

PMIR-SEMESTER-II [e-Content]

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UNIT-II [PART- 1]

PROJECT IMPLEMENTATION

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1. Project implementation

To implement a project means to carry out activities proposed in the application form with the aim to achieve project objectives and deliver results and outputs. Its success depends on many internal and external factors. Some of the most important ones are a very well organized project team and effective monitoring of project progress and related expenditures. Overall management has to be taken over by the lead partner and project manager, who is often employed or engaged by the lead partner. The project management has to have an efficient management system and always has to be flexible to current needs and changed situations, as the project is rarely implemented exactly according to the initial plan. Nevertheless, the partnership should aim to deliver quality results and outputs. Quality means meeting expectations described in the application and those agreed within the partnership.

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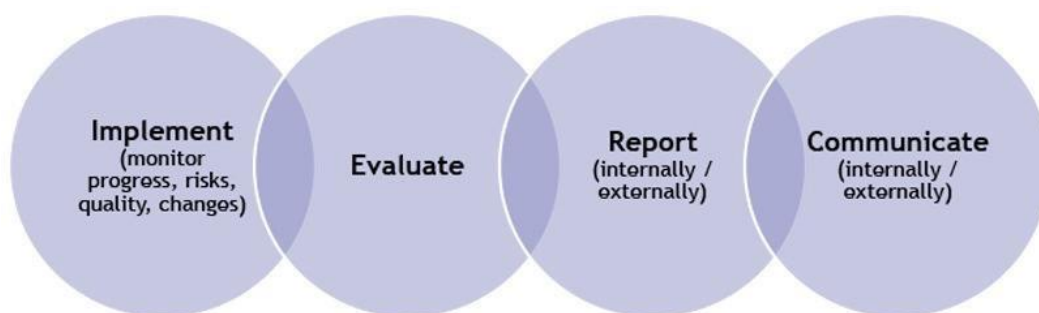


Figure: Project implementation tasks

1.1 Partners' responsibilities during implementation

According to the lead partner principle, the overall responsibility for project monitoring will be with the lead partner. However, all partners should be responsible for monitoring their own part of the work.

Table: Responsibilities within the partnership

Responsibilities	Lead partner	Partners
Continuously monitor project progress (ensure that the project stays on track)	<ul style="list-style-type: none"> Monitor progress of key project elements Deliverables comply with content and quality requirements Milestones are met Cost as budgeted Review and process requests for modifications to the plan 	<ul style="list-style-type: none"> Review progress of tasks on partner level Report to the LP/ inform about the progress Inform of the potential risks and problems associated with risks
Conduct team reviews (review progress and plan for the next activities)	<ul style="list-style-type: none"> Determine the information needs in the partnership Decide/ discuss how best to communicate information Acquire the necessary information (e.g., through programme sources) 	<ul style="list-style-type: none"> Inform about information needs and discuss them with the LP and the rest of the partnership Regularly exchange status information Present/ discuss plans for next actions, and outline action points
Manage modifications (monitor modifications to one or more project parameters)	<ul style="list-style-type: none"> Document the modifications requested, prioritize modifications that involve the whole partnership Estimate the resources involved to implement the modification that involves all relevant partners Inform programme management, or make a request for a modification Include an alternative solution Provide a description of how the modification requested affects the project resources and outcomes Ensure the approved modifications are incorporated in the project structure and carried out 	<ul style="list-style-type: none"> Outline the modification – link it to the original plan – highlight deviations Estimate the impact of the modification on the partner's part of the project, and on the project as a whole Inform and discuss with the LP and the rest of the partnership
Communicate (ensure that the project achievements are communicated to the relevant stakeholders)	<ul style="list-style-type: none"> Harmonise key messages used for communication Prepare information and material to be used for communication Communicate project achievements in their networks 	<ul style="list-style-type: none"> Prepare and present deliveries and achievements as requested Communicate project achievements in their networks
Formal project progress review (ensure that the relevant programme bodies are kept informed of project progress)	<ul style="list-style-type: none"> Identify what needs to be prepared for the review Allocate tasks in the partnership regarding the provision of information Establish logistics for information flow between the partnership and the programme Undertake overall project progress review (e.g., against timetables, indicators, etc.) Prepare the project periodic reporting and submit to the programme 	<ul style="list-style-type: none"> Undertake progress review (e.g., against timetables, indicators, etc.) Prepare and present status information as requested Identify action items that require attention by management and/or stakeholders

