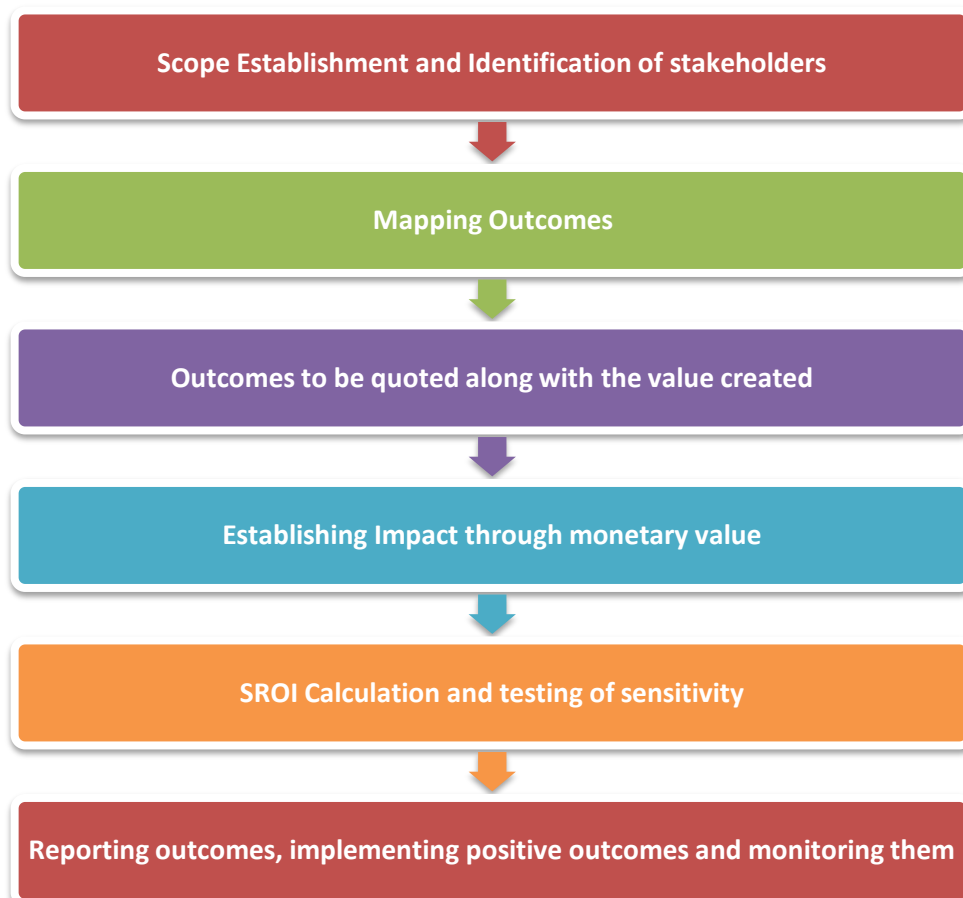


Fig-3.9- Stages of SROI, Source- *A Guide to Social Return on Investment*

Table-3.9- Utility and Disutility of SROI

Benefits for Services	Benefits for Organizations	Less Utility for
Helps kickstart strategic discussions and adds social value to future services.	Raises the organization's profile	Strategic processes already planned and implemented
Helps in looking out for positive and negative outcomes and plan accordingly	Adds substance to further funding proposals	Disinterested Stakeholders on social returns
Leads to organizational and personnel collaboration to work on further effective projects.	Adds persuasive value to future tenders	Being undertaken to prove the value of the service
Building common grounds for organizational approaches and stakeholders to provide ways for maximizing social value.		
Formal dialogue between stakeholders to improve service design		

Source- *A Guide to Social Return on Investment*

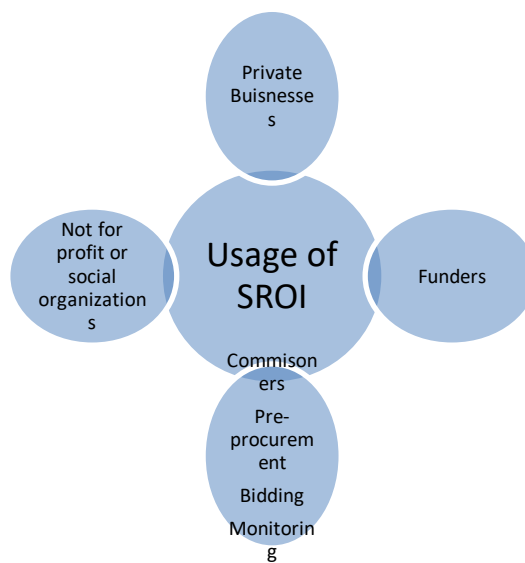


Fig-3.10- Stakeholders for usage of SROI, Source- *A Guide to Social Return on Investment*

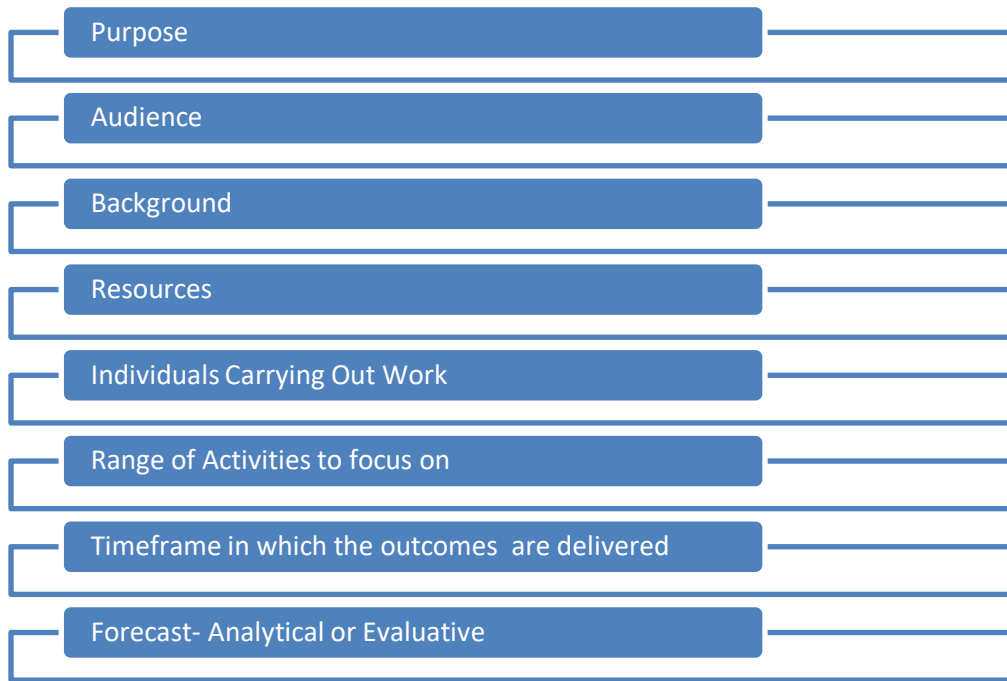


Fig-3.11- Stakeholders for usage of SROI, Source- *A Guide to Social Return on Investment*

In measuring the outcome, we need to consider the two important parameters that provide an insight into the outcome and the ways we can influence the outcome.

Deadweight is a measure of the desired outcome that is produced even without a desired intervention from the concerned agencies. The more the deadweight, the less effective the implementation becomes. If the deadweight is nearing 100 percent, the implementation of the project is near failure as the project implementation had no or negligible impact on the outcome. To calculate deadweight, reference is taken from preset benchmarks. Displacement is another component of impact assessment that provides a picture of how much an outcome has displaced other outcomes.

To Do Activity

Use deadweight and displacement as impact assessment parameters for the social return on investment calculation of any of the major projects undertaken by MNCs' worldwide

Attribution of an outcome is the assessment of the amount of outcome produced by other organizations or communities or individuals' contribution. In simplest examples, the army builds roads in the difficult terrains to help transport of food and other essentials to the officials' deployed in the region. However, this effort by the army helps a major electronics goods producer deliver its commodities to the end users in the remotest region. Here an outside organization who wasn't a stakeholder in the supply chain of electronics commodities has unintentionally come to rescue for another organization and this is the attribution of Indian army for the electronics goods producer where it gets a benefit out of no personal investment. There are three major approaches contributing to measuring attribution.

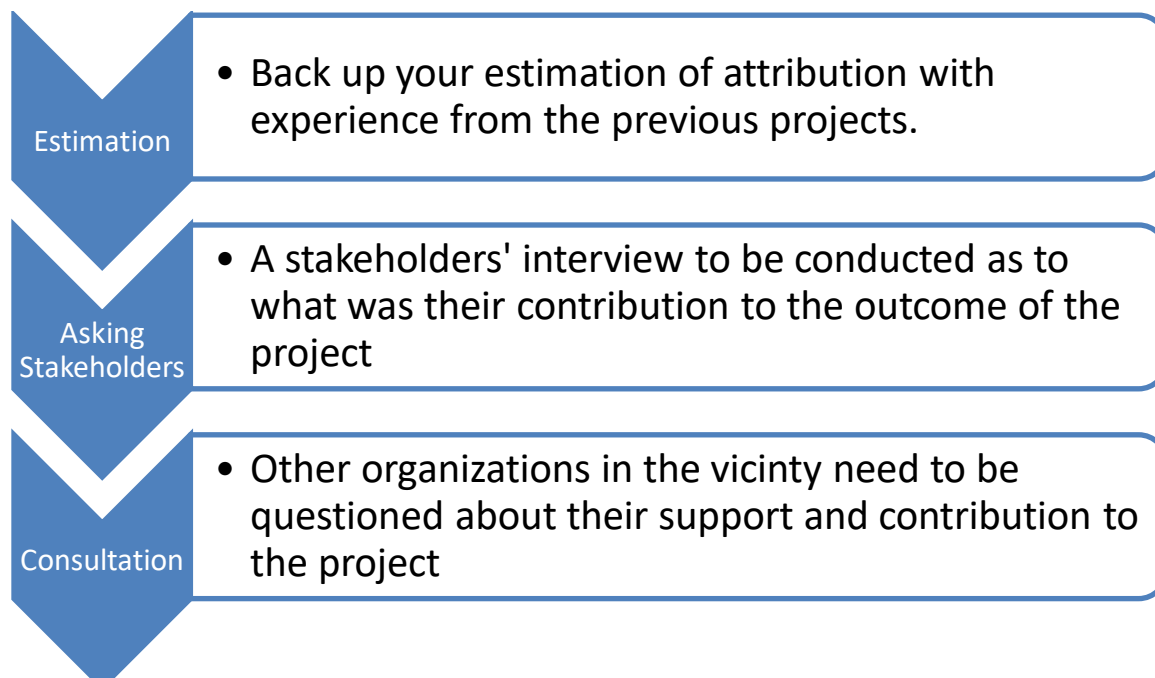


Fig-3.12- Approaches to measure attribution, Source- *A Guide to Social Return on Investment*

SROI can be numerically interpreted in two forms:

SROI Ratio = Present Value/Value of inputs

Payback period= Investment/Annual Impact

An SROI report should be short and crisp and should match the requirements of transparency. It should be consistent and well structured.

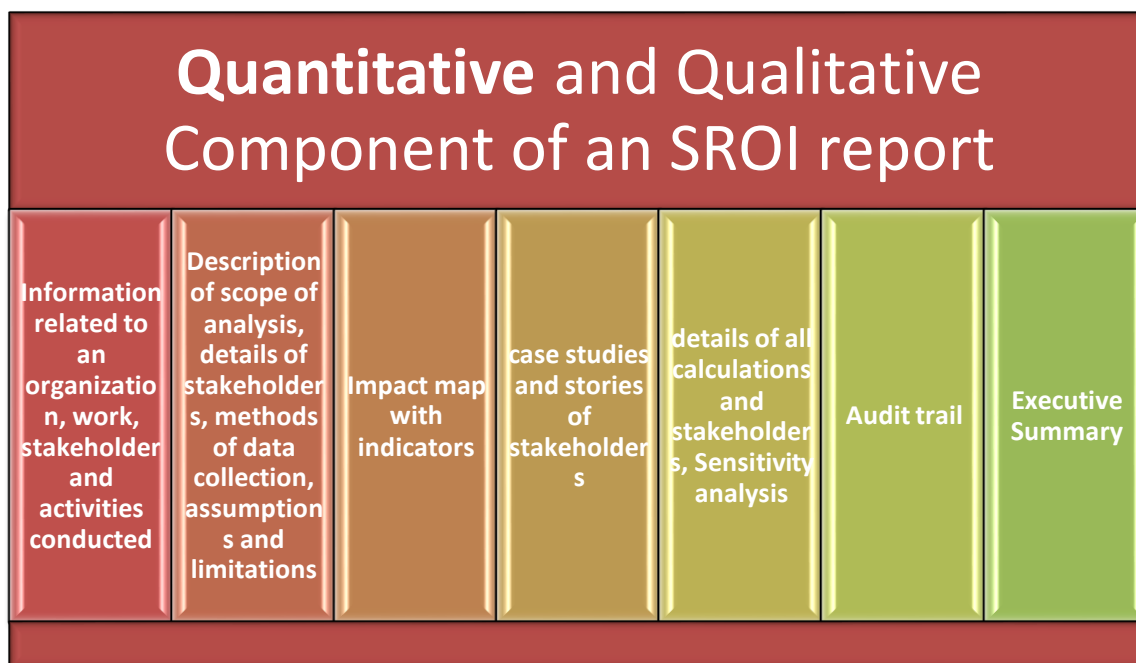


Fig-3.13- Components of SROI report, Source- *A Guide to Social Return on Investment*

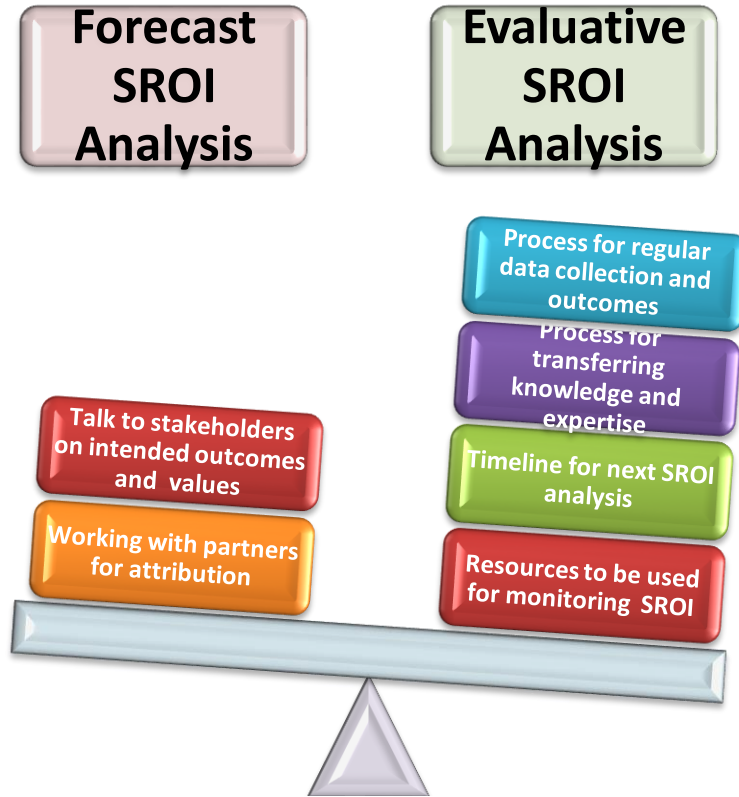


Fig-3.14- Outcomes of both form of evaluation, Source- *A Guide to Social Return on Investment*

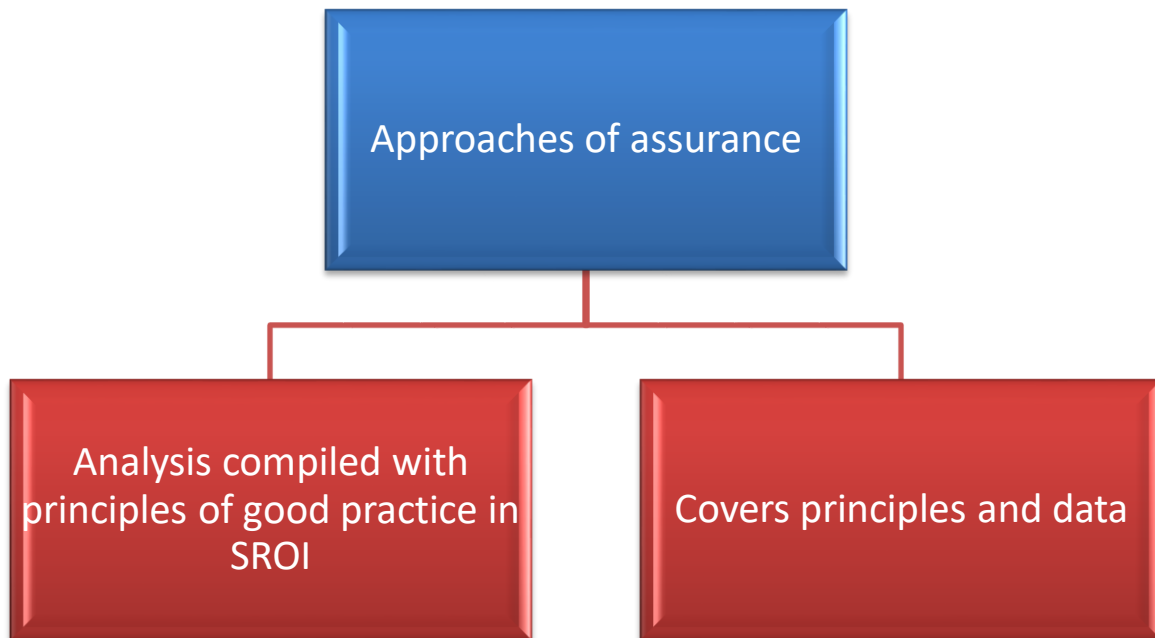


Fig-3.15- Approaches to Assurance, Source- *A Guide to Social Return on Investment*

