

**COMPARISON OF THE EUROPEAN COMMISSION PROJECT
CYCLE MANAGEMENT APPROACH WITH INTERNATIONAL
PROJECT MANAGEMENT STANDARDS & METHODOLOGIES:
PMBOK®, IPMA's ICB®, ISO10.006, PRINCE2® AND TENSTEP®**

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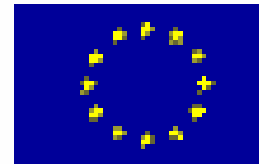
Introduction

- **Project Cycle Management (PCM) - which uses the Logical Framework Approach (LFA) as a key tool - is the chosen methodology for designing, executing and monitoring programmes and projects funded by the European Commission – as well as of many other international institutions.**
- **In this presentation, we will compare this methodology with international PM standards: PMI's PMBOK®, ISO 10.006, IPMA's ICB® and well-known private methodologies PRINCE2® of the UK, and TenStep® from the USA.**



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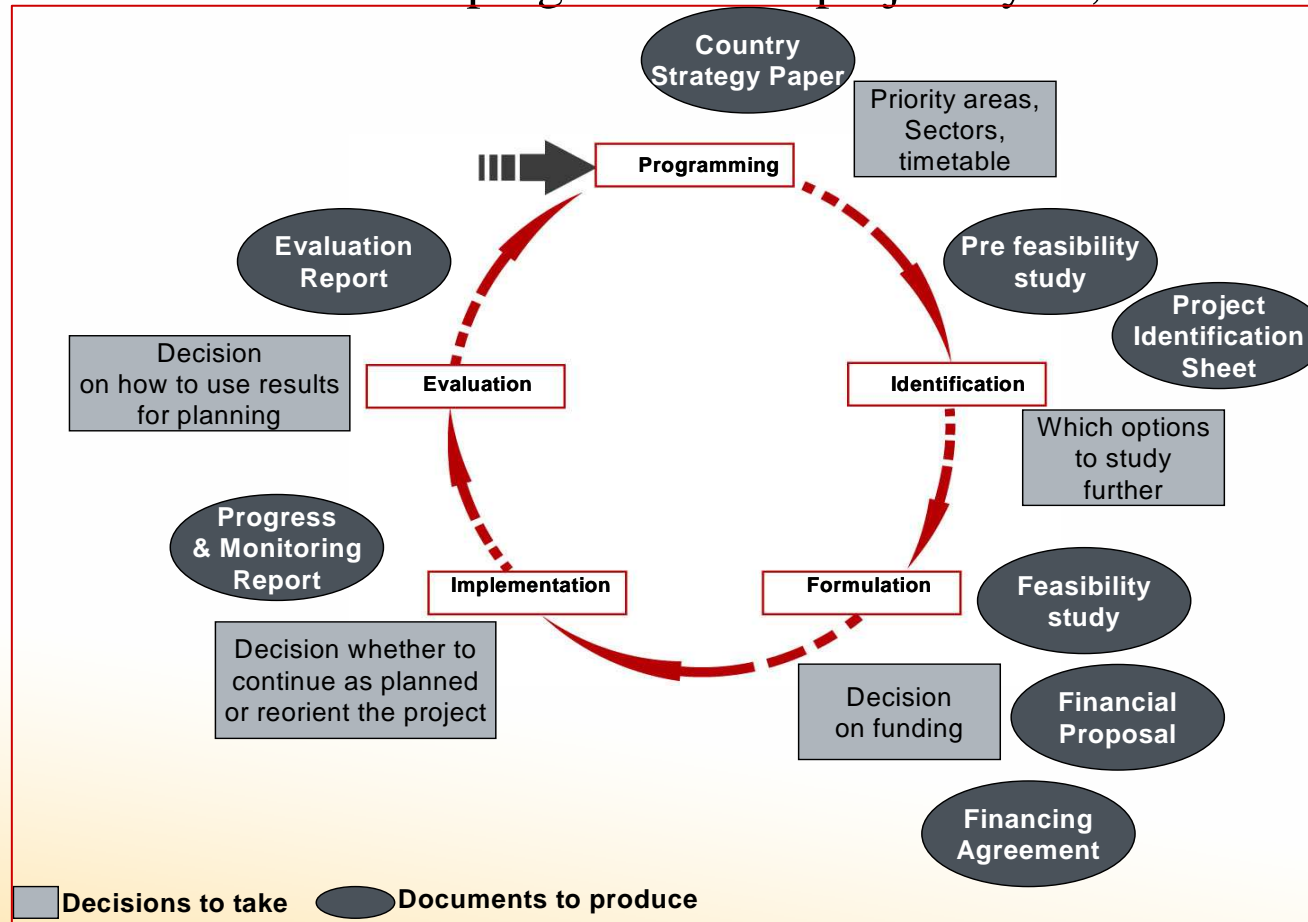
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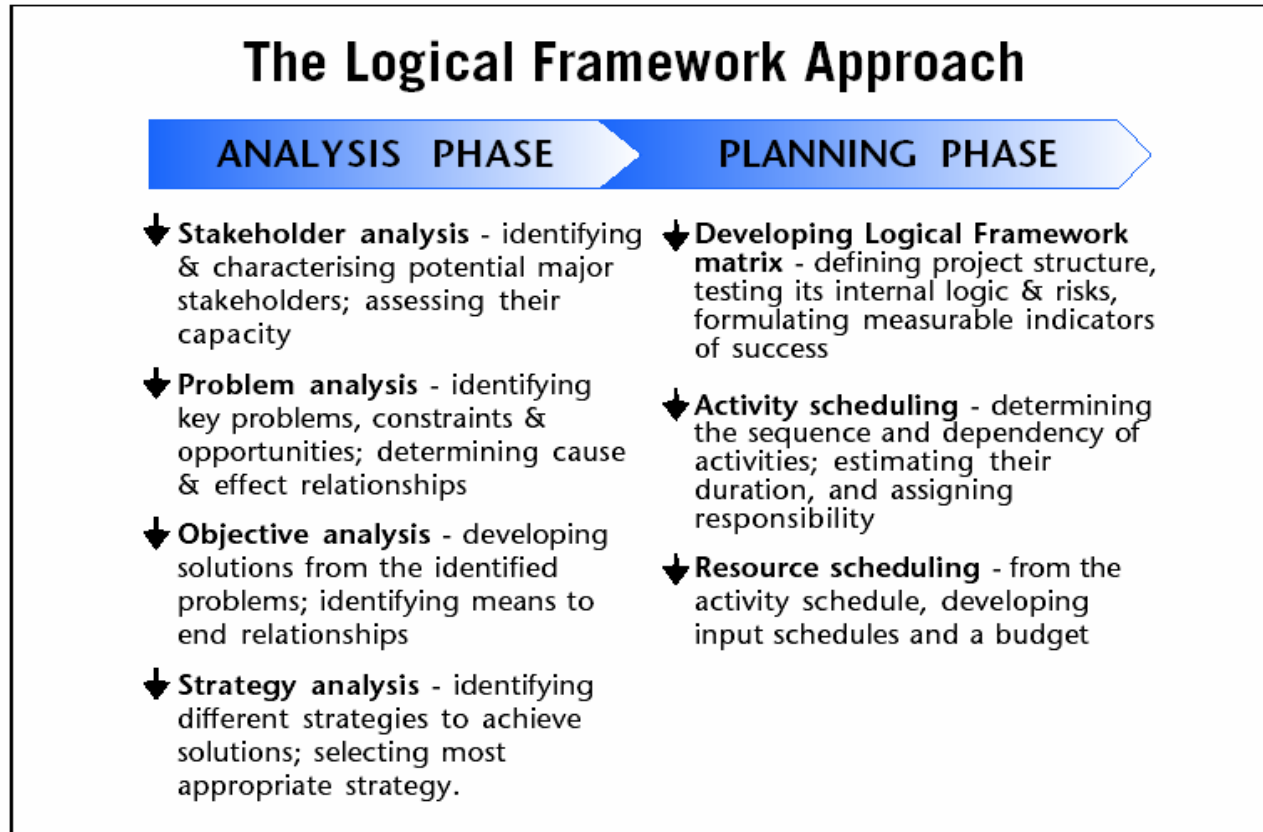
EC Project Cycle Management

