

The Nature of International Development Projects

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Introduction

International organizations like the World Bank and Governmental and Non-Governmental Organizations (NGOs) plan and implement development projects with the aim of improving living conditions in developing countries. These projects are different from other types of projects for a number of reasons and the approach to implementation must also be different. This presentation will define those differences and specify approaches that are necessary for project success. The paper is based on results of the evaluation processes of the World Bank and on the work of a committee of the PMI International Development Specific Interest Group (SIG) that is developing an International Development Body of Knowledge. (BOK). For a look at a model of how to define different types of projects see my paper presented at PMI Philadelphia in 1999. (Youker, 1999, October)

Definition, What are International Development (ID) Projects?

ID Projects are medium to large size public projects and/or programs in all sectors of developing countries financed by the following types of institutions:

1. Multilateral Development Banks such as the World Bank and regional development banks (ADB, AfDB, IADB, CDB etc.)
2. United Nations Associated Agencies (including UNDP, FAO, ILO, WHO, UNIDO etc.)
3. Bilateral and multi-lateral government agencies (such as USAID, European Union or CDA)
4. Non-Governmental Organizations (NGOs) (such as CARE, Catholic Relief Services or Save the Children)
5. Government agencies in developing countries.

Thus, by definition, ID Projects involve a number of different actors including donor agencies, (often more than one), government organizations at several levels, consultants, contractors, trainers, evaluators, researchers, and local beneficiaries including local organizations.

Characteristics of ID Projects

1. The objectives of ID projects are for economic and social development often involving poverty reduction and the usual profit motive is often missing. The financing agency often has motives and objectives of its own.
2. The financing can be both via a loan or an outright grant.
3. By definition, all ID projects are in developing countries and, at least partially, externally financed.
4. The management of ID projects requires dealing with the entire Project Life Cycle from Identification to Operations and Ex-post Evaluation.
5. All projects can have a variety of interested parties both positive and negative (stakeholders), but ID projects usually have a large array of stakeholders whose views must be considered.
6. The role of project sponsor is often unclear. Often times it can appear that the real sponsor is the external agency rather than a domestic party.
7. Developing country environments are difficult environments. There is often a lack of infrastructure. All resources are in short supply especially human resources like trained accountants. Local citizens may have a different concept of time and different value structures and cultures. The external forces may be seen in a negative vs. a positive way. The country has their own systems and each donor may have its own systems and all may have key differences.

How are ID Projects Different?

In addition to the above characteristics, ID projects share a number of parameters as follows:

1. The financing agency often leads the project identification in line with its own objectives.
2. It is difficult to involve the local beneficiary stakeholders in project discussions because of literacy, volume, distance and communication problems.
3. Governments in developing countries are continually short of resources and usually have difficulty meeting the resource requirements they promised at time of project planning and approval.
4. Corruption is often an endemic problem and requires monitoring systems to insure transparency.
5. The local government environment is often a "non-entrepreneurial" one and yet project success often requires an entrepreneurial project manager and project champion.

Different Types of ID Projects

There are a number of different types of ID Projects as follows:

1. “Hard” vs.” Soft”- Originally most ID projects were civil works construction projects like railroads, ports, dams and power plants. These had clear goals and could be contracted out to large experienced international firms. They were called “enclave” projects. Over the last three decades the mix of projects has changed drastically to “soft” or projects aimed at human development like education, health, and institutional development. Soft objectives are harder to define and measure than hard objectives and they require greater involvement of local stakeholders.
2. Size of course is another key difference. There can be small, medium, large or even mega sized projects.
3. Whether the project is contracted out or performed by an organization’s own work force is another key difference and one with large consequences in terms of ease of management.
4. After a natural disaster, like a hurricane, there are emergency projects which are different from normal development projects, especially in regard to timing.

How Do ID Projects Get Started?