3.5. Sustainability in Investment- Case Study

Over years, Amanda has come to the Hansrajpur, a small village lying on the outskirts of Agra in Uttar Pradesh. She worked as a project management associate as a part of a global beverage company. They

have set up their manufacturing and bottling plant in the region. She always paid a visit to monitor the company's plants and their operations. It was one of the most efficient and cost-effective plants for Marcq, the beverage company for which she has been working for. Over time she has made a good rapport amongst the villagers and was over time invited by many in the village to be hosted over. Shambhu, the ward member of the region has grown quite fond of her and she has stayed at her place. The villagers had greeted her with amicably and she was known as Ami Di over the place. This year, however, when she came to stay at Shambhu's place for her yearly assessment, she was welcomed by Shambhu's wife but Shambhu avoided meeting her and by evening that day, it had become evident that something has gone wrong. Shambhu who was generally very approachable and welcoming didn't see her face to face and during dinner as well avoided eating sitting at the same place. She also noticed that during her evening round in the village coming back from the plant, the villagers were noticeably angry at something. Earlier the people who used to meet and greet, now no longer stopped to notice her presence. That was quite off putting for Amanda and she went to bed that night deciding to come up to talking terms to Shambhu and ask him what's the issue? Next morning, she woke up early and went to the dining place waiting for him to join her at the breakfast. She waited till Shambhu woke up from his slumber and waited for the breakfast to be served. Amanda couldn't resist asking what's the problem? Why has he and other villagers turned hostile to her and how has things changed? Shambhu didn't respond to it and acted like everything was going on normally. He went on normally with the breakfast and went for work as usual. But by that time, she was going restless and wanted to know what was the real issue behind it? So, she went to Shambhu's wife Nirmala and asked her about it. She came up with another way to answer the question, rather than answering her question directly, she asked her to accompany to the water collection point. It was a stream of fresh water flowing from the middle of the village and as they reach the water collection point; the problem becomes somewhat imminent to Amanda as she took a peek into the river. The earlier flourishing river had touched its rock bottom as the river bed had become invisible and the water had gone darker.

Nirmala then started to share the true plight of the villagers as she said that over the last eight months, it has become more imminent to the villagers that the plant that was providing them the very source of their income was also shredding their share of life apart. The stream was considered to be the village's lifeline and over last eight months, it has slowly gone depleting. Lowering magnitude of rain over the last season also didn't help the cause much as the water body didn't get fed by its natural source of replenishment. This apart from the fact that the underground wastewater treatment sewerage pipe of the plant had broken and even after multiple requests to the plant manager is not being heeded properly. He has not attended the requests and is making no attempts to mend the broken waste disposal system of the plant making the stream a direct dump yard for the plant's wastewater being produced each day. This not only has led to shortages of drinking and bathing water but has also reduced irrigation usage of water. Thus, it has led the village on the slow trodden path of being famished. Nirmala, also added that the villagers had protested against this gross mismanagement first in front of the plant administration and when it was left unheard went forward to lodge the complaint to district administration which also appeared to be deaf to the vocal complaints. Feeling helpless and no clue of how to proceed with the complaint, they have waited for the yearly visit of Amanda as they knew she was the one who was at least hopeful to produce some change in favour of the villagers. She

horrified at the plight of the villagers decided to take up this matter in haste to the company administration. Firstly and almost instantly, she went to the plant and ordered a halt of operations until further notice and simultaneously dismissed the plant manager with immediate effect. Then, she immediately headed back to the country head office in Bangalore and went on to meet Mr. Anand Jha, The Country Head, and Operations to ponder over the next course of action. Mr. Jha also upon listening to the brief from Amanda was quite shocked as how was the gross inappropriate action was taking place right under his nose and he had no information of it. He immediately established a committee under his direct supervision and flung to action almost immediately. A small team of experts were immediately sent to the area and they were asked to carry out ground reporting as well as to carry out immediate repair of the sewage treatment unit. Based on the ground report presented in a time span of 15 days, the stream water cleaning activity along with the village community was taken up. It took another one month for the cleanup to come up with fruitful results. The company then brought up some of its engineers to build a water harvesting system in the village for the scanty rainfall days and it set up irrigation facilities in the fields of the villagers. A separate Water War fund from the company profits was set up to look after its establishments over time. A committee was formed with some members of the organization and members from the village as well. They were to take care of all the water facilities in the village and look after the usage of the water war funds for water replenishment activities in the region. A monitoring committee was set up within the organization whose responsibility was to be in touch with the village level committee. This committee was under the direct supervision of Amanda and Mr.Jha. They decided to take up such initiatives at 23 such locations across the country to mark their approach of giving it back to the society in ways more than one and this is how Amanda turned around the dying hope of a village.

To Do Activity

If you were appointed as an impact assessment project manager on the Water War Project, having studied concepts of SROI impact assessment. Build a skeletal structure of the points to be covered in the SROI report.

Summary

The chapter focuses on the entire way of funding the project and putting the funding proposal in the project proposal as well as the stakeholders intended financial benefit out of each investment. We started off with the reasons as to why would a project require financing or the scenarios in which we can approach for financing. We then look out for various financial instruments, the merits and demerits of the project financing methodologies. Then, we took over the ways to assess the decision of financing a project and the capital structuring model. We looked at the multiple mathematical models of capital structuring simultaneously looking at the determinants of capital structuring. Financial models were pondered upon looking for the ways to optimize and process the return on investments. Moving on from financial investments and the financial impact, we look at the ways sustainability can be brought in as a parameter for calculating return on investments. The ways in which we as investors can generate a sustainable return on investment and looked at dimensions such as why is sustainability in investments important in the current day and age and how can we attach a tangible value to the sustainable return generated on the investment and ending the chapter on a case study as to ponder how a conventional

company approached sustainability in its operations.

Questions

1. What are the determinants of capital structuring and how do they impact capital structuring decisions?
2. What are the major drawbacks of the capital structuring models?
3. What are the four major theories explaining the relationship among capital structure, cost of capital and value of firm?
5. Simaon and Barter Company currently has 100,000 shares of common stock outstanding with a market price of \$60 per share. It also has \$2million in 6% debt. The company is considering a \$3 million expansion program that it can Finance with (1) all common stock at \$60 a share, (2) straight bonds at 8% interest, (3) preferred stock at 7%, or (4) half common stock at \$60 per share and half 8% bonds or a hypothetical EBIT level of \$1 million after the expansion program, calculate the earnings per share for each of the alternative methods of Financing. Assume a corporate tax rate of 50%.
6. In the case of Marcuq, develop a set of parameters and a questionnaire or survey to conduct an impact analysis and monitoring of SROI in the case.

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Further Readings

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Chapter 4 Project Monitoring and Evaluation

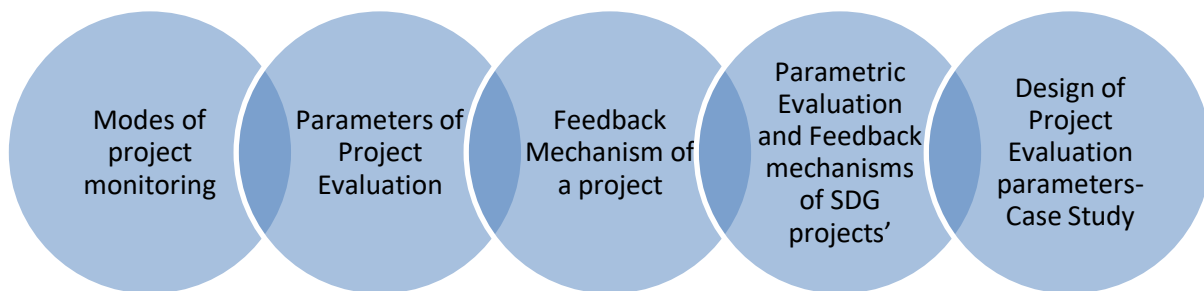
Introduction

Any project after being purposely planned for the development goals to be fulfilled only reaches its fruition through action and implementation. Even before the phase of implementation and execution on field there is a detailed planning process that goes on behind the veils with multiple stakeholder involvement as we plan it out according to expectations. However, once implemented the project goes through a phase of self development through intertwining with the lives and livelihoods of the communities supposed to derive benefits from. But in due course of time the project starts getting deviated from its supposed course and diverted with some major hurdles. In many cases the project was still under the purview of the project management organization or even after regular mandated evaluation conducted at specific time intervals. This shows the essence of project monitoring and evaluation techniques as a part of the entire project lifecycle. It essentially revitalizes the project whenever it seems out of life. In this unit, we will run through a few basic methods established for project monitoring and evaluation. As we have seen in Unit 2, we will go through Sustainable development goals and the tried and tested ways UNDP as a funding agency has developed with regards to project monitoring. We would look at specific project based evaluation strategies as part of a development organization case study. We would also go through effective and established feedback mechanisms put in place to help the project continuously evolve and cover up its flaws over the course of time. Monitoring and Evaluation is the quintessential follow up leading to necessary improvements and modifications in the project and hence forms the top priority for many financial aid agencies as it is considered to be a measure of transparency in the project and also sets a parametric goal for deliverables.

Objectives

- To develop an understanding of the need of monitoring and evaluation.
- To be able to appreciate the various models of monitoring and evaluation.
- To be able to develop monitoring and evaluation parameters.
- To be able to independently assess any development project.
- To be able to setup a continuous feedback loop for a development project.

Chapter Structure



4.1. Modes of Project Monitoring

A good planning, monitoring and evaluation methodology connects the project to its past baseline, to present state of the project and will provide the path to the future. Many organizations earlier believed in getting a first hand to project development by setting up evaluation strategies right at the start of the planning phase and be rigid with it allowing no space of flexibility. Many of these strategies are to be discussed in this unit along with the new modes of project monitoring and evaluation. Before entering into the multitude of impact assessment, let's understand what impact and impact assessment really means? Impact is a host of sustained changes brought in people's lives by a project based intervention. Here, we need to keep in mind that any small or large abrupt change can't be considered an impact. An impact has to be a long term steady and sustained change. Based on the viewpoint of various stakeholders and a set of expected outcomes by project management agency and other players, the degree of change sustained over the time frame is compared to the level of baseline for set parameter and this represents the level of impact created.

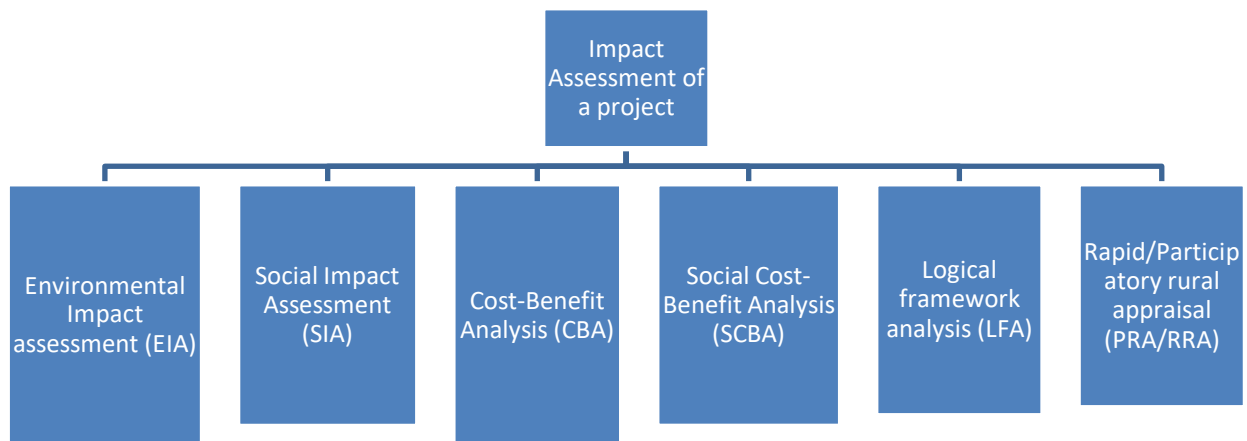


Fig-4.1-Impact Assessment methods of a project, Source- Impact Assessment for Development Agencies: Learning to Value Change

We will take up each form of impact assessment and the parameters set for each one of them at a later part of this unit. Now let us focus on some tools for impact assessment.

Each of the methods is mentioned below:

Table-4.1-Methods undertaken for Evaluation and Monitoring

Methods	Description
Process	Can be linear or iterative
Screening	Individual listing of projects on the basis of analysis required
Public Participation	Includes general public Can focus on representative bodies
Scoping	Includes local issues Technical Checklists Political Agenda Stakeholder Discussion Expert Judgment
Decision Making	Benchmarking across norms and standards Benchmarking alternatives across alternatives leading to same policy objectives
Assessment	Both qualitative and quantitative
Quality review	Focus on quality of outcomes Focus on stakeholder participation

Source- Hugé, Dr. J. (2017, February 3). Impact assessment – what, why, how?



Fig-4.2-Impact Assessment steps in a nutshell, Source- Hugé, Dr. J. (2017, February 3). Impact assessment – what, why, how?

Table-4.2- Tools for impact assessment and their features

Process	Features
Structured Survey	<ul style="list-style-type: none"> Well prepared layout and flow Defined Set of Questions Fixed duration of interviewing Pre-selected respondents Same set of questions for all respondents Survey takers are the respondent sample Helps in creating recognizable patterns Analysis of various positive and negative externalities leading to the patterns. Calculating deadweight from the patterns Effective in answering parametric questions like what? how often? How many? Less Effective in answering why? and how? Effective in quantifying and comparison of outcomes
Semi-Structured Interview	<ul style="list-style-type: none"> Continued design during interviews Identification and modification of the kind of questions during process of interviews No fixed duration for the process Progressive Identification of respondents Usage of findings from previous interviews Different stages or levels of enquiry Questions tailored specifically for different respondents Different sides of knowledge and story explored Patterns derived from qualitative analysis Findings validated by triangulation Suited for answering why and how? Quantitative responses can't be drawn from wider population
Individual Interviews	<ul style="list-style-type: none"> Is sensitive to respondent's mood, body language, time constraints, different cultural aspects that shape interviews Different ways of putting across the questions to respondents Can take any directional flow and can be validated along the line in interview Notes taken in non-discrete and non-interruptive manner Putting humor to challenge and question responses and bring in sensitive issues on the table Interviewer assumption and bias need to be overcome in the process of interview
Group Discussions, Workshops and Interviews	<ul style="list-style-type: none"> Used at all stages of Impact Assessment Cost-effective way of bringing out different stakeholder perspectives Helps in generating new insights and cross-checking individual opinions of

	<p>stakeholders</p> <p>Powerful group domination should be avoided</p> <p>Snowballing effect should be provided</p>
Stakeholder meetings and workshops	<p>Used as a process to build basis for impact assessment parameters</p> <p>To figure out growth on parameters and compare on the backdrop of socio-economic parameters</p> <p>Provides feedback information and explore impacts on communities</p>
Key Informants and Gate keepers	<p>Provide basic introduction and entry point into communities</p> <p>Important for projects ending some time ago</p>
Information on community history	<p>Helps in building grounds for right approach to community intervention</p> <p>Events and sensitivities of communities are taken into account for impact assessment of a project</p>
Inclusion of minorities	<p>Prevents snowballing impact from assessments</p> <p>Prevents group domination in projects</p> <p>Can be used as part of the mid-project impact assessments</p>
Focus Group Discussions	<p>In depth analysis during impact assessment</p> <p>Groups formed on similar identities and taste bringing communities internal circulated perspectives</p> <p>Brings together a sum of knowledge greater than individual insights</p> <p>Opportunity for group and peer cross checking of facts</p> <p>Raise problems otherwise unrecognizable within and among the communities</p> <p>Brings sensitive issues to the discussion table</p> <p>Creates synergies and opens new dialogues</p> <p>Lead to consensus building and conflict resolution that was earlier under the veils</p> <p>Cost and time efficient</p> <p>Allows dominant voices to be legitimized at times</p> <p>May simply recycle earlier utilized views</p> <p>Analysis to promote critical reflection on changes brought about and paves way for changes to be introduced</p> <p>Helps reconstruct baselines and alter project histories</p> <p>Can cover sensitive topics and increases the range of topics can be covered</p> <p>Makes aware of divisions and power relations within stakeholders</p> <p>Helps in foster solidarity amongst stakeholders for progressive project cause</p>
Direct Observations	<p>Based on trust between observers and stakeholders</p> <p>Enable an understanding of project's contexts and its change over time</p> <p>Observers detailing helps in covering shadowed aspects</p> <p>Dependent on observers inter-personal skills</p> <p>Helps in figuring out community dynamics and any forced suppressions</p> <p>Is limited to external behavior of stakeholders</p> <p>Is open to observer's bias of selective perception as he can choose to ignore key aspects for a particular stakeholder</p> <p>Resource intensive and have to have a limited sample size</p>
RRA and PRA tools	<p>Profiling and creating impact assessment timelines</p> <p>Well being and Impact rankings</p> <p>Performance marking and satisfaction matrices</p> <p>Venn Diagrams</p> <p>Impact flow charts</p> <p>Trend Analysis</p> <p>More participatory approach</p>