- Project Cycle Management (PCM) defines the logic, phases, requirements and documents needed for programme and project cycle,

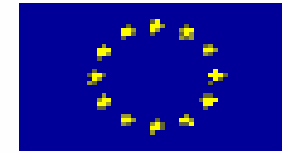


Logical Framework Approach

- The Logical Framework Approach (LFA) consists of a series of methods and techniques for reviewing the needs of stakeholders, defining objectives, analyzing options, deciding on a specific option, and finally defining the indicators (metrics), means of verification, assumptions and risks.



The EU's Programmes and Projects Universe



1. Programmes and projects funded under the **Structural and Cohesion Funds**: allocated to the poorer or problematic Objectives 1, 2 and 3 regions, it represented about 33 billion EUR per year until 2006.
2. Programmes and projects funded under the **EC External Actions (EuropeAid)**: This is the approximately 10-12 billion EUR per year that the EU spends in development aid for EU Candidate and other non-EU countries.
3. Programmes and projects under the **Research and Technological Development Framework Programme**: This roughly 7-8 billion EUR per year programme contracts thousands of projects every year in research, development and innovation fields.
4. Programmes and projects to improve the EU **Internal market**: i.e. the workings and sectors of EU countries: promoting the movement of workers, standardizing technical and trade standards, improving the environment, promoting equality, etc.
5. Small projects and studies categorized as “**Pilot projects and innovative actions**”: These projects are launched to test a concept, analyze a market, sector or idea.



Main PCM tools

1. **Stakeholders Analysis:** identifies and characterizes the main stakeholders and assesses their roles, capacities, willingness to contribute to the project, including economically;
2. **Problem Analysis:** identifies the main problems, constraints and opportunities, including the cause and effect relationship among them;
3. **Analysis of Objectives:** develops solutions (for addressing the identified problems by picturing the image of the improved situation in the future and setting specific objectives, deliverables and results (products) for the project);
4. **Analysis of Strategies (options):** identifies the different strategies or options to achieve the solutions, selecting the most appropriate one (s); also the main assumptions necessary for this strategy/option to succeed are stated, and the main risks and alternative scenarios;
5. **Logical Framework Matrix:** a matrix of four by four summarizing General and Specific Objectives (usually called purpose), Results, key Activities, Indicators, Means of Verification and Assumptions at four levels of the project or programme.
6. Other tools: **Project Fiche and Terms of reference-** describe the programme/ project and the statement of work; project **Schedule and Organizational chart; Evaluation and Monitoring** guidelines; **Eco-Fin Analysis-** the economic and financial analysis supporting project evaluation.



Logical Framework Matrix

Project Description	Indicators	Sources of verification	Assumptions
Overall objective: the project's contribution to policy or programme objectives (impact)	How the Overall Objective has to be measured including Quantity, Quality, and Time?	How will the information be collected, when and by whom?	What are the key global, macro and economic/political assumptions for the project context?
Purpose (often called specific objectives) – direct benefits to the target groups	How the Purpose has to be measured including Quantity, Quality, and Time?	Same as above	If the purpose is achieved, what assumptions must hold true to achieve the Overall Objective?
Results (often called outputs) – tangible products or services delivered by the project	How the Results have to be measured including Quantity, Quality, and Time?	Same as above	If results are achieved, what assumptions must hold true to achieve the Purpose?
Activities (and resources) – tasks that have to be undertaken in order to deliver the desired results	How the Activities/ resources have to be measured - attach schedule, organization chart and budget	Same as above	If activities are completed, what assumptions must hold true to deliver the Results?