Non-performing or inactive partners can be a problem, especially in large partnership projects. This can cause delays or simply reduce the effectiveness of the project, especially if these partners fail to fulfil their obligations. The most effective solution is to create an atmosphere where all partners feel able to express dissatisfaction and internal problems. If problems continue, the lead partner may be forced to call on the programme or other external authorities, and may even exclude the partner as a last resort.

1.2 Interreg programme's role during project implementation

While project partners are implementing the work plan, the programme co-financing the project is monitoring its implementation. Monitoring project progress is a main programme management tool. As an administrative procedure, the main task of monitoring is to assure that project inputs (budget and activities) and outputs are in line with the original plan (the application), and that the expenditure incurred complies with the rules of eligibility. The main feature of project monitoring is that it is based on the project application.

For these reasons, it is important that monitoring is an on-going process and not a task left for the end of the project. Programmes put considerable emphasis on project monitoring, and it is one of the core tasks of those responsible for programme management. Monitoring of project implementation provides vital information on the overall performance of the programme; in particular, in terms of how (quantitatively and well as qualitatively) programme objectives and key targets have been met.

Other main reasons for monitoring are that it:

- Gives an accurate picture of the status of project implementation.
- Allows programmes to keep track of whether projects are being implemented according to the plan and thus keep track of all major project variables – cost, time, scope and quality of deliverables.
- Provides programme managers with important information on significant achievements which support programme information and publicity.
- Allows problem identification.
- Verifies and provides transparency on the spending of public funds.

2 Implementing the work plan

Project implementation consists of carrying out the activities with the aim of delivering the outputs and monitoring progress compared to the work plan. Monitoring can be defined as control of the project implementation in order to keep the project on track and achieve the end results of the project. The project manager is responsible for the regular monitoring of the project, but the partner organizations should also contribute actively to the effective monitoring of the project.

The whole partnership will benefit from monitoring of project progress because it:

- provides support for project implementation and acts as an indicator of whether targets are being met;
- through feedback activities, it stimulates improvement in project results based upon observations of the value and the quality of the various elements of the project;
- provides reliability and credibility of results;
- foresees potential problems in good time and simplifies decision-making, especially if corrective actions are necessary.

2.1 Keeping track of the project

The project application that was approved by the programme is the baseline for project implementation. It is the main document that helps the project manager track progress. The project application contains project objectives, a description of the activities for achieving them, and measurable output and result indicators to show they have been achieved. However, you should not expect the project to be implemented exactly as planned.

No matter how good the original plan is, there will always be some deviation during implementation. This should be anticipated, and the aim of project management is to track this deviation, make sure it stays within the scope of the project, and redirect activities to get back on track. The further the project goes into implementation, the more important it is to track things systematically to avoid drifting away too much from the original outline and falling outside the scope of the project. Remember also that many modifications will actually be improvements, and that it is this dynamic aspect of project management and the ability to adapt to modifications that are likely to lead to success.