Case Studies	Extreme and Deviant Cases	Understand extreme cases and how come they achieve extremely good and bad results Helpful in understanding reasons for the performance
	Average Cases	Helps in understanding the scenario for a majority of cases Can be replicated in normal scenarios
	Homogenous Cases	Helpful in focusing on particular groups in-depth Useful in projects including multiple activities
	Heterogeneous Cases	Useful to explore patterns of variance and the reasons behind it Helps in finding core and central impacts and the reasoning behind it
	Critical Cases	For all single cases making a drastic point High specificity and can't be replicated
	Snowballing Cases	No dependent basis available for selecting a pattern Case studies forcing an one dimensional viewpoints.
	Convenience Cases	Build to fulfill required benchmarks and show expected outcomes Can't be used as a baseline study for taking up impact assessment findings.
Cost- Economic Benefits	Assumptions about future benefits and costs as part of impact assessment Helps in prediction of inflation and present value of economic costs Helps in finding out performance on specific financial parameters	

Source- Roche, C. (1999). Impact Assessment for Development Agencies: Learning to Value Change

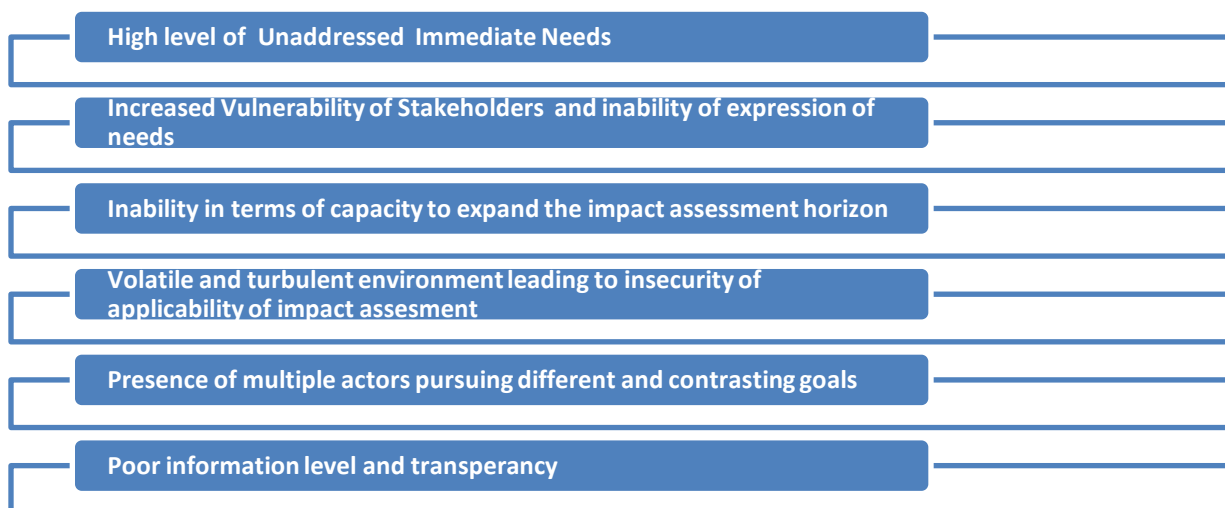


Fig-4.3-Emergency Situation Assessments

Source-Roche, C. (1999). Impact Assessment for Development Agencies: Learning to Value Change

To Do Activity

List out the strategies of PRA and RRA

Before getting deeper into developing parameters for project evaluation, we need to understand project evaluation. Project evaluation as per International Labor organization, it is a systematic and objective assessment of an ongoing or completed project. It helps in determining the relevance and level of outcomes set by the project that have been achieved. The effectiveness, efficiency, impact and sustainable life of the project is being monitored and lessons are being fed in the system consistently. It is used as a parameter for increasing accountability for funding agencies and multiple stakeholders. We will now see the chain of activities leading to the final impact.

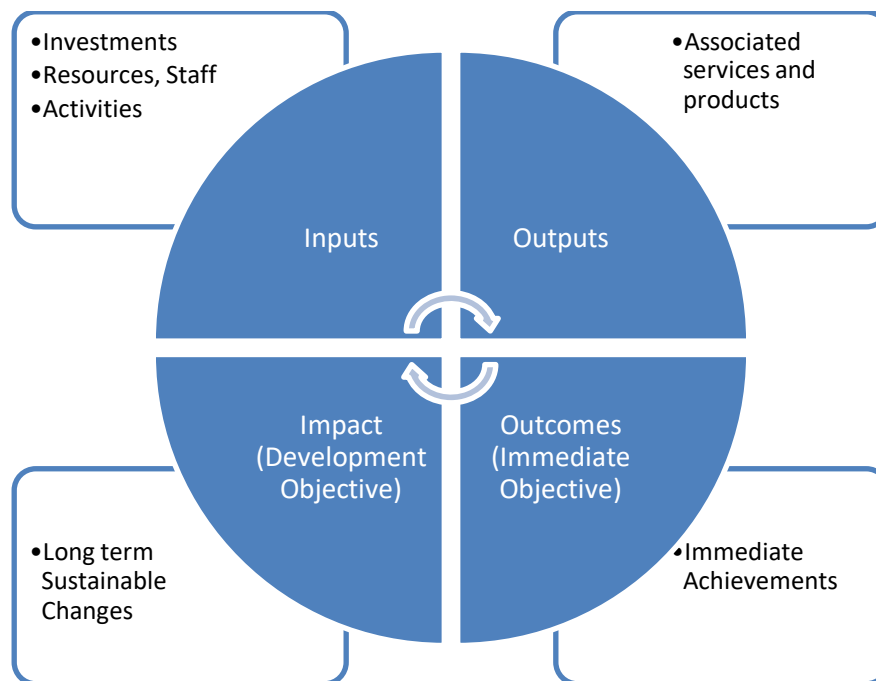


Fig-4.4-Impact Management

Source- International Labor Organization. (n.d.). Project Evaluation

Table-4.3- Differences in outcome and impact

Outcome	Impact
Medium term effects of a project	Long term effect of a project
Tangible outcomes linked to model interventions	Impact is the end of lifecycle point for a project
Can be traced back to pre-project analysis	Compared and noticeable with change in baseline over the project period
Changes in the final impact can be made as it provides a clear flaw or deviation from the course of the project	Can only provide learning to be incorporated in similar projects in the future

Source International Labor Organization. (n.d.). Project Evaluation

To go for impact assessment, the project manager needs to have a clear idea in the manner in which the project was designed as this helps in understanding the baseline indicators and parameters based on

which a expected impact was put in place. The project management or the impact assessment person should be aware of the sources relevant to the project to gather honest information for building a impact assessment parameters. This helps them to negotiate changes in the model of the project at each point of assessment. One of the parameters which decides project evaluation is who is going to see the outcome and how do they decide to react to it?

Table-4.4- Stakeholders of Impact Assessment

Categories	Constituents
Primary Clients	<p>Clients external to the project: Governing bodies outside the direct region of intervention but holding control of the place loosely (National Govt.) Multiple players as part of the project management(Different organizations handling the same project)</p> <p>Donors are the most important entity for a project. They search for impact assessment reports as part of their interest in funding the project that meets their desired objectives. They also keep a track of the regular impact assessment report to keep a track of accountability for the funding of the projects that they have undertaken Donor approval for assessment is required in many projects</p>
Secondary Clients	<p>The on-ground officials and the team internal to the project management. It helps them to bring about noticeable changes in the model of the project The line management can replicate learning from the project and use it for further modifications or in future projects</p>

Source International Labor Organization. (n.d.). Project Evaluation

A few principles become pertinent for the development organizations to conduct regular monitoring and evaluations on a project:

- Performance improvement and contribution to organizational learning. As a part of development goals of the organization, the organization undergoes minute reorientation after each project. An independent and strong monitoring and evaluation methodology leads to stronger participation and a good knowledge base that is being established for future consultation.
- The monitoring and evaluation exposes loopholes in the individual level. If taken in the right stride, it will help to increase accountability among major stakeholders. The right approach to being more accountable as a project management organization is to put in place strong measures for monitoring and evaluation and this would eventually lead to the credibility of organizations.
- This can also help to structure even more dynamic planning and review process for future projects.
- It will help to strengthen, enforce and monitor the long term objectives of various stakeholders and would lead to better strategic ties with organizations and communities for future development projects to be undertaken.
- Renewed focus on results, and keeping in track with the results and provides a way of preventing deviations from the project goals.
- Helps in putting strong structural processes and credible institutions in place.
- Helps in portraying ethical means established by the agency undertaking the project.
- Projects must be evaluated by external evaluation consultant having no modes of benefit or no stakes involved or goodwill to be gained from the outcomes of the project.

- Decision-making authority and control of the evaluation authority had to be separate from the project monitoring and evaluation authority as a common committee for both would considerably reduce the vigor of impact assessment and may simultaneously dilute the reportage before going public.
- A key focal point is set for impact assessment and he oversees the terms of reference being used as parameters for the project.
- Participatory approach for the entire process is of utmost priority for various stakeholders acceptance.

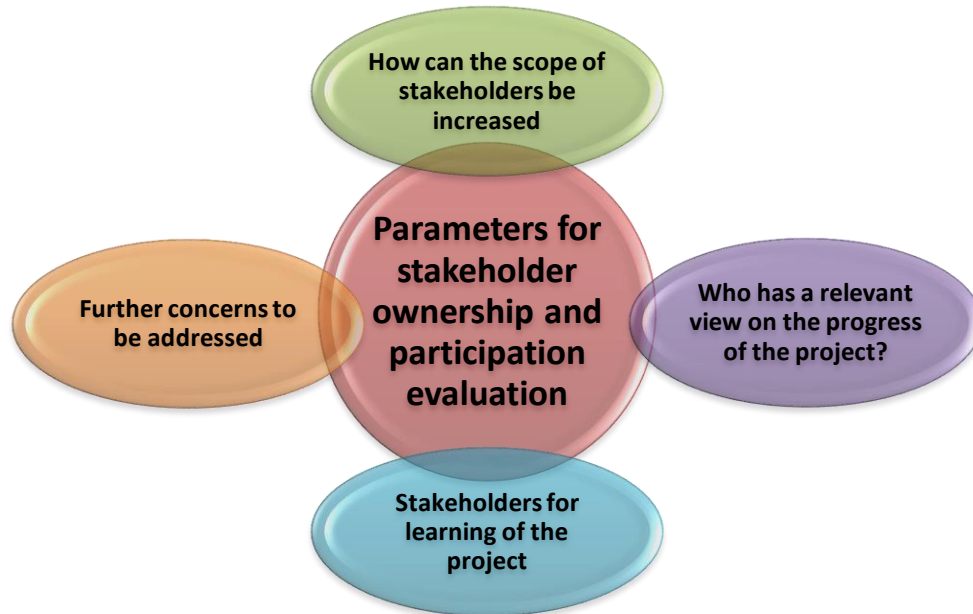


Fig-4.5-Parameters for stakeholders’ ownership and level of participation evaluation

Source- International Labor Organization. (n.d.). Project Evaluation

Table-4.5- Kinds of assessment, governing bodies and the monitoring bodies

Type of assessment	Management Agency	Evaluators	Level of Impartiality	Costs to the Organization
Self-Evaluation methods	Project management agency along with the project planning and implementation committee	Project management agency along with the project planning and implementation committee	Low	Low
Internal Evaluation	Project management agency without the project planning and implementation committee	Project management agency without the project planning and implementation committee	Medium	Medium
Independent Evaluation	Project management agency without the project planning and implementation committee	External monitoring agency along with project management agency excluding the implementation team	Medium to High	High
External Evaluation	External body with no interference of the project management agency altogether	External body	High	Low

Source International Labor Organization. (n.d.). Project Evaluation

Table-4.6- Types and features of various kinds of impact assessment

Type of Evaluation	Features
Annual Reviews	Self-Evaluations managed and undertaken by project management agencies Involves participation of local partners Used for annual process reports
Interim Evaluations	Should be undertaken midway in project implementation phase Useful for projects where a number of outcomes have already been delivered Used in case of projects in which a major amount of designated funds have been used up
Independent Evaluations	Undertaken for projects with high financial value Can be used as a midway or final evaluation method It is a part of responsibility of project managers to chose the time frame in which an independent evaluation is to be undertaken Can be used to provide assurance for stakeholders that the project is following the desired trajectory However, it is considered to be less efficient than external evaluation as in the case of independent evaluation there is still a certain degree of control still being authorized to the project manager and is assumed to be manipulated under him not to be providing an appropriate sense of outcome from the project
Additional Evaluations	Carried out on requirement or request by any stakeholder Change/ deviation from project goals usually calls for this kind of intervention
Additional Independent Evaluations	More expensive mode of evaluation than internal mode of evaluation but is considered worthwhile. Induces fresh perspective from independent evaluators leading to a much needed change in the project module Helps in dealing with projects that are new and different from the projects earlier undertaken by the project management agency It is highly recommended for projects with a very long duration

Source International Labor Organization. (n.d.). Project Evaluation

Table-4.7- Policy on required project evaluations

Type of Project	Kind of Evaluation Required
Duration of project lesser than 18 months or lesser	Only one and final evaluation to be carried out at the end of the project due to shorter duration of the project
Duration of Project between 18-30 months	Annual Reviews Final Evaluation being undertaken at the completion of the project period Multiple reviews can be scheduled at a stipulated later point after the life of the project to see whether project is following its due course
Duration of Project more than 30 months	Annual Reviews Interim evaluations to be planned and undertaken by an independent evaluation body during the life of the project

	<p>without the control of the project planning and implementation committee to present a true picture of the pace of the project and the direction of the investments being made as well as the level of stakeholder inclusion in the project and the interim goals to be fulfilled and target to be achieved</p> <p>Final Evaluation being undertaken at the completion of the project period</p> <p>Multiple reviews can be scheduled at a stipulated later point after the life of the project to see whether project is following its due course</p>
<p>Project budget of USD 500,000 or more (This is the benchmark set by International Labor Organization for the projects under its purview, this limit may be lowered or increased based on the valuation of the projects at hand with the organization or on the judgment of the stakeholders of any project)</p>	<p>At least one independent evaluation in the life of the project as independent evaluator would be able to point out errors to the forefront that would be overshadowed if self assessment by the project management agency is undertaken</p>
<p>Second Phase of any project (If the project is large enough to be divided into phases or this step can be conducted over a period of time after completion of the project)</p>	<p>In multiple phases, this will help strengthening the feedback loop for the next phase of the project or as a learning to be implemented in future projects or to redirect project to the goals earlier set</p>

Source International Labor Organization. (n.d.). Project Evaluation

Table-4.8- Roles and responsibilities of stakeholders

Stakeholders	Roles and Responsibilities
Evaluation Manager	<p>Determining target audience and putting in context key questions for evaluation</p> <p>Drafting terms of reference for evaluation and getting it across stakeholders for approval</p> <p>Evaluation consultants to be brought in and a key person amongst communities to reach out communities</p> <p>Smooth setup of evaluation process and coordinate support the evaluation consultants</p> <p>Proper participation and reach of evaluation strategies to concerned stakeholders</p> <p>Support the process of framing an evaluation report and including vital information</p> <p>Submission of final evaluation report for assessment by stakeholders</p> <p>Proper follow up action to block all the suggested loopholes and to take curative action for prevention of similar loopholes in the future</p> <p>Implementation of lessons learnt</p>
Project Manager	<p>Providing information and insights wherever required</p> <p>Supporting evaluation agents with on field support for intervention on the ground</p>

	Support in data collection procedures Easing of any friction on the field Logistic support on ground for evaluators
Evaluator	Adhere to internationally accepted norms and frameworks for project evaluation Skillful implementation of multiple project evaluation methodologies Trying to put forth an inclusive and participatory approach of evaluation Sensitive to needs and requirements as well as geo political and social framework and boundaries of evaluation
External Evaluation Unit	Overseeing and monitoring the evaluation scheduling and cost Approval of final evaluation report Establishment of effective TORs for independent evaluations Collection and storage of previous evaluation reports to be used as a baseline study for conducting future evaluations Mediating between evaluators and stakeholders in case of disagreements

Source International Labor Organization. (n.d.). Project Evaluation

Table-4.9- Features of evaluation criteria

Evaluation Criteria	Features
Relevance and strategic fit of the project	Consistency of the steps undertaken with expected project outcomes Extent of strategic approach and comparative advantages
Validity of project design	Logic and coherence in project design
Project progress and effectiveness	Extent of fulfillment of immediate objectives of the project Time required for fulfillment of the outcomes Relative importance of each objective
Resource Usage Efficiency	Measure of the extent to which the resources are used efficiently Leads to relative ease in supporting the claims of outcomes delivered
Effectiveness of management controls	Extent of management capacities utilized in running the project Seeking a more robust mechanism to run the project
Impact orientation and life scale of the project	Orientation of project goals towards making a long term self sustainable impact Durability and scalability of the project in the long term and ability to replicate the model in similar situations