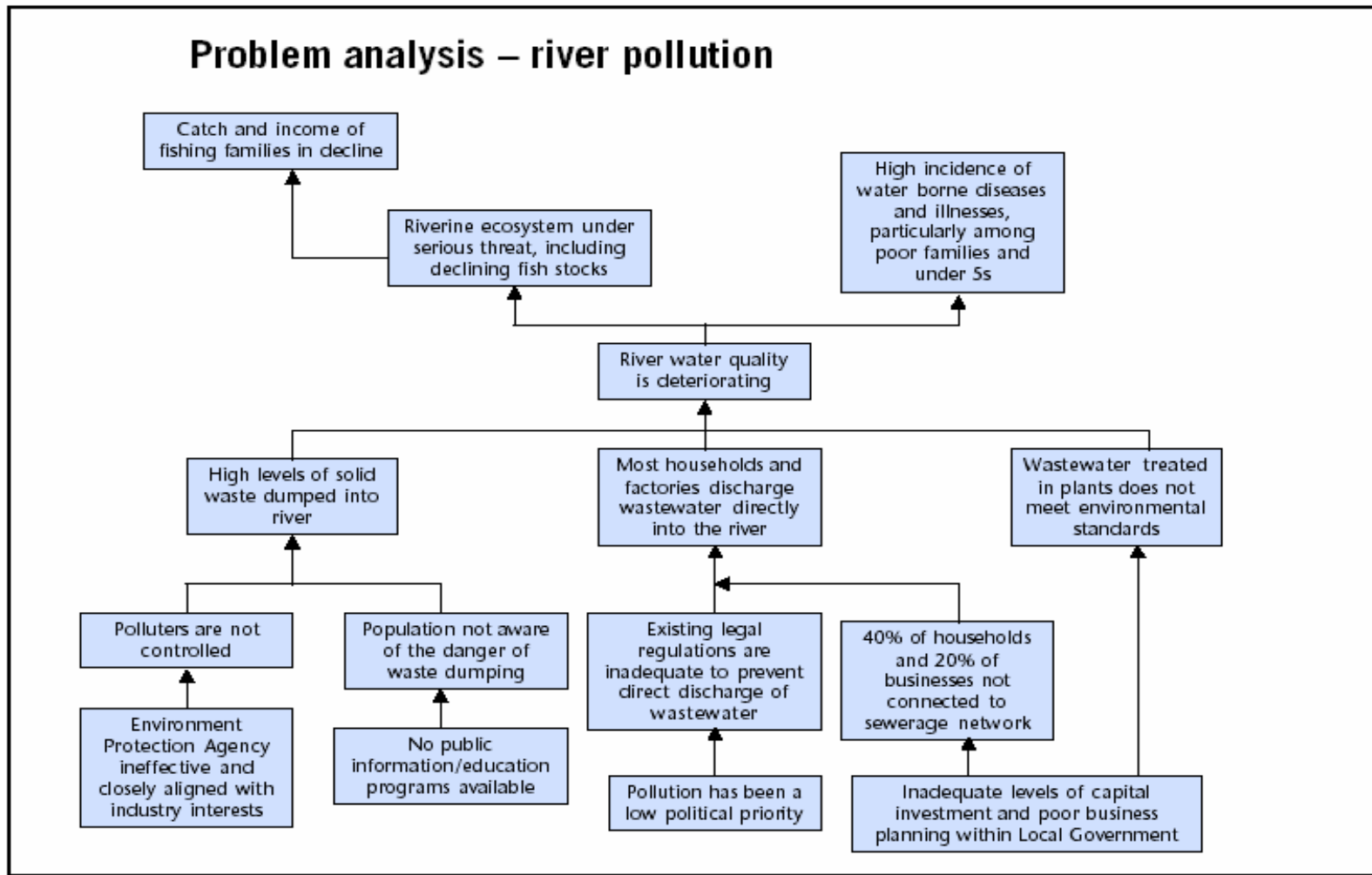


Other tools: stakeholders analysis

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

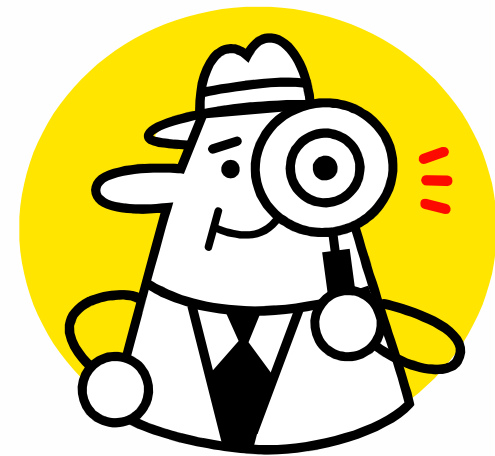


Other tools: problem analysis



PCM compared to PMBOK, IPMA's ICB, ISO 10,006, Prince2 and TenStep

- It is difficult to compare PCM with PM standards, such as PMBOK, IPMA's ICB, ISO 10,006 – dealing with quality in projects, Prince2 of the UK also used in other countries, and widespread private methodologies such as TenStep, which my firm represents in Spain.
- The origins, vocabulary, areas of knowledge, tools, sections, clauses and other aspects are widely differing.
- Yet, the comparison will highlight gaps in the PCM approach, which are better covered by other standards, notably PMBOK.



Stakeholders analysis

- **Stakeholders Analysis:** PMBOK 3rd Edition deals with stakeholders in sections 1.6- Project Context and 2.4 -Project Stakeholders, albeit not mentioning specifically a specific technique for their analysis.
- ICB deals with stakeholders in PM Content Element 5- Stakeholders, but again no specific techniques are mentioned.
- Neither ISO 10.006 nor Prince2 specifically deal with stakeholders.
- TenStep deals with them both in Step 1.0. Define the Work and in sister methodology PortfolioStep.



Analysis of Objectives

- **Analysis of Objectives:** Project objectives are dealt by PMBOK in both section 2.1 The Project Life-cycle and sections 5.1 and 5.2 Scope Planning and Scope Definition.
- ICB considers them in PM Content Element 8- Objectives and Strategies.
- ISO 10.006 deals only tangentially with Objectives as part of Sub-clause 7.2- Scope related Processes.
- Prince2 deals with them in the PL section of the methodology, specifically section PL 2- Defining and Analyzing Products.
- In TenStep, project objectives are dealt with in Step 1- Define the Work. Within this Step, project objectives and products are defined, even if previously analyzed in general terms in the LifeCycleStep.