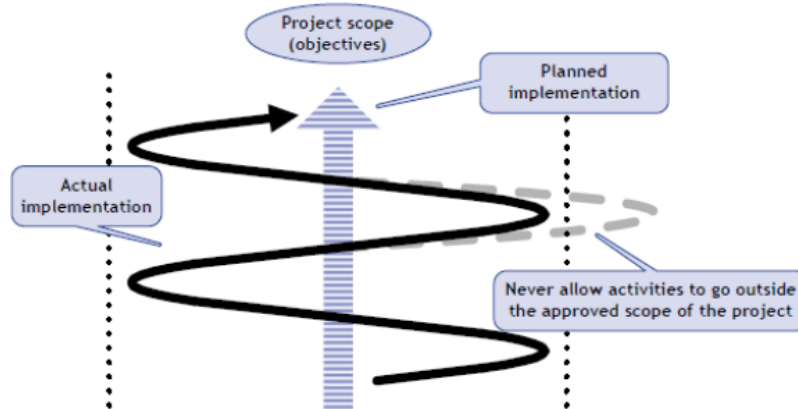


Figure: Project implementation

Once the project has started, the objectives should be regarded as unchangeable – if you alter what you plan to achieve you are in effect starting a new project and would have to start your activity planning again from the start. However, modifications to objectives often happen in small steps (called 'scope creepage') and do not seem to have a major impact. When these small modifications add up, though, they can put the project seriously off target. The project manager should compare all decisions on modifications to the original objectives to make sure this does not happen. Programmes do not generally allow modifications to objectives – because it would mean they were getting a different project to the one they had approved.

The steps to achieving objectives are a different question. Situations change, new information becomes available, project activities may lead to better ways of doing things; all of these things naturally lead to activity modifications. A large part of the project manager's role involves monitoring these modifications and ensuring that they do not threaten achievement of the final objectives. A key skill is flexibility and being able to adapt to rapid changes without losing sight of objectives.

Table: How to start tracking?

- Fix the project baseline / starting point as a reference for comparison.
- Define what information you need from partners and when. Programme reporting periods provide clear deadlines, but basic information about each partner's progress should be updated much more often (say, once a month).
- Define margins and the scope for variation that can be tolerated to achieve objectives with the available resources.
- Document and communicate variation to partners; i.e., estimated and real progress.
- Decide on a general approach about how to deal with different degrees of deviation from the plan (slight deviation within the scope, medium deviation at the limits of the scope, deviation outside the scope).

2.2 Financial management

On the programme level, once the funds are allocated to a project they are “locked” in that project and cannot be released until after project closure. This means that these funds cannot be used to get other projects started, and the funding is ‘parked’ and useless. As a result, the European Union has created a number of mechanisms to ensure that if money is committed but remains unused for a number of years, the projects and/or programmes concerned will have their budgets cut and lose all rights to the unused funds. These mechanisms (de-commitment and the spending targets in the Performance Framework) operate at programme level, but if programmes lose money because of projects failing to spend according to their budget they may well pass on these budget reductions to the under-performing projects.

This makes it essential that projects provide reasonably accurate spending forecasts. Spending under target because genuine cost savings have been achieved is of course a good thing. The problems to be addressed are bad budget planning and, as a result, asking for funding that will never be needed or used for the project: under-spending is most often the result of over-budgeting. It is also important to think about the realistic timing of expenditure. Experience shows that implementation in approximately the first quarter of the project is slow, and project managers planning the same level of expenditure here as in other parts of the period should ask themselves whether this is really realistic.

The lead partner has to have the overall responsibility for financial management, but each partner organisation must monitor its spending and keep its own records on expenditures for the project in question. The task for the lead partner is to make sure that project partners only report expenditure in line with their original budget, do not exceed the budget for different categories of costs, or claim costs under headings where they have no budget. In most cases, however, the new online systems being put in place should make this kind of basic mistake impossible. Lead partners need to be aware of how different programmes address these kinds of formal errors. Some have a degree of flexibility. Others will rule expenditure ineligible if it is in conflict with the approved budget in any way.

2.3 Managing risks

Risks are internal or external events that may occur during project implementation and could threaten the achievement of project objectives and the project as a whole. A risk could be, for example, a partner dropping out or a key change in policy that goes against what the project is trying to achieve. Basic risk management is important for every project, but the level of detail needed varies depending on the size of the project and the number of risks and possible impacts on the achievement of the objectives. Identifying risks and outlining contingency measures for when they happen should be a task for every partnership, regardless of whether this is required by the programme or not. This process involves three steps:

1. Identifying risks

To identify risks you can look at possible sources of risk or at the threats / problems that can become risks. Sources include the team members, stakeholders, sub-contractors, target groups, etc. Problems could be, for example, a change in the political environment or the loss of money through decommitment. A good way to identify relevant risks can be an open brain-storming session at one of the partner meetings either during the project development stage or very early on in the start-up phase on ‘*What can go wrong?*’ All partners should be involved in this process to a) raise their awareness about possible risks, and b) to identify as many relevant risks as possible (especially with reference to different countries, legislations, sectors, and types of organisations involved). Do not let this exercise get out of hand: It is not about spreading gloom and panic, but rather identifying issues where a few sensible precautions can be taken.