Source International Labor Organization. (n.d.). Project Evaluation

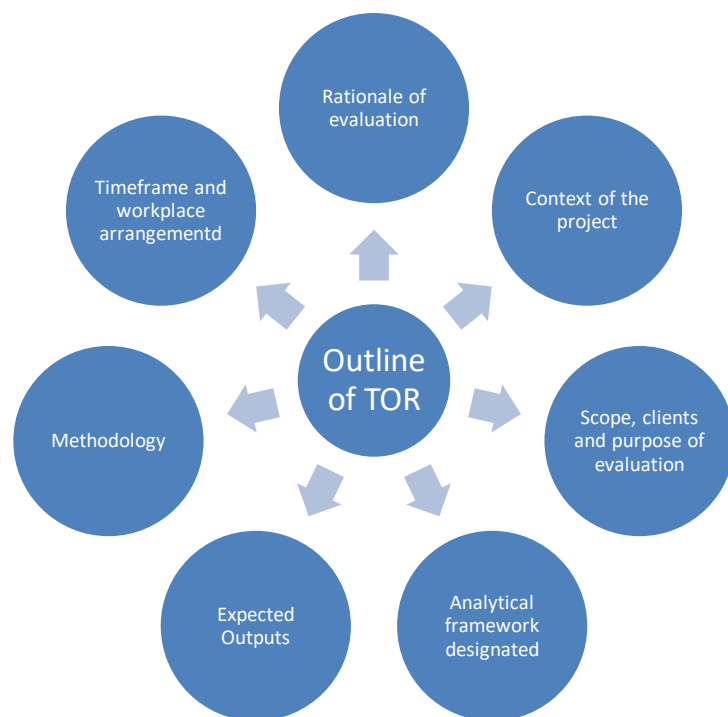


Fig-4.6-Terms of Reference, Source International Labor Organization. (n.d.). Project Evaluation

Table-4.10- Components of Evaluation Report

Parts of the feedback report	Contents
Cover Page	Contains valuable statistics about project and evaluation Project title Project number Donors Timeframe of the project: Start and end dates Budget and technical expertise involved Project management and implementation unit Geographic coverage Type of evaluation (Independent, Internal etc.) Evaluation dates Name of evaluator and submission date
Abstract	Limited to 3-5 pages Key findings and observations as standalone document
Background of project and logic	Description of project objective and rationale Strategy of implementation at approval of project and the requisite changes Present state of implementation and outcome delivery
Purpose, Scope and clients of evaluation	Evaluation type Purpose and scope of evaluation Stakeholders in evaluation Analysis behind the evaluation
Methodology	Description of methodology undertaken Information sources, gaps and limitations in the methodology

	Focuses on limitations and hindrances of data collection
Review of implementation	Heart of evaluation report Based on main stages involved in implementation including major challenges at each step
Presentation of findings	Key findings put as facts and figures Relevance and strategic fit of the project Project design approval Resource usage efficiency Effectiveness of project management authority in handling the project Sustainability and run of project Any special concerns
Conclusions	Derivations from the evaluations Message for scope of improvement praise or expressing disagreement with implementation
Recommendations	Constructive suggestions for future course of the project Clear and crisp providing a specific course of action Specifying the stakeholder responsibilities to be undertaken
Lessons learnt	Insights and relevant best practices implemented on ground
Annexure	TORs' and the list of concerned individuals Tables, supplementary data and questionnaire

Source International Labor Organization. (n.d.). Project Evaluation

4.3. Feedback Mechanism of a project

After evaluation and reporting comes up another major step in developing a strong project implementation on ground. Developing a feedback mechanism over time assists in dynamic changes being introduced on the go as part of the modifications brought in the project after evaluation. Global project agencies are increasingly focusing on the feedback loop being put in place as part of the initial project outline.

The first and foremost place in a project where feedback comes into play is right after a session of evaluation. It is considered to be a responsibility of the project evaluators to communicate the modifications to be brought about in the course of project. The feedback needs to be communicated in a manner of actionable measures firstly and almost immediately to the on-field implementing members for them to start acting on it with immediate effect. Following it, will be an immediate workshop or a meeting to be backed with the information transferred to the stakeholders. There has to be a debriefing session by the evaluation team to provide the feedback. Now we look at how the feedback methodologies are being framed and the essence of the content that gets passed on as a feedback. How does the feedback change the face of the project over time? Feedback in general provides a sense of accountability and credibility in the concerned project management agency.

Table-4.11- Reasons to look for feedback

Reasons for feedback	Concerned with
Accountability	<p>Providing aid to most affected and vulnerable member of the community and allowing them to open up</p> <p>Addresses the major concern of the community as a feedback shows the project being open to constructive thoughts of community members</p> <p>Improved sense of responsibility among the community members as they are concerned with voicing their opinions in the project</p>
Effectiveness	<p>To include views of on-going projects from primary stakeholders</p> <p>Improved cycle of reports to increase feedback and shorten the loop</p> <p>Feedback leads to successive improvements</p>
Donor Requirements	<p>Effective in demonstrating results to the donors and to improve donor intervention</p> <p>Improve organizational efforts for inclusion</p> <p>Improved media exposure and public pressure</p> <p>Helps in improving credibility and rejuvenates donor interests in projects creating a pipeline for future funds</p>
Security of Staff	<p>In few instances the staff on the field are targeted for the lack of transparency</p> <p>Limits the trust factor amongst communities for the project intervention team</p>

Source - Collaborative Learning Projects. (2011). *Feedback Mechanisms In International Assistance Organizations*.

Robust design of feedback mechanism	<p>Better designing of project feedback report putting requisite value additive messages out</p> <p>Should be more data centric to aid decision making process</p> <p>Organizational incentives required for the top management to prioritize the feedback generation process or implementation of feedback</p> <p>Donors increasingly becoming aware of the need of a strong feedback mechanism to be put in place are willing to put forth a separate fund for evaluation and feedback generation</p>
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Table-4.12- Reasons for investing in feedback

Investment	Features
Frontline Staff training and support	<p>Active speaking and listening skills to help in proper articulation</p> <p>Should frame questions provoking a feedback</p> <p>Should be implied inquisitive and be receptive to different feedbacks</p>
Value recognition for staff members work and a constructive feedback	<p>Commitment of staff members is crucial for getting feedback</p> <p>Sometimes constructive feedback pushes the staff members to cover up the brunt on them</p>

Building trust among communities and stakeholders for developing honest relationship measures between communities and the project management agency	Developing trust within primary stakeholders to get the true feedback and suggestions Need to understand the purpose of the feedback Need to have a sense of security that it would not come back to harm them or the benefits of the project that they were receiving Should lead to a sense of empowerment among earlier marginalized communities Helps the organization and the project to validate its ground presence
Adequate resources to be deployed	Large amount of time and financial as well as personnel resources to be deployed Leads to better benchmarking of quality and assurance standards

Source - Collaborative Learning Projects. (2011). *Feedback Mechanisms In International Assistance Organizations*.

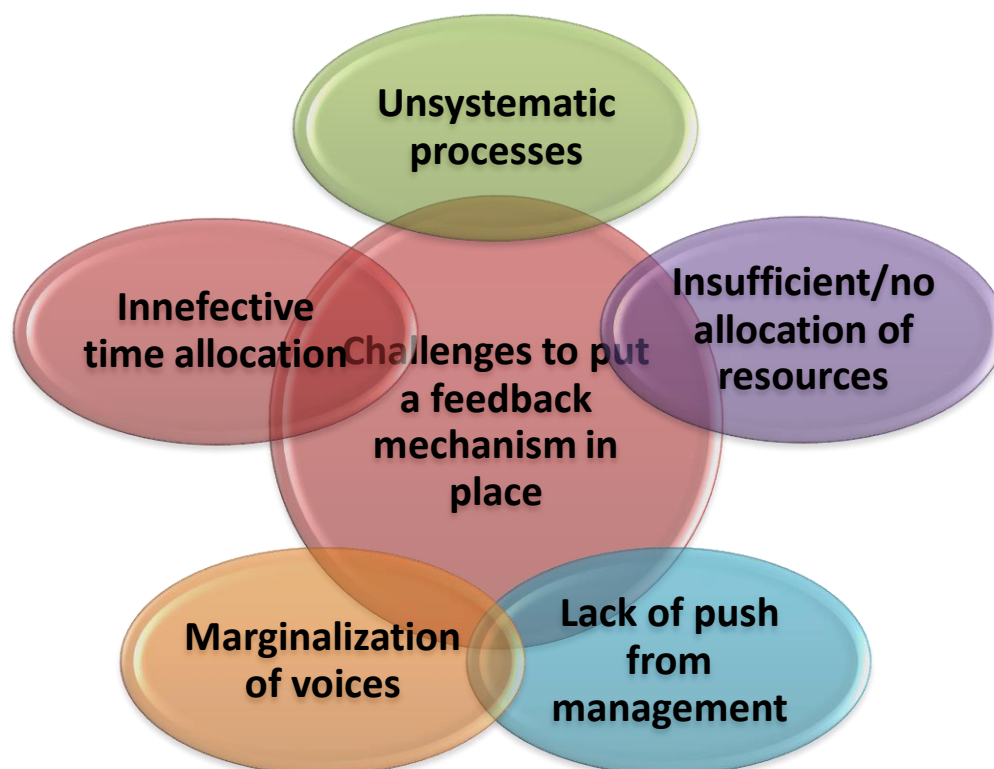


Fig-4.6- Challenges to put a feedback mechanism in place,

Source - Collaborative Learning Projects. (2011). *Feedback Mechanisms In International Assistance Organizations*.

Table-4.13- Feedback collection methodologies

Ways of feedback collection	Features
Community based assessment and score cards	<p>Lets them know the level of their operations and functioning on the ground level for a particular project</p> <p>Staff needs to increase the communication with the community and the members of the community needed to be made believe the fact that their views are accounted for.</p> <p>Community members are asked to rate the interventions on various dimensions and provide a cumulative score to the project implementation and outcomes</p>
Complaint and Response Mechanism (CRMs)	<p>One of the most popular forms of feedback looping</p> <p>They are designed to gather responses of the community or the other stakeholders and are without any time frame.</p> <p>They are a continuous process and most of the changes are incorporated on the go.</p> <p>Though these channels and methods of response registering and feedback needs to be culturally sensitive and socially established for it to garner responses easily and without inhibitions</p>
Self-Assessment	<p>Organizations committed themselves to ensure smooth undertaking of the project</p> <p>Depends on the integrity of the project implementation members to make the entire process transparent</p> <p>Increases the credibility of the organization greatly if undertaken properly</p> <p>Is extremely cost effective as it is internally managed without any external evaluators and thus reduces cost</p> <p>Should be circulated within local stakeholders for approval.</p> <p>However, self-assessment is time consuming and sometimes it leads to unnecessary resource consumption from the project's count.</p>
Multiple methods and Communication mediums	<p>Helps in encompassing voices of all the primary stakeholders</p> <p>Helps in inclusion of voices of earlier marginalized or minority groups and leads to a fresh perspective of feedback</p> <p>Helps in going deep into interventions from the community providing a better perspective</p> <p>Breaks into cultural and social constructs as it takes various dimensions to gather a feedback</p> <p>Includes feedback boxes and calling and providing anonymous feedback mechanisms</p> <p>Community visits along with resource person for the community</p>
Building trust	<p>Trust and mutual understanding between the project implementing agency and the communities is core to establishing strong feedback mechanisms</p> <p>Goals to be achieved by means of the project have to be clearly stated to the community and they should be provided a free hand to monitor and report loopholes at individual level.</p> <p>They should be able to build a trust that the community voices won't go</p>

	<p>unheard</p> <p>At the midst of all this, if at all the community requires they should be able to review the goals to be addressed and can add to these goals anything that becomes pertinent necessity in the course of the project</p>
Stakeholder consultation	<p>Before establishing any form of feedback mechanism, different stakeholders need to be consulted such that feedback mechanisms become relevant to each stakeholder e.g- before developing an all online feedback platform for a remote region connectivity issues need to be discussed with the communities or else after having spent resources for making a online feedback platform, it will lose relevance as it would not be able to garner decent enough responses</p>
Feedback response	<p>The project management agency should by all means put in effective usage of the feedback collected and the perceptible changes in form of outcomes or changes in process has to be introduced for the stakeholders to keep up an accountable faith in credibility of response mechanism</p>
Organizational Singularity	<p>The seniors and the juniors need to work together in the feedback mechanism.</p> <p>The seniors in team should frame the guiding principle for feedback mechanism from their experience of working on similar projects</p>

, Source - Collaborative Learning Projects. (2011). *Feedback Mechanisms In International Assistance Organizations.*

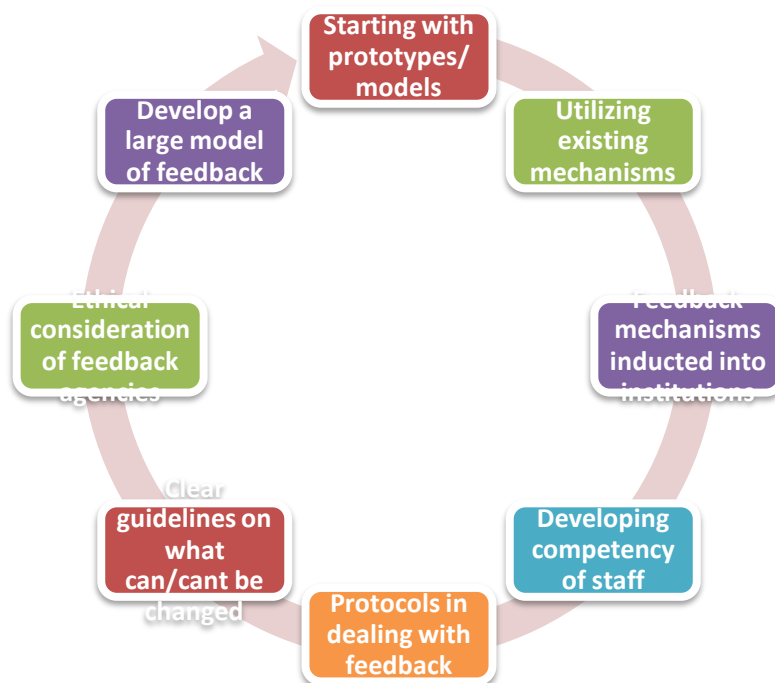


Fig-4.7- feedback mechanism establishment procedure, Source - Collaborative Learning Projects. (2011). *Feedback Mechanisms In International Assistance Organizations.*

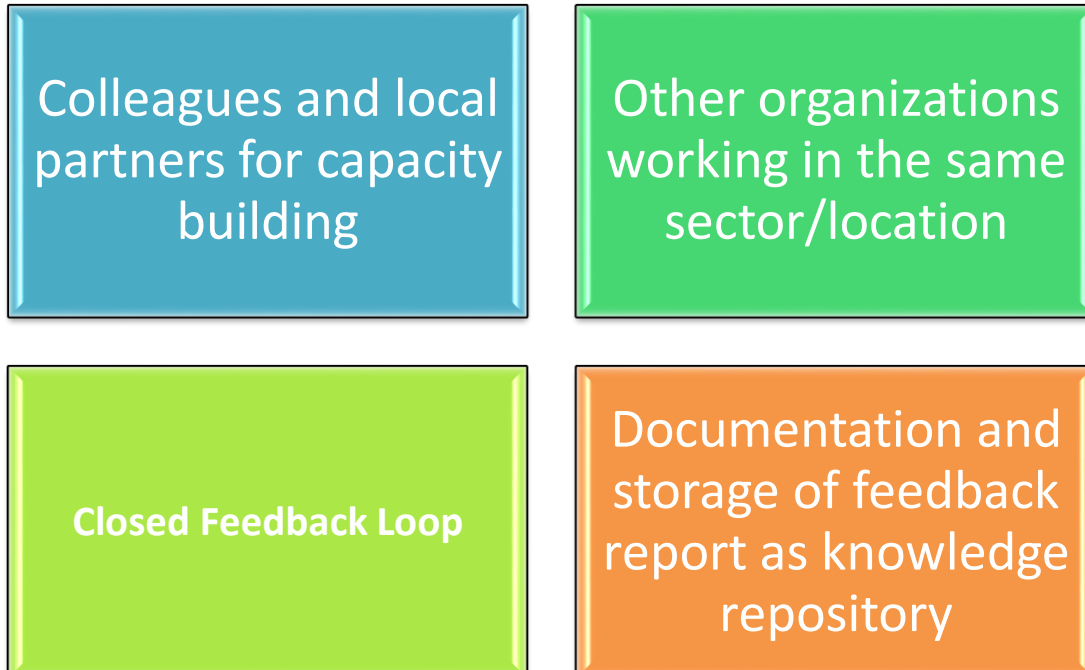


Fig-4.8- Beneficiaries of a feedback mechanism of any development organization, Source - Collaborative Learning Projects. (2011). *Feedback Mechanisms In International Assistance Organizations*

In the next section we would look at how the global development organizations, adhere to the benchmark set by the global organization United Nations and how has the development organizations within the country taken up projects under the ambit of sustainable development goals and the modes used by UN to monitor and evaluate the effectiveness of these projects on a timely basis.