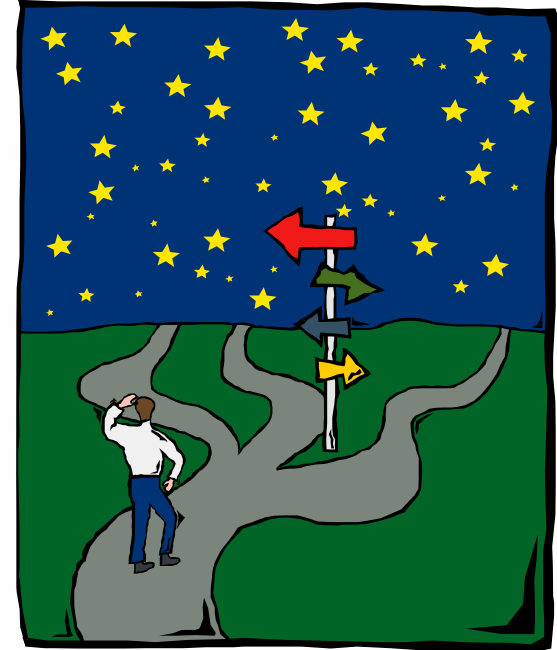
Analysis of Problems

- **Analysis of Problems:** “problems” as defined in the LFA are not issues or problems of project management, but rather the stakeholder, environment or target group problems- which the project tries to address or solve.
- Therefore, the “Problems” mentioned the LFA are part of either the Life-cycle or the Scope processes in all standards and methodologies: PMBOK, ICB, ISO, Prince2 and TenStep.
- Nevertheless, no specific mention of “problems” of the project target group in all methodologies - they are usually part of the Analysis of Objectives or project Options, mentioned in the corresponding areas.



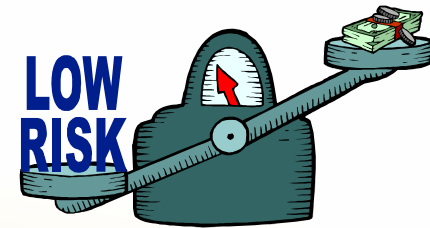
Analysis of Options

- **Analysis of Alternatives/options of types of projects:** Analysis of Alternatives and Options again is part of 2.4 Life-cycle and/or 1.6 Project context in PMBOK.
- In ICB it is again part of PM Content Element PL 8- Objectives and Strategies.
- Objectives and Strategies. The Alternatives/Options are not dealt with specifically with this name in ISO 10.006, nor in Prince2,
- Within TenStep they are included in PortfolioStep, within the project selection process.



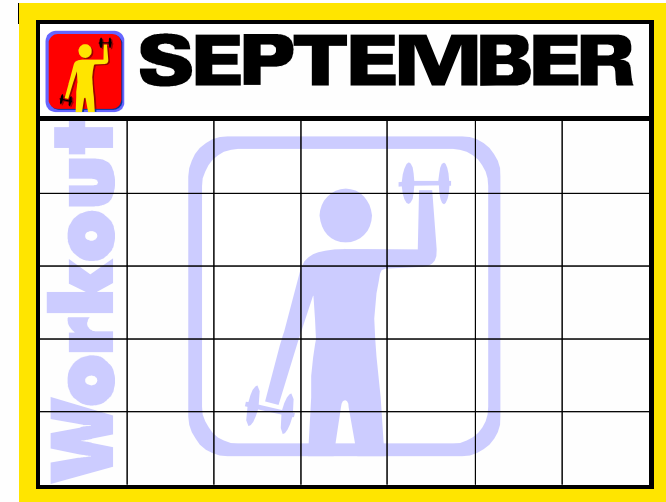
Analysis of Risks

- **Analysis of Risks:** All methodologies deal with Risk analysis: PMBOK has a whole Knowledge Area in section 11 dedicated to Risk management
- In ICB this is covered in PM Content Element 18 - Risk and Chances.
- In ISO 10.006 it is covered in sub-clause 7.7- Risk-related processes
- In Prince2 it is categorized as PL 6 - Analyzing risks
- TenStep has the full Step 7- Manage Risk, dedicated to this area.



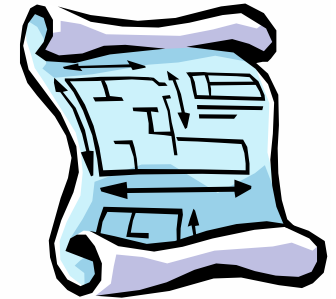
Project Scheduling

- **Project Schedule:** The project schedule is obviously the heart of project management and is covered by all standards and methodologies:
- in PMBOK it is covered within Knowledge Area 6 - Time management, while the final schedule is defined in section 6.5 Schedule development.
- In ICB it is covered as PM Content Element 14 - Project Schedules
- In ISO 10.006 it is within sub-clause 7.4 -Time-related processes, and more specifically in 7.4.4 - Schedule development.
- In Prince2 it is PL 5 - Scheduling
- In TenStep the schedule is within Step 2. Build the Workplan and Budget.