2. Assessing risks

Once potential risks have been identified, they need to be qualified according to their impact on the project and their probability of occurring. As with most other aspects of planning, the assessment of probability can often only be based on assumptions and educated guesses. The impact, however, can often be estimated in relation to the budget and time lost or indicators not achieved. This assessment allows projects to prioritise risks – the ‘high risk’ decisions and actions have to be taken first.

	Low impact	Medium impact	High impact
High probability	Medium risk	High risk	High risk
Medium probability	Low risk	Medium risk	High risk
Low probability	Low risk	Low risk	Medium risk

Table: Risk assessment matrix

3. Dealing with risks

When a problem occurs it is often too late to take any preventive or alternative actions. The project manager and partners concerned have therefore to decide in advance how to handle each risk while there is sufficient time. Possible approaches are:

- **Ignore the risk.** This is sensible for risks with a low impact, or where the resources to develop alternatives would be greater than the impact of the problem, or if the probability is low but implications would be so substantial that the project cannot compensate for them anyway. *Example:* Natural disasters.
- **Identify alternative ways to remove the risk.** This is usually the approach to take for risks with high impact and high probability. *Example:* The project success depends on political support in all participating regions. It is known that the regional government in one of the participating regions could lose the regional elections that will take place in the middle of the project implementation. The possible new government will have different priorities and will probably not support the project.
- **Have a contingency plan to reduce the impact of problems that do happen.** This does not remove the risk but is a temporary solution. *Example:* The project developer has been the driving force behind developing the idea and bringing the partnership together. He/she is a key asset in the project. A plan must be made for the loss of this member of staff, ensuring that their knowledge and ideas are communicated to other people in the organisation so the project can continue without them, if necessary.

It is advisable to review and monitor risks throughout the project to keep on top of them, as they might transform or new ones might come up – *nothing is as constant as change!*

2.4 Revising the work plan

Work plans are short-term planning tools that contain a lot of detail on the activities carried out in the project and can therefore only cover the immediate future of the project – but with reference to the overall project plan. As part of tracking and monitoring, work plans are revised periodically and adapted where necessary.

Timings for the intervals between revisions and the period each detailed work plan should cover vary and should be proportional to the size of the project. In general, it is advisable that each work plan covers the working period between the main project meetings (many projects meet two or three times a year, therefore the periods covered by the detailed work plan would cover between four and six months).

Connecting the work plan to the meeting schedule also has the benefit of being able to directly involve all partners in the elaboration of the next phase of the work plan, so that activities can be allocated directly to the team members, and coordination of shared tasks can begin straight away. This direct approach usually proves very efficient with great time-savings compared to the alternative way of sending drafts back and forth between partners. Afterwards, the project manager can prepare the updated or new work plan based on the meeting agreements, and distribute it to all partners so that implementation can continue smoothly.

2.4.1 Unexpected delays

Project timetables often fail to take account of the time needed for certain administrative procedures that need to be completed before the project can proceed. Two typical examples are obtaining planning permission for construction work and carrying out public procurement procedures for contracting external services. Both procedures are unavoidable and need to be included in project planning.

Some factors cannot be planned for. Bad weather is a typical example in infrastructure projects. The only thing to do is to include this type of problem in project risk assessments and try to develop project activities so all project progress does not depend on the completion of the activities that may be affected.

Another common externality, in particular when it comes to implementation work, is if the project's work depends on the work of others. Here a typical example is when the project's material investment represents part of a large national scheme: If the large project is delayed it usually obstructs the project plan as well. In this case, leaving some leeway for unforeseen delays or regular updates on the progress of the other project might be necessary.