4.4. Parametric Evaluation and Feedback mechanisms of SDG projects

As the paramount organization looking after core development objectives and requirements of various communities across the globe, the United Nations has enlisted 17 goals with a timeframe of 2030 to bring them down to zero levels and this is being agreed upon standard by the member countries.

We will look at some of the projects undertaken by Indian agencies and govt. organizations fulfilling SDG goals and the outcomes that they have produced till date and the feedback mechanism established to develop a robust understanding of the flaws and necessary modifications to be introduced in each project. Now we will look at cross cutting issues used for monitoring and evaluation parameters and the feedback is being sought for the following parameters



Fig-4.9- Sustainable Development Goals, Source- What are Sustainable Development Goals, <https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>

(i) **Beyond GDP- new measures of development**

Table-4.14- GDP measurement parameters

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Multidimensional Poverty Index	Measuring Key aspects of deprivation
8	Country Implementation and system of Environmental-Economic Accounting accounts	New measure for development
12	High valued companies (\$1 billion) need to publish integrated monitoring	Business reporting
17	Annual Report by bank for international settlements (BIS), (IASB), (IFRS), (IMF), (WIPO), (WTO) on relationship between international rules and SDGs and implementation of SDGs	International Reporting
17	Evaluative Well Being and Positive Mood Affect	Happiness and Subjective Well Being

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs.*

(ii) Climate Change and Mitigation, Disaster Management

Table-4.15- Climate Change and Mitigation

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Losses by climate change(value of lives and financial losses)	Measures financial losses and lives lost
7	Implied incentives for low carbon energy usage sector (financial losses and energy saved)	Reduce green house emissions
7	Primary energy intensity	Transition to clear energy improvement
9	GHG emissions expressed as production and demand parameters	Greenhouse gas emissions reductions
12	Aerosol Optical Depth	Aerosols contribute to climate change
13	Availability and implementation of a deep decarbonization strategy	Adherent to Goal 13
13	CO ₂ generation intensity of industries and vehicles	Adherent to Goal 13
13	Official climate financing from developmental countries	Adherent to Goal 13
13	GHG emissions in agriculture and forestry	Adherent to Goal 13
15	Annual change in forest area and land under cultivation	Adherent to Goal 13

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(iii) Food Security and Nutrition

Table-4.16-Food Security and Nutrition

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Mutidimensional Poverty Index	Includes hunger measure
2	Proportion of population below minimum dietary consumption	Part of hunger eradication goal
2	Number of pregnant women (15-49) who are anemic	Part of hunger eradication goal
2	Prevalence of stunting and wasting of children below the age of 5 years	Part of hunger eradication goal
2	Percentage of infants under 6 months who are breast fed	Part of hunger eradication goal
2	Percentage of women in the age group 15-49 who consume 5 out of 10 designated food groups	Part of hunger eradication goal
2	Crop Yield Gap	Part of hunger eradication goal
2	No. of agricultural extension workers per	Part of hunger eradication goal

	1000 farmers	
2	Nitrogen Use efficiency in crop systems	Part of hunger eradication goal
2	Crop water usage productivity	Part of hunger eradication goal
3	Percent of population overweight under the age of 5	Component of good nutrition
6	Percentage of people using clean drinking water	Access to clean drinking water for drinking and cooking
6	Percentage of people using proper sanitation facilities	Access to sanitation improves nutritional status
12	Global food loss Index	Tracks food wastage
14	Percentage of fish tonnage with Maximum Sustainable Yield	Secure and sustainable fish stock
15	Annual change in forest area and land under cultivation	Expansion of agricultural land
15	Annual change in arable or deserted land	Quality of agricultural land

, Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(iv) Gender Equality

Table-4.17-Gender Equality Parameters

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Multidimensional Poverty Index	Disrupted/ Curtailed schooling affects girls
1	Percentage of women, men and indigenous people secure rights and control over land, property and natural resources	Equal access to land
2	Proportion of population below minimum dietary consumption	Part of hunger eradication goal
3	Contraceptive Prevalence rate	Sexual and reproductive health
4	Primary/Secondary and Tertiary classes completion rate for boys and girls	Equal access to education
5	Prevalence of sexual/physical violence experienced by women in the age group 15-49	Part of gender goal

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(v) Global Partnership Including Financing for Sustainable Development

Table-4.18-Financing model goals

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
9	Mobile broadband reach per 100 persons	Rollout of internet services
9	Index on ICT maturity	Rolling out ICT for common usage
13	Official climate financing from developed countries	Financing for development

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(vi) Governance

Table-4.19-Governance

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Percentage of population covered under social security schemes	Effective governance programs
5	Percentage of sexual and violence on women investigated and sentenced	Rule of law, access to justice
6	Percentage of population covered with clean drinking water	Service delivery

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(vii) Growth and Employment

Table-4.20-Growth and Empowerment

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Percentage of population living under \$1.25	Growth and Employment indicator
4	Secondary completion rates for boys and girls	Education promotes growth and empowerment
8	Youth employment rate, formal and informal sector	Part of growth and employment goal

, Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(vii) Health

Table-4.21-Health

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Percentage of population covered under social security schemes	Social protection include healthcare
2	Proportion of population below minimum dietary consumption	Part of hunger eradication goal
3	Maternal mortality rate	Part of health goal

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(viii) Inequalities

Table-4.22-Inequalities

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Percentage of population covered under social security schemes	Ending discrimination
2	Proportion of population below minimum dietary consumption	Ending discrimination
4	Primary/Secondary and Tertiary classes completion rate for boys and girls	Access to education lowers inequalities

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(ix) Industrialization

Table-4.23-Industrialization

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
4	Secondary completion rate for boys and girls	Enhancing mathematical aptitude skills
6	Percentage of population using safely managed sanitation services	Universal access to infrastructure
7	Population using reliable source of electricity	Access to electricity

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

(x) Peace and Security; Support for vulnerable States

Table-4.26-Peace and Security

Goal	Global Monitoring Indicator	Link to Cross-cutting issue
1	Proportion of population living below poverty line	Addressing poverty and inequalities
5	Percentage of referred cases of sexual and gender violence	Rule of law
8	Youth employment rate	Youth dissatisfaction and alienation
16	Violent Injuries and deaths per 1 million population	Part of Goal 16

Source- *Indicators and a Monitoring Framework for the Sustainable Development Goals Launching a data revolution for the SDGs*

There a range of issues that is being overlooked by the goals established under SDG and in this unit we have enlisted the monitoring and evaluation indicator of a handful of them. This will leave us with a range of parameters to be introduced as part of a feedback mechanism.

To Do Activity

List out other parameters under the SDG for evaluation and find out feedback mechanisms for the same

4.5. Case Study on Design of Project Evaluation Parameters

Karnataka's Maternal Mortality Ratio (MMR) dropped from 108 live births per lakh in 2014-16 to 97 live births per lakh in 2016-17. The MMR is an important indicator determining a state's public health. Karnataka, however, remains at the country's 11th and fifth position among southern states. While Kerala has the lowest MMR in 42 live births per lakh, Assam has the highest in 229 live births per lakh. In districts such as Kalaburagi, Raichur, Gadag, Koppal, Yadgir, Bidar, Vijayapura, Bagalkot, Ballari, Davangere, and Shivamogga, maternal mortality is high. This is mainly due to poor behavior of people here looking for health. The government is working on increasing institutional deliveries here through intensified awareness campaigns.

Then we decided to visit the sub-centre which gave us much insightful information about this issue. The ANM, Mrs. Kavita, said us the high risk pregnancies are the major medical issue that they are focusing upon. As we advanced with our discussion, the ANM explained us the major problems about this issue. This paper focuses on the risks and reasons of the high risk pregnancy that is prevalent in the Bhankoor village. We had gone through a number of surveys and medicals records to bring in some statistics that we got from the sub-centre of the village. Mrs Kavita, was a very insightful and helpful who discussed with us various dimensions of high risk pregnancy on our request. Karnataka has been in news in 2018 for there is a sharp decline in maternal mortality rate. So just out of curiosity we had a discussion with the ANM and ASHA workers at the sub-centre of the village. There we got to know the main reason of the risk factors during pregnancy and how they are tackling it. MYRADA on the other hand has organised campaigns for creating awareness among children and pregnant women about nutrition. The numbers have reduced in some years and increased in some but the sub-centre workers are constantly putting in their effort to handle the situation.

The no. of HRP per year against the pregnant women:

Year	Total Pregnant Ladies	High-risk Pregnancy Cases	Percentage
2012	152	18	11.84
2013	177	15	8.4
2014	154	19	12.33
2015	147	18	12.24
2016	146	20	13.69
2017	225	28	12.44
2018	141	16	11.34

These data show us that there is around 12% of high risk pregnancies cases almost every year. And these cases are not attended by the primary health centre. They send these ladies to the Gulbarga Government Hospital. However we dint get any data regarding still births because the primary health centre informed us that it is highly confidential but they gave us the information that there was no death of pregnant women as such.

The numbers show us that 12 pregnant women are prone to high risks out of 100. The PHC doctor informed us that maximum cases of high risk pregnancy were due to nutritional deficiency which should be curbed. This shows that people do not take seriously the nutritional intake of the pregnant women at this village.. The families should take extra care of the pregnant ladies and keep proper check on the intake of nutritional food during pregnancy. They should eat green vegetables regularly for proper

vitamin intake. The eating habits of the people do not include green vegetables as they are a bit costly here. Hence they are left out of many important vitamins and proteins they should be taking.

The high-risk pregnancy threat is a dreadful risk which the fetus and mother remain under. Mrs Kavita first made us understand what exactly the risk is. A high-risk pregnancy is one that presents a higher risk to the mother or her fetus than a normal pregnancy. Pregnancy puts extra physical and emotional stress on the body of a woman. Health problems that occur before a woman becomes pregnant or during pregnancy may also increase the likelihood for a high-risk pregnancy.

Mrs Kavita, took us on a visit where we could meet two pregnant women who were under the high-risk pregnancy threat. One woman was 6 months pregnant and the other was 7 months pregnant. She told us the households lack eating green vegetables. The reason being the village Bhankoor receives very minimal rainfall. Hence they lack in production of green vegetables which makes it scarce and costly. So these people tend to not consume such green vegetables. The symptoms through which the sub-centre workers doubted that these women can have high risk pregnancy are :

- Vaginal bleeding
- Severe headaches
- Pain or cramping in the lower abdomen
- Watery vaginal discharge — in a gush or a trickle
- Regular or frequent contractions — a tightening sensation in the abdomen
- Decreased fetal activity
- Pain or burning with urination
- Changes in vision, including blurred vision

She also said those women did not go for regular check-ups until they visited them on the nutritional awareness camps organized in villages where after the sub-centre workers got to know about their health issue after taking their free check-up. She told us the major reasons apart from the consumption of green vegetables that is listed below, along with the possible risks that the mother and the foetus are prone to:

- 1) Those who have height below 5 feet - The women with shorter heights have shorter and lower weight fetus. This indicates that the baby may take birth in a malnutrition condition. Moreover, the major issue is that their length of pregnancy also becomes shorter. This leads to preterm birth of babies which is a very risky factor for both babies and the mother.
- 2) Getting pregnant after the age of 35- Generally the age within which pregnancy should happen is 18-30. After this the body if not healthy can create problems during pregnancy. Some of the consequences are like high bp, gestational diabetes, premature delivery and miscarriage. Hence doctors advise to avoid pregnancy in 30's at the village level
- 3) The haemoglobin level of pregnant women should be maintained above 9 g/dl: Haemoglobin during pregnancy can fall as low as 10 g/dl. The normal haemoglobin in non-pregnant women is 12-16 g/dl. It ranges between 10-14 g/dl in pregnant women. If it falls below 9 g/dl, it cause the mother cardiovascular problems, reduced immune functions and fatigue. Some of the effects on foetus would be severe anemia, growth retardation, intrauterine death, prematurity and low birth weight
- 4) Breech position of the foetus in the uterus: This is a position where the foetus's legs are aimed towards the cervix. This position is very dangerous as this can cause a lack of oxygen to the foetus's brain due to prolapsed umbilical cord, traumatic head injury, spinal cord fracture and can have grave problems during labor. In fact, when a baby is in a breech presentation, a vaginal delivery is more likely to result in her death than a C-section delivery. In a recent study,

researchers found that the likelihood of dying was 10 times higher for breech babies delivered vaginally than for those who were delivered by C-section.

- 5) Regular abortions can lead to pregnancy complications: Regular abortions can get the mother prone to certain risks like, pelvic infections, heavy bleeding, torn cervix and perforation of uterus walls. These are some of the reasons which can create risks in future pregnancy of the mother.
- 6) High Blood Pressure: Having high blood pressure during pregnancy is not convenient. This can cause problems to the foetus like, decreased blood flow to placenta(the foetus doesn't gets enough nutrients and oxygen which can cause its retarded developments) , placental abruptions(it can cause severe bleeding which can be life threatening for the foetus as well as the mother), can cause harm to brain, heart, lungs, kidney, liver of the mother during pregnancy, premature birth and cardiovascular problems.

This problem was very alarming for the sub-centre of the village. Hence they decided to approach MYRADA and the PHC which can call for possible solutions in creating awareness and implementing proper check-up plans. MYRADA approached the Gram Panchayat to collaborate with ALSTOM and Primary Health Centre of Bhankoor (located at Pethsirur), and Community Health Centre for organizing awareness events along with providing free check-up , nutritional supplements and medicines for the pregnant ladies. There were then many events organized which helped reduce the numbers of high-risk pregnancy cases.

Nutritional awareness camps were organized in 2018 for two times with free check-up and free supplements. They were taught about the importance of nutrition for the ladies who are pregnant. Their families were requested to take extra care of them and to bring them to PHC for regular check-ups. Eating a nutritious diet during pregnancy is linked to good fetal brain development, a healthy birth weight, and it reduces the risk of many birth defects.

A balanced diet will also reduce the risks of anemia, as well as other unpleasant pregnancy symptoms such as fatigue and morning sickness. Good nutrition is thought to help balance mood swings and it may improve labor and delivery as well. The camps main focuses were:

- 1) Nutritional literacy was provided
- 2) PHC provided free medicines to the pregnant women
- 3) Health check-ups were provided like blood test and blood pressure check-up
- 4) Pregnant ladies below 9 Hb were given counselling about nutrition and regular checkup schedules
- 5) Mother card were properly checked of all the pregnant ladies to check that they were under regular scrutiny
- 6) Folic acid, iron and calcium tablets were distributed for free
- 7) Other supplements like complain, horlicks, etc were distributed to the ladies who couldn't afford it.

To Do Activity

List out the SDGs the project in the case covers and develop a feedback mechanism for the project.

Summary

In this chapter, we started with looking at parameters to look for the monitoring and evaluation of the project. We moved on to the parameters set for the project to be monitored and evaluated. Each project has different dimensions to be looked at, no two projects are under similar conditions in terms

of geography or socio-economic parameters. Even the project funding agency has different goals to fulfill. We then move onto one of the prime exit points in form of developing a feedback mechanism. Then we moved on to the parameters in place for developing a feedback, the ways in which feedback loop is established. Then , next in case we take a look at the SDGs and the parameters that are developed in establishing a standardized feedback loop and finally end up with a case that takes into account a sustainability goal and develops a feedback parameter around it.

Questions

1. As a project manager, you are handling a CSR project for your company which is to build a Covid-19 hospital and ensure its smooth running. While writing the project proposal what are the project parameters that it is addressing as per the SDGs and establish a project feedback mechanism on the same lines.
3. The Govt. of India has developed Antodaya Anna Yojana Scheme under the Food Security Act. You are a project manager under GOI. Develop a monitoring and evaluation mechanism for measuring the efficiency of the govt. initiative.
4. Enlist the parameters you would need to monitor a project on the basic needs to be developed in the locality.
5. Develop a feedback mechanism for the loopholes in the Ujjwala Scheme

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Chapter 5 Post Project Lifecycle

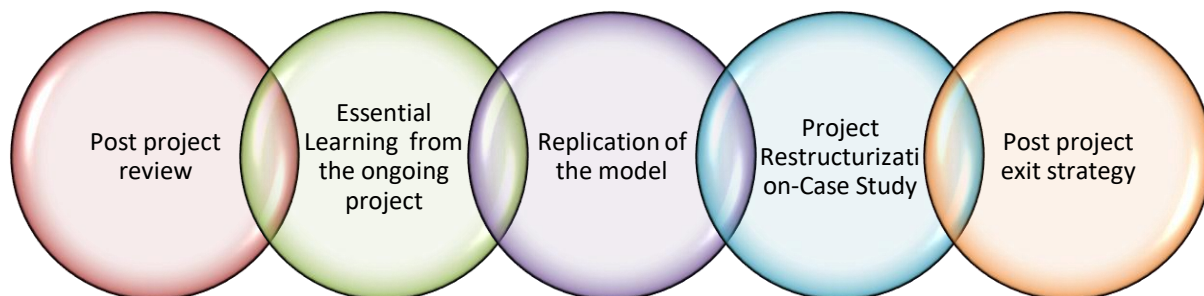
Introduction

As we have come to the tail end of this course, we will take a closer look at one last but vital aspect of project management. Closing in on an exit strategy is of prime importance for any project management organization. The project management organization cannot keep on the handholding any project beyond a certain point as it has just the liability restricted to develop a model for the project and come up with ways of pulling out of the project, without distracting the normal course of operations of the project. The ultimate goal of a project management is to lead a way out of the project and handover the control of the project to the primary stakeholders. In this unit, we will go through the various ways in which the project heads to a closure from the side of project management organization. The baton of project management and sustainability as it passes on to the community poses a severe threat. No matter the project is ultimately for the community and should be managed by them only. However, many a times the project implementation agency takes up the project implementation with all seriousness and in its veil, the project implementation agency needs to take care of the fact that the ultimate show runners are the members of the community. However, they being unskilled to have a hold over the project, the project become overly dependent on the project management organization and collapses as soon as the organization leaves the project. Here we will see the ways in which a project management organization can smoothly transition from the hands of the organization to the community members and the ways in which the community members can be trained. Further as a development management agency, the organization needs to fine tune the learning from the project and make a knowledge repository of all the inputs from the project and provide a plausible report to be replicated in patches over other projects or domains in future.