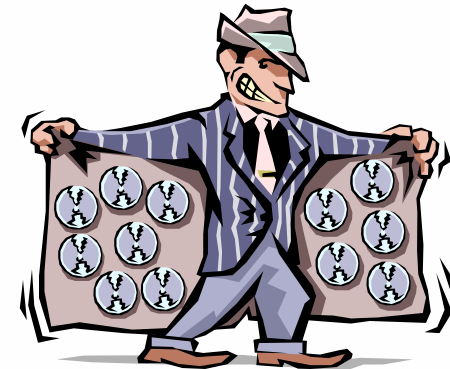
Project Fiche/Terms of Reference

- **Project Fiche/Terms of Reference: Many standards and methodologies define a summary document which describes the project in general (as is the Project Fiche in PCM), while later a more extensive one is produced with the detailed scope:**
- **PMBOK calls it Charter, and deals with it within process 5.1 - Initiation, while the Statement of Scope is defined within process 5.3-Scope Definition.**
- **ICB calls types of documents Project Content and Project Scope- both are part of PM Content Element 13- Project Content/Scope**
- **ISO 10.006 considers these documents with sub-clause 7.3 Scope-related processes, and calls them Concept and Scope.**
- **Prince2 calls them Project Initiation Document (PID), and deals with it within the Initiating a Project IP process IP6- Assembling the Project Initiation Document, while the Project Brief is within process SU4- Preparing a project Brief.**
- **In TenStep, the first document is the Project Definition within Step 1. Define the Work, while scope management is within Step 5- Manage Scope.**



Project Procurement

- **Project Procurement procedures:** Again many standards and methodologies cover the aspects of procurement, purchasing and subcontracting in programmes and projects, although not as extensively as does the public sector (and the EC is no different in this respect).
- **PMBOK has all Knowledge Area 12- Procurement Management,**
- **For ICB it is PM Content Element 27 - Procurement/Contracts.**
- **For ISO 10.006, it is sub-clause 7.8 - Purchasing-related processes**
- **Prince2 does not cover this area specifically.**
- **TenStep Version 5.0 covers procurement in Step 1- Define the work, and its management is in Step 3- Manage work.**



Monitoring and Evaluation

- **Project Monitoring and Evaluation:**
- **PMBOK deals with both of these techniques in the Controlling process group. Yet, PMBOK does not differentiate specifically, on-going Monitoring from external Evaluation.**
- **ICB covers these two variables in PM General Element - 27 Appraise/Evaluate.**
- **ISO 10.006 covers them only very marginally in sub-clause 8.3 Continual Improvement, although again does not differentiate between the continual Monitoring and the static/snapshot Evaluation.**
- **Prince2 covers monitoring in process IP4 Setting up Project Controls, and Evaluation in process CP3 Project Evaluation Review.**
- **TenStep V5.0 deals with the Monitoring within various Steps: Step 3.0 Manage Work, 5.0 Manage Scope; 9.0 Manage Quality and 10.0 Manage Metrics,**



Eco-Fin Analysis

- **Economic and Financial Analysis (Eco-Fin): The various techniques of Financial and Economic Analysis:**
- **PMBOK again mentions Feasibility and project justification in 2.1- The Project Life-cycle**
- **ICB has PM Content Elements 3 - Project Portfolios and Programs, and 5- Project Context, but economic justification is not specifically mentioned.**
- **ISO 10.006 does not cover at all Project justification or economic analysis,**
- **Prince2 does talks about the Business Case as a pre-requisite for project approval- it is part of process SU 4- Preparing a Project Brief.**
- **TenStep deals with economic justification within PortfolioStep, as one of the key Phases of analysing projects prior to their Selection.**