2.4.2 Project modifications

Programme attitudes to this kind of modification vary. Generally speaking, the more detailed the information required in the application, the higher the likelihood that projects will have to ask for permission for even quite small modifications (because the approved application is a main part of the contract with the programme). Whatever the case, adding completely new activities or removing planned ones will always require programme approval and may even mean that the project has to be reconsidered by the programme monitoring committee. Don't ever be tempted to make this kind of major modification without approval: Costs for activities not included in the application are ineligible.

In order to help the programme management make an informed and timely decision regarding the requested modification, it is best to provide information on:

- The nature of the modification (activity, partnership, etc.)
- Who does it affect – one partner/the whole partnership?
- Does it have an effect on the project budget?
- Does it have an effect on the project timeframe?
- Is there a danger that the project will not deliver all or some results and outputs?
- Is the modification related to working methods and procedures or objectives and deliverables?
- Outline alternative solutions, justify them in terms of complying with the original application (i.e., they do not significantly change the original plan).

One important question related to monitoring is to see whether the initial activity plan is still realistic for delivering the promised outcomes. For many projects the plan is likely to undergo change in order to reflect information that was unknown at the start of the project or changing conditions since then. Monitoring project modifications and making sure that these modifications stay within acceptable limits is another important task for project managers.

Project modifications and programme reactions vary according to the type of modification requested:

- **Activity modifications** – Generally accepted if main outcomes are unaffected. Budget implications should be considered.
- **Roles modifications** – When considering a redistribution of tasks in the project, programmes will make sure that joint implementation is not threatened and that all partners continue to play a strong role
- **Partnership modifications** – Tend to be taken very seriously. There are administrative implications – if a partner leaves, who will provide their financial contribution? Do any new organisations live up to programme requirements? Is there still a viable cooperation partnership?

- **Outputs and results modifications** – Modifications in results imply a modification in objectives, and will be questioned.
- **Project time plan modifications** – Project time extensions have been quite common in some programmes, but they make de-commitment forecasting very difficult and will probably be less common in future. Requests for timetable modifications should be based on evidence that delaying factors have been discovered and put right.
- **Budget modifications** – Most programmes are very flexible up to a certain limit of 10%-20% of the budget. After this, the procedures tend to get more complex. Some programmes require more information on certain modifications, such as moving budgets between partners (this can affect partner contribution) and the movement of money between certain budget lines (e.g., from staff costs to external experts).

All programmes have certain flexibility limits when it comes to project modifications. It is imperative that lead partners are well acquainted with these limitations and the flexibility allowed on a project level.

Modifications in project activities and deliverables can be particularly sensitive issues, as this implies a modification to the basic terms on which the budget was approved.

2.5 Project communication

Each project should find the most appropriate activities in order to reach their communication and project objectives. The following points should be considered part of project communication:

- **Regular information flow** – from within the project to the outside world. Keep your target audience up to speed with project progress, making use of the most appropriate media available. Target more indepth communication at key delivery stages of the project. Create some suspense in the run-up for important project deliveries.
- **Feedback systems** – set up, run and make use of regular feedback to engage with your target audience, get their opinion and check that their expectations are being met or that they can be met.
- **Regular evaluation** – of your communication performance through the feedback and measurement of the project communication indicators. Adjust consequently, and notify project partners of the outcomes, successes and bottlenecks captured.
- **Make use of the programme resources** – programmes and national/regional networks can be multipliers, so feed them regularly with information about your project. This will help programmes to identify projects worth showcasing at large scale events such as the RegioStars awards, the Open Days and other thematic occasions where programmes are asked to bring testimonials from the projects.
- **Long-term arrangements** – should start now in order to ensure that ownership and copyright matters are solved before the end of the project. This is valid first and foremost for the project website, in case it is not hosted by the programme, as it will have to be run and updated for a certain period after project closure.
- **Prepare for closure** – decide how you want to showcase the project at its end, and gather what you need along the project lifetime. Images, videos and testimonials can help to make the story of the project and use it as a closing product. On the other hand, efforts should also be made to point to the future directions of the project. Support the durability and transferability efforts envisaged by the project with communication activities.