Objectives

- To comprehend post project lifecycle of a project.
- To be able to monitor appropriate exit strategies for a project management organizations.
- To be able to develop strategies for smooth transitioning of control from project management organizations to the prime stakeholders.
- To be able to take the learning from a project and replicate and model it as per the requirements of other projects.
- To be able to develop methodologies in project restructurization.

Structure of the Unit



5.1. Post project Review

As part of the review process, there are two kinds of information a project development organization tries to collect.

Quantitative

- Focuses on the span of intervention
- Is a medium of trustworthy information for a wider source of population as it is backed by numbers.
- Method of data collection is standardized
- Usually applied over random samples for a verifiable bit of information

Qualitative

- In depth interviews are implemented to collect data
- Is a source of rich and informative information

Fig-5.1-Methods of data collection for review, Source- *A Guide to the PMD Pro*

Each project has a tolerance limit that has to be a part of the project review. Here we would list a few common tolerances to be included in a project reviews.

Table-5.1- Types of tolerance and its features

Tolerance	Features
Time	Time required for project completion Should include a schedule for project information transfer to key stakeholders
Cost	Possibility of cost calculations going wrong Untoward spikes due to inflation over a time period Maintenance of a contingency fund Distribution of planned project resurrection cost if required Budgeting and audit trails
Scope	Scope of inclusion of more goals from community Scope of a wider community participation Scope of geographical expansion of the project
Risk	Financial risk Risk from change in regulations or goals Ways of assessing the risk and methods to escalate the risk to reduction and mitigation of it Implementation of robust risk resistant measures
Quality	Defining the range of acceptable performance for a project outcome Quality assurance checks and parameters to check and for timely intervention
Benefits	Acceptable range of benefits to be expected from a project

Source- *A Guide to the PMD Pro*

Iterative planning approach for the project review can include the following iterative steps:

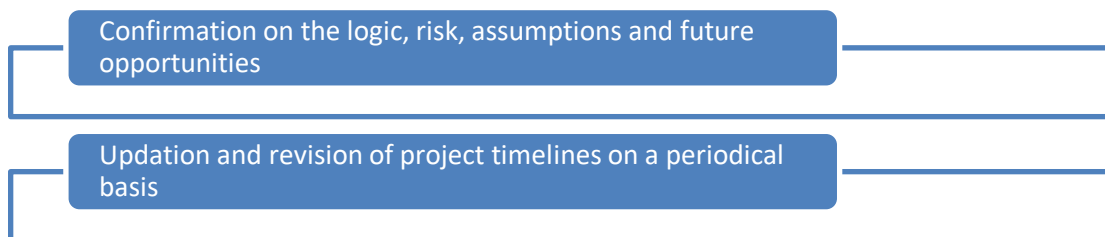


Fig-5.2-Iterative Steps for Project review, Source- *A Guide to the PMD Pro*

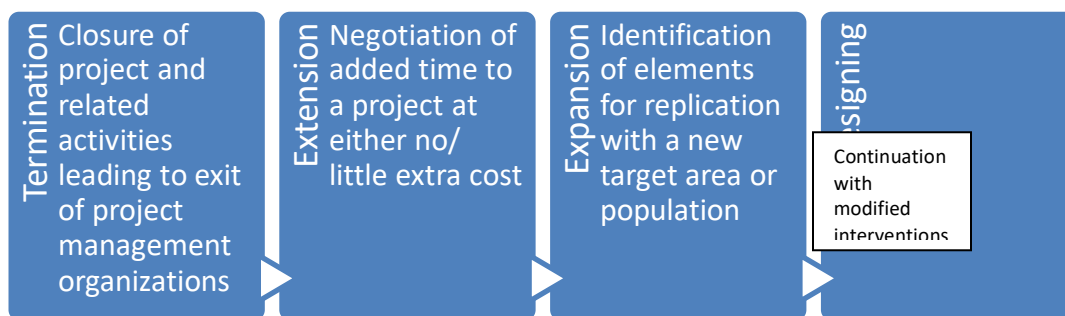


Fig-5.3-Strcture for Project review, Source- *A Guide to the PMD Pro*

Table-5.2- Steps to transition

Component	Fundamental Questions	Guiding Principles	Challenges
Transition planning from earliest stages of project	Type of transitions envisioned Timeline and benchmarks of transition set	Project review and revision are timely undertaken Transparency in terms of funding	Developing on commitments to flexibility Allowing time to develop capacity
Developing local linkages for strengthening the projects on ground existence	Selection of appropriate partners Capacities and strengths partners bring along with them	Diverse project inputs to be included over time Common and concise goals to be established	Needs and goals of various stakeholders put in line Establishing a support system for local stakeholders
Building local and organizational capability of stakeholders before the transfer of control	Requirement of capacities Existing capabilities of host organizations	Using existing capacity to build projects Conducive environments for complete utilization of capacities	Design of strategy for monitoring, tracking of current capacities and objectives Incentivization and retention of skilled workers for expertise
Mobilizing local and external project supportive resources	Inputs needed to maintain the service Sustenance of vigor and value in the ongoing projects after a period of limited handholding	Procurement and usage of local resources Bring under control external resources beyond purview of the project	Issues in availability of adequate quantity of resources at a local level Difficulty in holding funding agencies with a fixed set of objectives
Slow and staggered exit	Key project elements	Flexible nature of the	Appropriate time

from the control of the project to pass it on to next line of control	Elements dependent on support of other elements	project over staggering way of slowing down handholding activities as part of exit mechanism	between project lifecycle completion and project review management
Pre-decide roles and relationships for smooth transition	Types of ongoing support Funding of ongoing support	Slipping away from initial project goal due to reorientation of project goals and inclusion of other goals	Funding support to be established Staff focus on sufficient time and energy for ongoing project

Source- *A Guide to the PMD Pro*

Table-5.3- Kinds of closure for a project

Closure	Features
Contract	Closure of all possible contracts pending Review and acceptance of project deliverables
Financial	Amount of funding received and amount still left to be utilized Receivables and payables accounts to be settled before closure
Administrative	Release and reassignment of project officials Project report and closure formalities to be undertaken Guidelines to be transferred to further stakeholders

Source- *A Guide to the PMD Pro*

There are a few areas which should be focused on while working on the project review phase



Fig-5.4-Factors for Project review, Source- *A Guide to the PMD Pro*

5.2. Learning from a Project



Fig-5.5- Knowledge and learning tools

Source- Ramalingam, B. (2006). *Tools for Knowledge and Learning*

Table-5.4- Strategies for learning development of a project

Strategies for Learning Development	Features
Knowledge Audit	Provides a structured way of collection of data Synthesis of findings Providing recommendations Background of structural, operational and policy factors
Social Network Analysis	Systematic way to analyze relationships and knowledge flows between individuals and groups Tailor and focus knowledge and learning activities to organizational needs
Most Significant Change	Narrative based mechanism for planning programs of change Learning to observe change over time Observation of change across domains
Outcome Mapping	Participatory process of planning, monitoring and evaluation methodology to be adopted Monitoring of behavior of boundary agents
Scenario testing and vision	Focus on futuristic goals of the organization Developing and rolling out plans for the future of the project

Source- Ramalingam, B. (2006). *Tools for Knowledge and Learning*

Table-5.5- Management Techniques for learning development of a project

Techniques	Features
SECI Approach	Systematic management as well as conversion from tacit to explicit knowledge base for repeated usage Processes in it are utilized based on the strength of group dynamics
Blame vs Gain Behaviors	Healthy and balanced approach provides empowerment for employees in a project and provides them space to commit mistakes and rectify them
Force field Analysis	Different teams are associated with different goals Identification of forces for and against the project goals It is an empowering and energizing tool
Activity based Knowledge Mapping	Activities with variations of input are brought in and variations in output noted Helps in process reengineering Improving efficiency for key activities Developing process understanding
Structured Innovation	Lists Characteristics of problems in a project Brainstorming at particular variations of a project Provides a platform for creativity
Reframing Matrix	Different Approaches to the problem at hand Enables different perspectives to be brought in the knowledge matrix Used in future planning for projects

Source- Ramalingam, B. (2006). *Tools for Knowledge and Learning*

Table-5.6- Collaboration Techniques for learning development of a project

Collaboration Mechanisms	Features
Virtual and Face-to-Face teams	Works through stages for shared responsibility Goal Acceptance, information sharing, decision making and reaction to leadership
Communities of practice	Like- minded people working towards generating and collaborating on knowledge Learning initiatives to be undertaken through overlapping functions across organizations
Action Learning Sets	Structured Method Small groups addressing definite issues Helps in personal growth and development of project officials
Six learning hats	Provides an out-of-the box thinking approach for the analysis of a project Allows a broader objective to cover more possibilities
Mind Maps	Graphic technique to enable a clearer thought process Useful for individuals as well as groups providing a non-linear multidirectional approach for information collection
Social Technologies	Used to build collaborations and sharing of tacit knowledge and learning tools

Source- Ramalingam, B. (2006). *Tools for Knowledge and Learning*

Table-5.7- Knowledge capturing strategy for learning development of a project

Knowledge Sharing, Capturing and Storage	Features
Story telling	Helps in spread of tacit knowledge Increased potential for knowledge sharing Learning takes place through presence of a narrative structure
Peer Assists	Encourages participative learning by experience sharing and benefit from each other's knowledge Systematic process strengthening mutual learning further
Challenge sessions	Structured process allowing problem solving methods Supplements habitual thinking Centered around working for core problems Addresses conflicting requirements and challenges
Taxonomies for Documents and Folders	Structured classification and indexing of documents for easy retrieval of pre-existing knowledge
How to Guides	Enables the capture, documentation and sharing of the prevalent knowledge and previous information about the project Effective sequence of processes to be captured with utmost efficiency

Source- Ramalingam, B. (2006). *Tools for Knowledge and Learning*

5.3. Project Replication

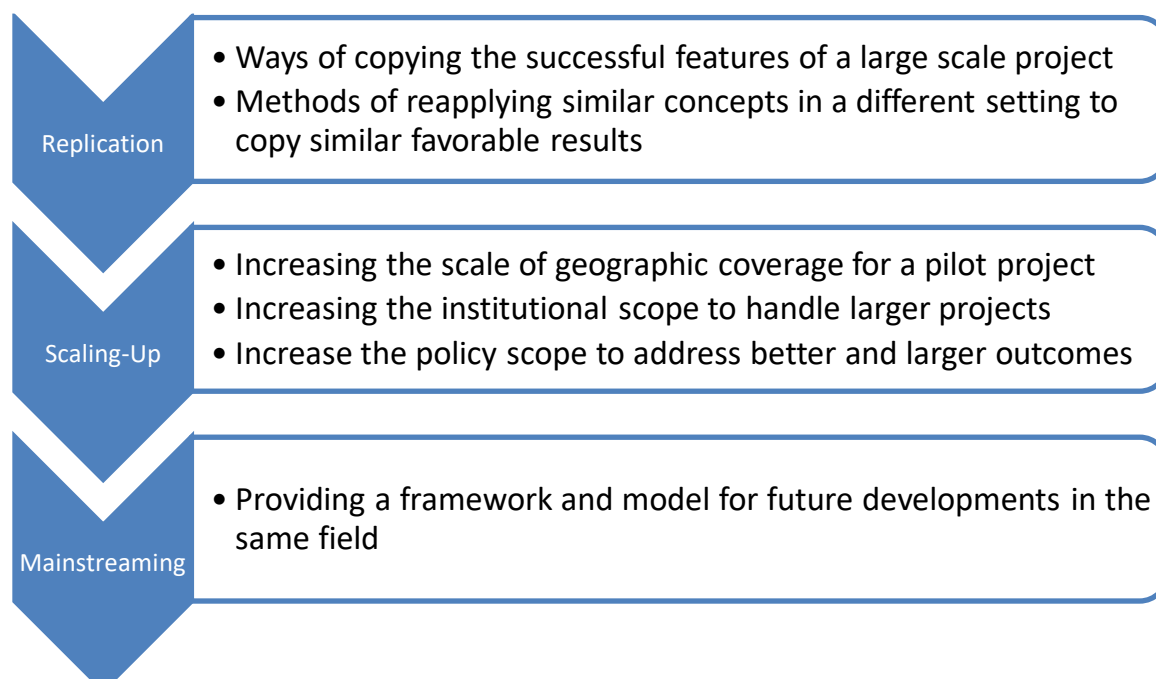


Fig-5.6- Models of project replication,

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development.*

A rating scale for benchmarking for mainstreaming of a project outcome is set by following measures:

Table-5.8-Criteria for Project Replication

Criteria	Evaluation Parameters
Political Leadership	Awareness of political leadership of the project
	Supportive leadership
	Responsibilities of key leadership
Institutional Commitment	Personnel support from local authorities
	Mainstreaming to be adopted as a cultural change in project management organizations
	Institutions specifically mandated for the project
Coordination	Institution or body coordinating the flow of the project
	Association with bodies mandating mainstreaming of projects
	Availability of adequate technical and logistical support from local authorities
	Specific task forces established for mainstreaming of projects
Allocation of funding and actual spending	Percentage of national budget allocated for the project in case of state run projects
	Agencies or governing bodies awareness regarding budgeting and capital management
	Level of spending of approved budgets
	Expenditure surveys done on a regular basis and results made publicly available
	Measure of funding from foreign or independent project related organizations and level of usage
	Measure of link and communication between implementing agency and govt. bodies
Reporting and Communication	Transparency level of information
	Proper usage of media to transmit key lessons and issues faced as part of the project

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development.*

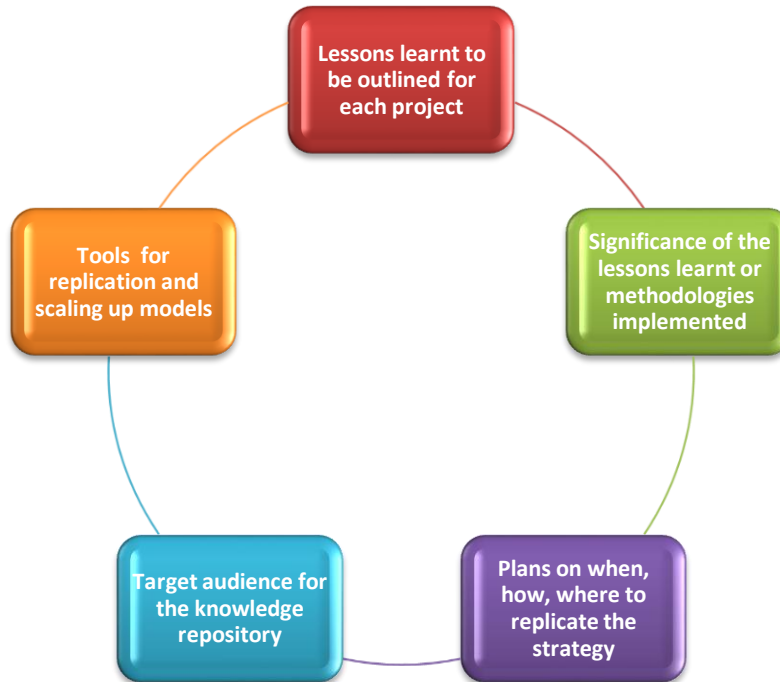


Fig-5.7- Replication and Scaling-Up Cycle

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development*



Fig-5.9- Project Replication framework

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program:*

Identifying Priority Areas of Work for Work Plan Development.