Objectives, Results and Activities

- Logical Framework Matrix's **Specific Objectives, Results and Activities/Inputs**: PMBOK covers Activities in various processes of Knowledge Area 6. Time Management, including resources in 6.3 Activity Resource Estimating.
- ICB covers them in PM content Element 14. Time schedules and 15. Resources.
- ISO 10.006 covers activities within sub-clause 7.3 Scope-related processes, as 7.3.4 Definition of Activities, while resources are not specifically mentioned.
- Prince2 covers activities in PL3- Defining Activities and Dependencies, and resources in PL4- Estimating, which includes resources and costs.
- TenStep treats activities and resources in Step 2. Define the Workplan and Budget.



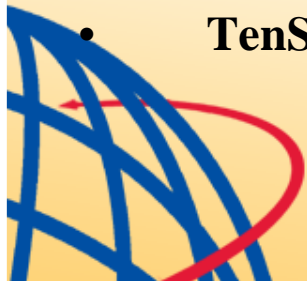
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Indicators, Means of Verification and Assumptions

- **Logical Framework Matrix's Indicators, Means of Verification and Assumptions: All standards and methodologies mention indicators, metrics and assumptions in one or another form:**
- **PMBOK considers metrics within the Area Quality Control, and also in some other processes with the Controlling process groups: 5.3 Scope control; 7.3 Cost control, etc.**
- **ICB covers indicators in PM Content Elements 9- Success, Failure and 19 - Performance, Satisfaction.**
- **ISO 10.006 covers indicators and performance in sub-clause 8.2 Measurement and analysis.**
- **Prince2 covers them only partially in process IP4- Setting up Project Controls, while**
- **TenStep has Step 10.0 - Manage Metrics, which covers metrics in depth.**



Shortcomings of PCM

- As seen in the section above, there are a series of Areas/processes not adequately covered by PCM and LFA: **Human Resources Area, Quality, Risk** is only covered in the Analysis/planning phase, **problems or issues**, etc.
- Likewise, PMC/LA also covers **time management/scheduling** with only a simple technique – only a schedule- no **network diagram or critical path**, etc., which will be necessary in larger projects.
- Moreover, little is mentioned of the **organizational and institutional aspects**, or of **project management offices** or similar structures - as the EC is itself both in Brussels and in various of the larger Delegations in various countries.



Overcoming PCM shortcomings with standards and methodologies

- The shortcomings of the “required” EC methodology can be overcome by a trained (and certified) project manager of an EC-funded project, if additionally to mastering and applying PCM/LFA, the PMBOK concepts and standards are applied.
- If possible, to supplement PCM and LFA in all project phases of a EC-funded project, a detailed methodology for defining templates and details of implementation will also be used- such as TenStep, which is fully compliant with both PMBOK and ISO 10.006.



Conclusions

- **A comparison of EC methodology PCM/LFA with PMBOK, IPMA's ICB, ISO 10,006 and methodologies Prince2 and TenStep, shows that PCM/LFA defines and manages project life-cycle, design, procurement, monitoring and evaluation, indicators (metrics) and budgets, BUT lacks depth or coverage of other important areas of PM.**
- **Gaps: human resources and team management, quality, risk monitoring, complex scheduling, managing problems/issues, organisational aspects, project management offices, procedures for project approval and control and other areas.**
- **It is suggested that PCM/LFA be complemented with PMBOK standard PLUS a detailed project management methodology- both at authorities supervising projects (EC or country authorities who work with EU funds) and contractors.**
- **EC Supervisors and Project managers should be trained and certified as PMPs, so as to optimize optimize resources and achieve maximum results with EC programmes and projects, executed in EU member States plus 180 other countries around the world.**



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More information

- Public sector project management, especially that funded by international institutions, is a specialized area of knowledge, covered by Government and International Development SIGs, as well as specialized consulting firms.
- Further information: www.corpsolutions.net and www.tenstep.com.