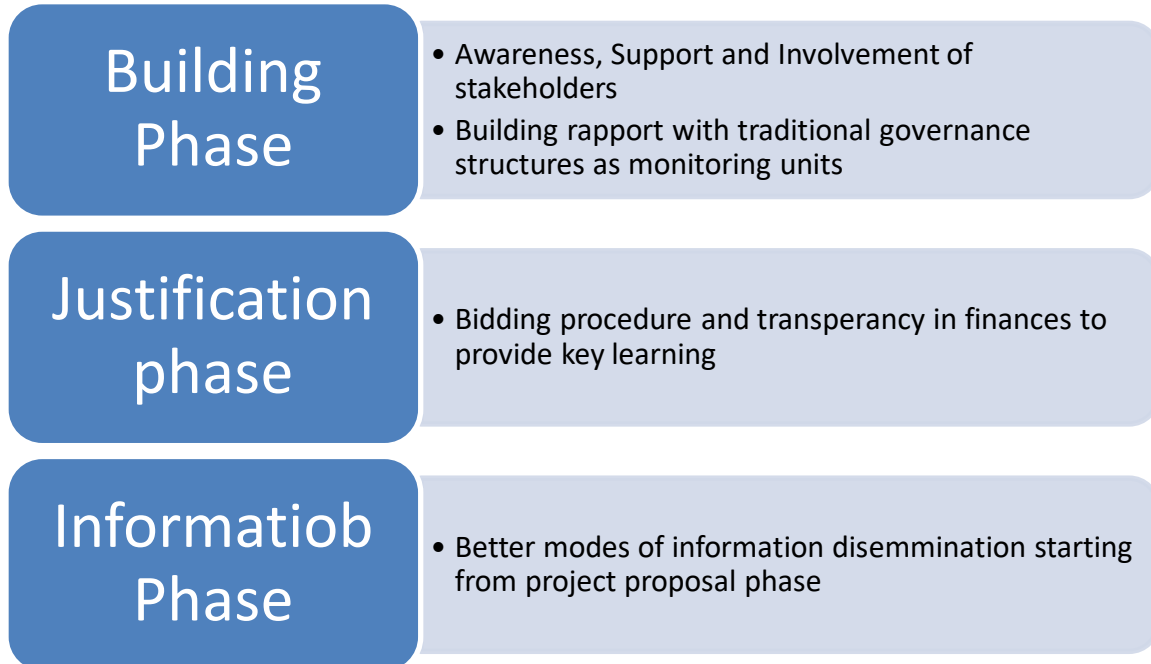


Fig-5.10- Phases to Replication

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development*

Table-5.9-Steps to scaling up projects

Steps to Replication	Features
Initiation	Each project to be started to be a pilot trail A few replication methodologies might lack a strong backing coming directly out of an observed behavior Documentation of lessons to be replicated periodically Assessment of applicability of the outcomes established
Consideration	Issues hindering growth of knowledge base Issues in evidence collection Sense of urgency in terms of replication Should include learning, significance and replication strategies Reference to the scope of replication to apex committees
Plan preparation	Roles of consultants for articulating lessons Identification of novel approaches Review of the approaches Final decision on replication strategy

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development.*

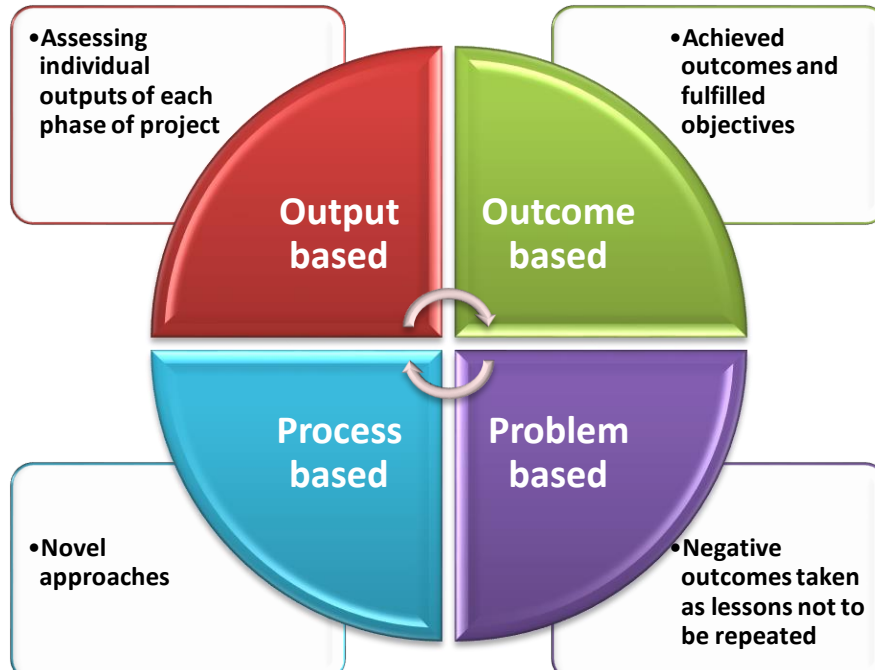


Fig-5.11- Areas of learning

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development*

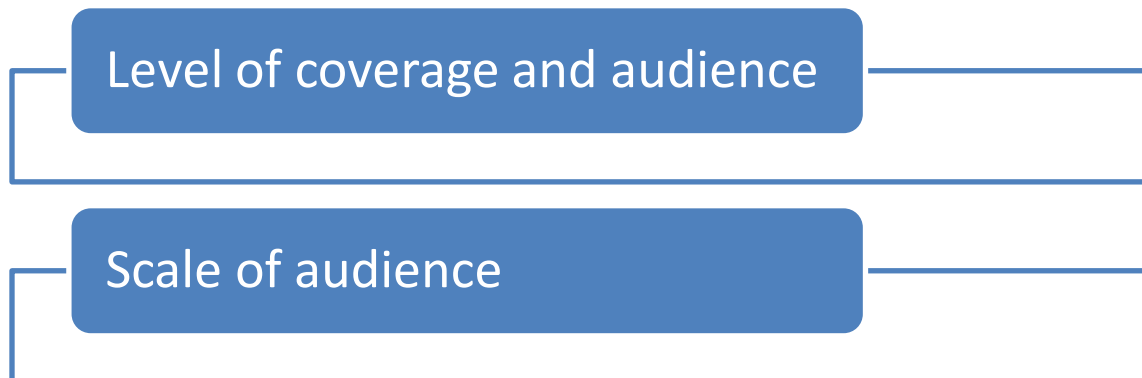


Fig-5.12- Target Audiences

Source- *Defining Replication, Scaling-Up, and Mainstreaming in the Context of the Pacific IWRM Program: Identifying Priority Areas of Work for Work Plan Development*

The key areas of replication for projects would include:

- Learning for implementation and replication of environmentally beneficial strategies
- Incorporation of successful approaches of implementation
- Illustrated socio-economic benefits
- Expand the lessons learnt for replication
- Causal relationship with of actions and outcomes

- Developing an understanding for monitoring strategies
- Improvements in future project planning.

5.4. Project Restructuring

Passing through the narrow lanes of Hawan Kund, a peaceful village lying in the hinterlands of landscape in the Koraput district of Odisha, Richi and Mani could figure out loud noises sounding much like a strife or cry of ghastly anger. They suddenly changed the course of our paths as curious onlookers to take a look on what wrath has befallen. Surrounded by a remorseful crowd was a woman lean and thin, but a familiar face to us in the mid-thirties. Malati Muduli, woman belonging to the ST community native to the region. They soon recognized her as the one we met frequently by the riverside where I went on to enjoy the beauty behold by the nature as she came by filling water daily. After a few glances occasionally, she has turned out to be my friendly companion and was their segue into the village lives and livelihood of people in the region. But here she was crying frantically and swearing in on the name of god to destroy parts of Crèche as and when it opened and she was even angry at the caretaker at the crèche Ms. Debardita Das, project coordinator at Spread Smiles Foundation. She was infact the one who chose the location of Hawan Kund after an area assessment and employed two other women from the community as support staff, one lady Mrs. Tejaswini Khosla, aged 43 years and one lady from Rana Street named Mrs. Naveena Khinigudi aged 31 years were selected. Coming back to the story, on further enquiring about what has gone wrong? She started crying incessantly telling that Litu, her 5-year-old son has all of a sudden fallen ill after returning from the crèche, where he had his last meal of rice, dal and spinach subzi. She said she had a clear idea of what has gone wrong with her kid, she said the food provided in the crèche is substandard and infested with mites and other pests. The people around seemed to be nodding their heads in unison agreeing to the fact that over the period of last six to eight months, the quality of food is continuously downgrading. Being naturally inquisitive, they were curious to dig out the roots of how something built with the noble intent of feeding the undernourished has become a battleground between the crèche authorities and the villagers.

Before delving deeper, we have to understand a bit of history of the place. The Odisha government even after spending millions under the food security schemes and ICDS programs has not been able to completely address the pulse of the issue, Koraput one of the most mineral rich and culturally diverse districts lay in the remote hinterlands of the Eastern Ghats. For centuries, this has been a home to many tribal communities and they have since the dawn of the century lived in plight and darkness away from the modern civilizations. The majority of the working class here are daily wage laborers and some even migrate seasonally in search of job opportunities in masonry and other skilled labor to the neighboring states. These regions are a home to a few of the oldest tribes and a multitude of them. On the religious lines, some of them are Hindu SC and STs' and there is another group of devout Catholics. Though the region is largely at peace but deep within there is a religious divide which is clear from the fact that even though both the groups participate in celebrations and rituals such as marriages regularly; they almost deny sharing of food or having food in their festivals and religious celebrations. However, both the communities are equally backward and lying at the bottom strata in terms of financial and societal well-being. The fact comes out clearly as we see the city tops the list as one of the most backward and underdeveloped regions of the state. This clearly has spiralled down into many other implications. The

most prominent being the issues of hunger, malnutrition and a high rate of infant mortality with undernourishment as the underlying cause. However, the failure of government schemes to provide food to everyone unfed when met with severe limitations definitely called in for some external support and that's when Spread Smiles Foundation stepped in, in the year 2016. After a detailed need assessment with food and nutrition as the central theme to be addressed. Koraput was one that caught the eye owing to one of the highest rates of malnutrition in the state. The flagbearer in the struggle Spread Smiles Foundation is a noble initiative by the billionaire businessman and visionary Mr. Andrew Timothy.

Started in the year 2000, with the vision of providing a better landscape in the sector of education, it has working to bring deep-rooted change in the current scenario of education with the help of a 1000+ employees working across 6 states and 1 union territory. They play an active role in developing the overall well-being of the children under their purview with a vision of their overall development and that's one of the primary reasons as to why they have stepped up to develop a crèche establishment to support undernourished children where they are provided with nutritious meals on a daily basis as their parents leave them at the crèche while heading for their daily work

With Spread Smiles Philanthropic Initiatives' commitment to reduction of malnutrition in Odisha combined with PHRN's experience and expertise, as well as Government's strong will, an intervention to combat child malnutrition was envisaged and designed. It takes forward the Odisha Multi Sectoral Nutrition Action Plan (ONAP) which primarily focuses on developing a multisectoral approach to address malnutrition in the state. Objectives are to establish and run 150 community-based crèches across the 5 most vulnerable districts of Odisha that will be eventually scaled-up by Government of Odisha. It aims to achieve continuity of care between the community [Integrated Child Development Scheme (ICDS), Accredited Social Health Activist (ASHA), Auxiliary Nurse Midwife (ANM)] and Nutrition Rehabilitation Centers (NRCs) and a model for the same scale-up. Aiming to reach out to at least 7000-9000 children and at least 7500 mothers, 450 skilled health and crèche workers, Anganwadi workers, ANMs and ASHAs, village Health, Nutrition and Sanitation Committees in each site, sub and Primary Health Care Centers, Nutrition Rehabilitation Centers and ICDS centers in each site.

There are three models of crèches, which are being opened in a phased manner under the program addressing different ground situations. Each model is restricted to one block per district and these models are Anganwadi-cum crèche, it attempts are being made to co-locate the crèche within existing Anganwadi centers (AWCs) involving the ICDS functionaries. While the AWC will cater to children from 3-6 years, the crèche will focus on children aged under 3 years. Second model is Crèches in Villages with Particularly Vulnerable Tribal Groups (PVTG) Communities. These crèches address the most vulnerable communities in the state. Certain innovations are required in establishing and running crèches among the PVTGs since the challenges around capacity-building and logistics are greater. Third model is Crèches in Remote-Villages/Blocks with Non-PVTG Communities: These Crèches are located in remote areas/villages/hamlets of designated blocks with non-PVGT communities.

The Crèche workers are selected from the local community. Two-trained crèche workers for 15 children

are selected. The activities of crèche workers include feeding, care, play and stimulation growth monitoring, early identification of malnourished children and referral. The timing of these workers is 8 hours, 6 days in a week, opening and closing timings decided by the local community. Weekly offs are decided by the local community

The Food given are using locally available food items and meal planning using ICMR (Indian Council for Medical Research) nutrition guidelines for age appropriate nutritious food. Food is provided three times a day, including breakfast in the morning and snacks in evening, and one hot cooked meal. It also includes eggs twice a week and even extra feeding and more oil is there for malnourished children (as per protocol).

It is a Community-Based Program as the communities are involved in all aspects of setting up our crèches. The role of the community includes selection of crèche workers, with support from PHRN, formation of a crèche committee to establish, oversee and support crèche management, community supports in regular growth monitoring, creating play materials and activities for early stimulation and learning, etc. Meal planning is also according to local palates, with nutritional inputs by PHRN. Community involves in setting crèche timings according to seasonal requirements and participates in crèche committee meetings.

The roles expected of community Institutions are Village Health Sanitation and Nutrition Committee (VHSNC) member, ASHAs and Anganwadi Workers (AWWS) to be part of the village committee that oversees and supports crèche management. Active Participatory Learning and Action (PLA) processes in crèche villages by the existing Shakti Vartha on nutrition. ASHA-AWW supporting the crèche program (growth monitoring, health monitoring, treatment of common childhood illness, immunization, referrals, etc).

Entering the village, near the church a crèche is established. It was established in August, 2017. With the initiative of taking care of the kids, the crèche needed two workers. These workers were selected by the villagers only who they felt would take proper care of their kids. The village is divided into different castes, majority being Christian and Hindu. The center was earlier an abandoned home which was renovated and decorated with the permission of the Panchayat to make it a children's home. The center has a room, kitchen and washroom. It also has space outside for the kids to play.

There was a need for this crèche because most of the villagers are faced with financial crunch. It was tough for them to maintain proper living standards. This hampered the health of the small kids at home who couldn't take care of themselves. For livelihood, if both the parents went out to work the kids were given to their older siblings who were also kids to take care. They would fail to give them food on time and even couldn't manage the hygiene. The village had ST population as well. who were even more backward and were ignorant towards nutritional factor, They would eat whatever they managed for aliving. This directly affected the future of the village, so to keep the kids healthy a crèche was started. It operates from 9 a.m. in the morning till 4 p.m. in the evening. During this time, the parents would leave their kids and go for work being relaxed that their kids would be in proper care. The children's home in Hawan Kund carried out the following activities: Food: i) For breakfast the kids got Chattua prepared

with warm water ii) For lunch the kids are given *khichdi*; dish made with rice, vegetable and pulses. Two days in a week they are given rice, pulses and egg curry or boiled eggs. The kids were given toys to play with. Through the toys the kids were taught basics like colors, name of animals, A-Z, numbers, etc. The kids of parents, who used to go out for work and were late, were made to go to sleep and were taken care until their parents. The crèche workers were supposed to take proper care of hygiene, they kept the toddlers clean.

The crèche has actually come as a respite to the region as many have claimed to be happy about it and looked forward to it as a saviour of hunger for their kids. Dhania Jani, a widow living nearby with her three kids on discussions said that “Since the day the crèche has been established, there has been some freedom on her front as she could leave her child assured as she goes in search of work as a daily wage laborer. The burden of earning on her is considerably eased off as she doesn’t have to bother about the safety and care for her kids one time each day. She can rest assured that at least one of the meals of the day for her three kids is still accessible to them even when she doesn’t earn enough. She has over time built a good rapport with the crèche workers and they take good care of her three kids.

Her narrative presented a clean and happy version of the story. They then moved on to another woman in the village but belonging to the Catholics. Her name was Cathy (disambiguation), who didn’t want to come to the limelight and her real name is thus kept private owing to her requests. She had one son aged 5 and a daughter aged 15 who went to work with her as a maid in the neighborhood. She worked on a nearby farm as a part time laborer and had hardly 100 days of fixed labor at her disposal on an average. For the rest of the days, she had to work as a part time maid in her neighboring houses. Her husband helped her in the fields on the days she had work but on remaining days he simply did nothing, sat at home and had a bad drinking habit which led to spoils of all their savings and Cathy had to work even harder to make ends meet. She however had an entirely different narrative to the context of the running crèche. She said, “Firstly, when the crèche started there was a lot of hope arising out of it. The crèche came up with the promise of good food at least once a day for the youngest son. She went on to add that when the crèche was initially established Ms. Debardita came to their house as a part of the survey team to assess the number of kids under the age of 6 in the households of her locality. After a few weeks as the crèche was inaugurated they were invited to register for their kids and saw Ms. Debardita again and had a discussion with her as naturally being a mother she was a bit skeptical of the setup and feared whether proper care would of her son would be taken or not. She was assured of the same by Ms. Debardita herself. They were given a diet chart along with what are the constituents of each meal. They were assured of the quality and nutritional value of each meal. They were also assured of the timely change-ups in the meal menu which would suit the taste buds of the kids and not make it bland for them. Things went well for a year or so and then it took a despotic turn.

Cathy complained that since they trusted the crèche management team, they never bothered to check the quality of meal. But these days, things aren’t going quite well. She said “Once while being on my way back to work after leaving my son at the crèche, my eyes fell on the potatoes being cut by the caretaker; while going for a closer observation, I noticed that the potatoes were insect infested. She couldn’t sleep throughout the night that day. On the very next day, she went on to complain about the quality of food

being provided to Ms. Debardita who unlike the very sweet and polite natured lady that she appeared to be while she went to visit her locality calling for kids from the community to join the crèche made loud and ambitious claims of providing healthy sumptuous meals, which had turned out to be an outright falsified claim. However, much to her amazement the same lady who just before a year presented her to be an epitome of politeness and grace had turned sour on her face. She had a haughty and arrogant pitch to her tone and claimed, " (There is no incentive to work for people like you, Be happy that you aren't being asked to pay for the meals, take it as a god's grace as whatever comes served on your plate as free meals). She was shell-shocked to listen to these comments and at first couldn't believe her ears. She then kept a close eye on the happenings at the crèche and what she found out was even more deplorable. As the supplies of quality food grains and vegetables came in, Ms. Debardita along with the two caretakers took the lion's share out of it and the children were left to be fed on morsels of leftovers. To her notice, she has time and again taken a note of consistently degrading quality of food being served like insect infested carrots, beetroots and potatoes. The dal she said was just a pale yellowish water with no values of dal itself and the milk served over the place was 80% water. She slowly started making aware other members of her community and time and again many of them have went and complained of the same but their complaints seemed to have been consistently falling on deaf ears. This has spiralled down in form of repeated complaints of stomach aches and dysentery from the kids.

Many of the parents have pulled out their wards of the crèche and have instead insisted them on being fed home food. However, there are still many who are in such an abysmal state that the poor-grade meals are something they look forward to, even after being aware of their sub-standard quality. Just to have an overview of verification of claims of people like Cathy, I took to the CHC for having a look at their records register and have a conversation with the only doctor appointed in the region; Mr Paramananda Nayak who has been stationed in the region for over a year and a half. He gave them a brief overview saying that the cases of stomach aches, diarrhea definitely have shown a steady increase in the numbers rising from over a meager 35 incidences of stomach aches and 16 incidences of dysentery to a staggering 79 incidents of stomach aches and 41 incidences of dysentery over the period of last year. Though he didn't make any sure claims on the poor quality of food on the other hand, he drew their attention to the poor quality of drinking water as one of the reasons as well. Hawan Kund is in the midst of a severe water crisis and the fact that a single flowing lake in the midst of the village which serves as the primary source of drinking water for the villagers and their cattle alike. This water also serves as the bathing water for humans and animals alike and the villagers also use it as a cloth washing medium as well. The water he claimed is a breeding ground for harmful pathogens and its contribution to the increasing rate of diseases can't be disregarded as well. His claims rather than adding substantial impetus to the claims of Cathy opened up an entirely new avenue to the understanding of increased number of diseased children.

As the last leg of verifying the truth behind all these instances, they had to have a discussion with Miss Debardita to see what her take on the story is. Thankfully, over my period of stay I had developed a good rapport with her and thanks to the educational background I was treated with a genuine respect by people of every cadre in the village. Thus, riding on the goodwill and mustering ample courage, they headed over to have a discussion with her. On the first day of visit, she had taken a day off and thus they

couldn't get in touch with her. On having a telephonic conversation, they came to know that she had gone to the nearby village to attend the wedding of her cousin from an uncle who resided in the next village. Disappointed at this, they decided to tread back and came three days later. It was around 11 am, they tactically went around the lunchtime with an intention that after having a brief discussion with her, they tried to overlook the quality of food served at the crèche. As they reached, they were greeted and comforted by a smile from the two caretakers and Ms. Debardita. After a series of formal greetings and interactions, they found no point in beating about the bush and directly put forward a measure question "A few days back, they noticed a woman carrying her sick child and crying at the doorsteps of the crèche, she has claimed that her child has fallen ill owing to the poor quality of food being served at the crèche and on a bit of discussion with the villagers, they had come across multiple complaints regarding the quality of food being served over here and time and again its being said that the quality of food over here has slowly degraded over time. Mam, they would like to have her say on it.

She seemed a bit perplexed by the barrage of questions put forth but taking a moment and a long deep breath, she started "These villagers you know are pretty uncouth and thankless. We have opted ourselves to serve the community and instead of being thankful for it all they have is a ton of complaints. I don't know how to satisfy them." Then, she gave a wild angle to the discussion adding that, "See how the people of nearby regions have been happy over the service we provide." She then bought in Syhamali, a middle-aged woman mother of two who agreed upon the fact that these people were gracious enough to serve the children of community and went on to sing praises for them as being the messiah for the impoverished children

To-Do Activity

As a project manager for this particular project, point out the steps that you would take to revamp the project and formulate a strategy to resurrect the project

5.5. Post Project Exit Strategy



Fig-5.13- Sustainability in project exit strategy
 Source- WWF. (2017). *Planning for Sustainability and Responsible Exits*

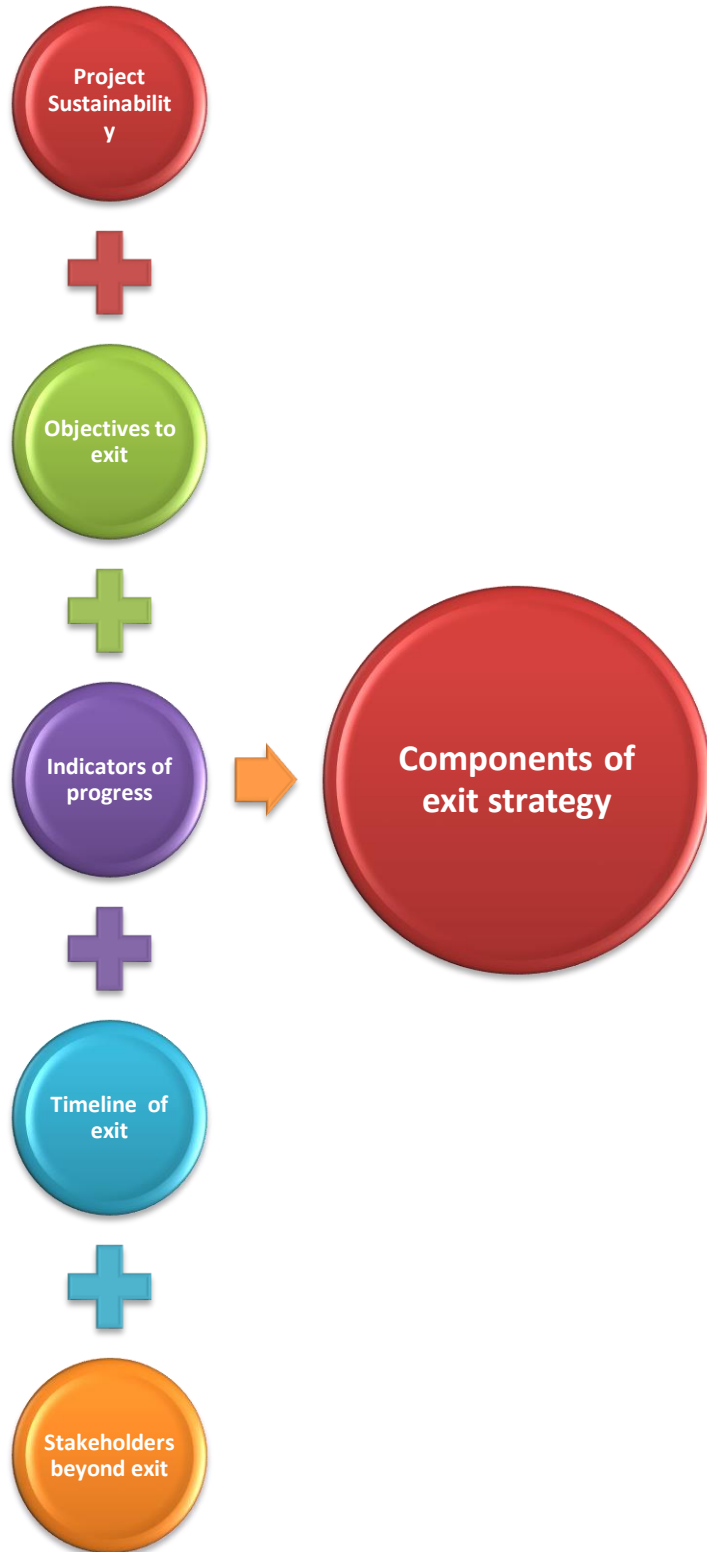


Fig-5.14- Components of Exit Strategy
 Source- WWF. (2017). *Planning for Sustainability and Responsible Exits*

Table-5.10- Sustainable strategies for making inroads in project exit strategies

Factors in Sustainability	Features
Ownership by Partner bodies	<p>Getting an idea of achieved results</p> <p>Basis of project on expectations set by communities</p> <p>Level of engagement on communities</p> <p>Addressing the priorities of communities through goal, visions to be set</p> <p>Role of Stakeholders in the process of implementation</p>
Costs vs Benefits for future of the project	<p>Ways to conserve the traditional livelihoods as well as to model innovative ways to develop means of livelihood for the stakeholders</p> <p>Priorities of local communities to be put on the top of priority list</p> <p>Developing strategies of benefit sharing</p> <p>Develop methodologies for cost recovery mechanisms to be put in place</p>
Capacity building	<p>Developing requisite capacities of management and handling the nuances before passing on stakeholder control</p>
Financial feasibility over time	<p>Financially approachable project goals and methodologies</p> <p>Monitoring affordability of the project over lifetime</p> <p>Applicability in generation of livelihood activities</p> <p>Mobilization of further funds or contingency funds</p> <p>Other funding options to be established</p>
Replication and Scaling up models	<p>Documentation of the goods and bads and highs and lows of the project</p> <p>Case based learning presentation</p>
Policy Environment	<p>Scope of project being replicated as part of policy incorporations</p> <p>Addressing future opportunities, conflicts and constraints in the project</p>
Socio-Cultural Impacts	<p>Diversity in terms of socio-economic and cultural to be addressed or acting as constraints in the future of the project</p>

Source- WWF. (2017). *Planning for Sustainability and Responsible Exits*

Table-5.11-Types of Exit Strategies

Approaches to Exit Strategy	Features
Phasing Down	<ul style="list-style-type: none"> Eventual steady reduction of project activities by implementation agency Bringing local organizations in form of control sharing agents Building on the usage of sustainable resources available locally First step in moving away from the project control and enforcement
Phasing out	<ul style="list-style-type: none"> No transfer of the project control, usually leads to an end in effective life of the project Usually is the most effective method when all the goals of the project are fulfilled Prevalent in projects with fixed time limit
Phasing over	<ul style="list-style-type: none"> Direct transfer of reins to the long term stakeholders Capacity building in leadership and control for stakeholders

Source- Gardener, A. (2005). *What We Know About Exit Strategies*



Fig-5.15-Phasing over exit strategies, Source- Gardener, A. (2005). *What We Know About Exit Strategies*

Table-5.12-Considerations for an exit strategy

Considerations	Reasons
Time frame of the project	Timeline based on funding flow of the project Can increase time limit to address project sustainability issues or can reduce time limit to increase the pace of activities coming to the closure of the project
Achievement level of project impact	Measure of level of intended project benefits out of the project run Specific parameters of project impact to be set as a monitoring criteria for timing of exit
Setting benchmark indicators	Helps in coming up with a monitoring matrix at the end of phasing out of the project

Source- Gardener, A. (2005). *What We Know About Exit Strategies*

Table-5.13-Challenges for an exit strategy

Challenges	Features
Political and Economic Environment	Policies untoward or framed without taking in account of projects undertaken lead to a difficult exit Uncertain political scenarios in the region of the project would require regular revaluation of project strategies as well as exit methodologies
Funding uncertainties	Doubts rein over the sustainability of project future in backdrop of a weakened funding plan Funding agencies change of goals midway relating to reduced funding for the previously established
Improper exit strategy	If the project agency mismanages an exit plan or has no exit planned, the exit becomes difficult
Training of staff	If the staff are not trained well, they would be unable to handle the load of an exit Improper training facilities and opportunities for future managers of the project leading to a failed future of the project
Follow ups	In case of the exit strategy to be implemented successfully the project needs to be monitored regularly and sometimes this is not taken into consideration and the project ultimately degrades into oblivion.

Source- Gardener, A. (2005). *What We Know About Exit Strategies*

Summary

As the final unit of the book, this chapter sums up what effectively is to be considered an end for the project management organization as the end of the project lifecycle. We started the unit by looking at the need of an exit strategy. It's pertinent for the budding project managers to understand that the control over the future of the project is not to be considered as a perpetual activity. As a project management organization, there is only little we can do in the lifetime of the project. The role of the project managers is to come up with a project implementation as well as an exit strategy along with a

timeline. We also went through the various strategies to reach to an exit point as well as the various methodologies of exit. We also looked at the need of regular monitoring for a time interval after the exit period and the ways of exit. We looked at a project to understand the ways in which the project managers might need to revamp a dying project and finally we focused on the kinds of challenges we would need to address before making an exit as a project management organization.

Questions

1. Take up any project by an NGO in India and devise an alternate project exit methodology.
2. In the case given above as part of 5.4, develop a project exit matrix for managing a smooth exit from the project.
3. Provide a scaling-up plan for the project implemented in 5.4.
4. Since we have come to the end of the course on project management, develop a project plan along with the exit plan for the project on any issue in your neighborhood.
5. Point out a few reasons why project learning replication and scaling up can't be a widely used methodology for taking up future projects.

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Editors' Profile

Dr W G Prasanna Kumar

Dr. W G Prasanna Kumar, Chairman, Mahatma Gandhi National Council of Rural Education (MGNCRE) prides in calling himself a *Public Servant* working for Climate Change. His expertise in Disaster Management has him in the advisory panels of several state and national level departments. He is also an expert advisor for the government of Telangana in its Disaster Response Force endeavour. A master trainer for Civil Services candidates, he conducts intensive training programs periodically at the behest of nationally recognized training institutes. He is currently actively involved in promoting higher education curriculum addressing rural concerns in India. **"Villagers to be producers not just consumers"** is his conviction that drives him to work for rural challenges. He aspires for an adaptive disaster risk resilient and eco-responsible India. The Curriculum on MBA in Waste Management and Social Entrepreneurship, and BBA and MBA in Rural Management are his major academic achievements dedicated to India's rural concerns. This has culminated in several collaboration MOUs for introduction of MBA/BBA Rural Management in Higher Education Institutions across India.

Dr. Prasanna Kumar excels in taking a vision and making it a reality and a plan into action, driven by a strong motive to achieve. He has translated positive intentions into tangible results. Being clear on the vision, defining a pathway, setting of the track with a clear destination point and quickly taking corrective actions as and when needed – are his prime qualities that make him an Achiever.

Under Dr. W G Prasanna Kumar's leadership MGNCRE has done nationally recognized instrumental work in building rural resilience including rural community engagement and Nai Talim - Experiential Learning. He has guided and helped MGNCRE in making key decisions and implementing agenda in several areas including Nai Talim (Experiential Learning), Community Engagement, Rural Immersion Programmes, Swachhta Action Plan activities, Industry-Academia Meets and Exhibitions on Waste Management, Comprehensive Sanitation Management in villages by working with Higher Educational Institutions, making curricular interventions in Waste Management and Rural Management, compiling Text Books on Waste Management and Rural Management, UNICEF (WASH) activities and several other related impactful activities. MGNCRE has become an interface for Government of India for promoting academic activity focusing on the rural concerns, being an advisor and a curriculum development agency for the Government of India. The Council is also now an RCI for Unnat Bharat Abhiyan.

Another pathbreaking achievement has been the formation of **Cells** through online workshops for institutionalising the efforts of MGNCRE. Vocational Education-Nai Talim-Experiential Learning (VENTEL) discuss MGNCRE's interventions in HEIs and making Vocational Education as a Teaching Methodology; Workshops on Social Entrepreneurship, Swachhta and Rural Engagement related activities in Higher Education Institutions has paid dividends and the key roles of the HEIs is highly appreciated by the Ministry. Building continuity and sustainability is being done through Social Entrepreneurship, Swachhta & Rural Engagement Cells (SES REC). Institutional level Rural Entrepreneurship Development Cells (REDC) Workshops/ FPO/FPC-Business Schools Connect Cells (FBSC) are organized with the objectives of Functionality of RED Cell; Preparation and Implementation of Business Plan and grooming students to be Rural Entrepreneurs.

A man with many firsts to his credit, and an incredible record of accomplishments, Dr. W G Prasanna Kumar is currently guiding MGNCRE in building a resilient rural India.

Dr K N Rekha

Dr K N Rekha, is a PhD Graduate from IIT Madras. She has 14 years of experience in training and education Industry. She works at Mahatma Gandhi National Council of Rural Education (MGNCRE), Hyderabad as Senior Faculty. She is involved in curriculum development on Rural Management and Waste Management. Prior to this, she worked as a researcher at Indian School of Business, Hyderabad, a short stint at Centre for Organisation Development (COD), Hyderabad. She has co-authored a book on “Introduction to Mentoring”, written book chapters, peer reviewed research papers, book reviews, Case studies, and caselets in the area of HR/OB. She also presented papers in various national and international conferences. Her research areas include Mentoring, Leadership, Change Management, and Coaching. She was also invited as a guest speaker at prominent institutions like IIT Hyderabad.

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Arman Mohapatra is an MBA Rural Management Student from XSRM, Bhubaneswar.



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Ministry of Education, Government of India



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