ID Projects, like all projects, go through a project life cycle. Exhibit 1 is a chart of a generic project life cycle for a development project. Exhibit 2 is the same Project Life Cycle but from the point of view of the country vs. the donor. The key difference from the countries’ point of view is the need to attract financing. Project Identification should flow out of a countries strategic planning process organized by both sector and region. Unfortunately too often the selection of projects reflects the donor’s ideas rather than the countries priorities. By definition most ID projects are pieces of longer-range programs. Also currently most donors require that projects be identified as part of a Comprehensive Development Framework and Sector or Regional Program. The hierarchy of objectives required now for all World Bank financed projects starts with the Sector Related Country Assistance Strategy Policy Objective. The planning process encompasses a) Problems or opportunities, b) Objectives, c) Strategies, d) Programs consisting of Projects.

Problems in Managing ID Projects (Youker, 1999, June)

The World Bank and the host countries prepare detailed *ex post* evaluations of all projects. The results of these evaluations are published every year for the purpose of learning from experience. The following is a list of selected problems from a number of years of evaluation reports.

- Lack of shared perception and agreement on the objectives of the project by donor and government staff and stakeholders.
- Lack of commitment to the project by the team, management and stakeholders.
- Lack of detailed, realistic, and **current** project plans (schedule, budget, and procurement).
- Unclear lines of authority and responsibility (organization not structured for project management).
- Lack of adequate resources, especially from government.
- Poor feedback and control mechanisms for early detection of problems.
- Poor or no analysis of major risk factors.
- Delays caused by bureaucratic administrative systems (approvals, procurement, personnel, land acquisition, and release of funds).

Required Approaches in Managing ID Projects

Given the specific nature of ID Projects and the common problems encountered in developing and implementing them there are specific approaches that can improve the management process as follows:

1. Rule number 1 is to insure full participation of locals in the entire process of the project life cycle and to endeavor to develop complete local ownership of the project by both the various levels of government involved as well as all stakeholders. It should be **“their”** project, not a “World Bank Project”.
2. It is critically important to manage the entire Project Life Cycle, not just the implementation phase or stage. The duration of the average project life cycle from identification to transfer to operations can be as long as 10 to 12 years. The average duration of the implementation phase of a World Bank Project is about 6 to 7 years. Since the planning stages before implementation represent about one half of the total project duration, effective management of those phases are just as important as managing the implementation phase in reducing total project duration and usually much less expensive in “crashing” the schedule. Unfortunately, governments are

reluctant to appoint a Project Manager until the financing is assured, hence there is often no PM during the first half of the Project Life Cycle and no one in charge of managing the development process.

3. The World Bank and other donors usually require the government to set up a Project Implementation Unit (PIU) or Project Management Unit (PMU) organization to manage projects they finance. These units are often somewhat separate from normal government channels and are matrix organizations with a Project Manager and staff having complete responsibility but limited authority over most personnel working on the project who remain in normal government positions. Matrix organizations are difficult to set up and operate effectively and they require more attention than donors normally provide. The Government and donors need to see that matrix systems will operate effectively.
4. The role of Project Manager often does not match the position descriptions in a civil service agency and government bureaucracies are often reluctant to give them the power and authority they need to be effective. Often times the Project Manager will report to a Project Director (PD) who is a full time, high level manager in a functional bureaucracy as well as being Project Director. This arrangement can assist a PM in working across the functions of a government ministry, but it can also create problems if the PD will not delegate authority to the PM.
5. The appointment of a Project Manager as a “contractor” outside of the normal structure of government can get around the problems of low pay levels and bureaucracy but it also causes problems in the long run of weakening the normal government structure. The government and donors need to decide on the proper tradeoff between project success and long range government effectiveness.
6. On most ID Projects various procurements represent a very high proportion of total project expenditures. Donors have complicated procurement and disbursement systems that often don’t match local systems. It is important to start early with a trained staff and with a well-established procurement system for the project.

References

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- Youker, R.B. (1999, June) Managing International Development Projects, Lessons Learned, *Project Management Journal* 30(2) 6-7
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A Generic Project Life Cycle

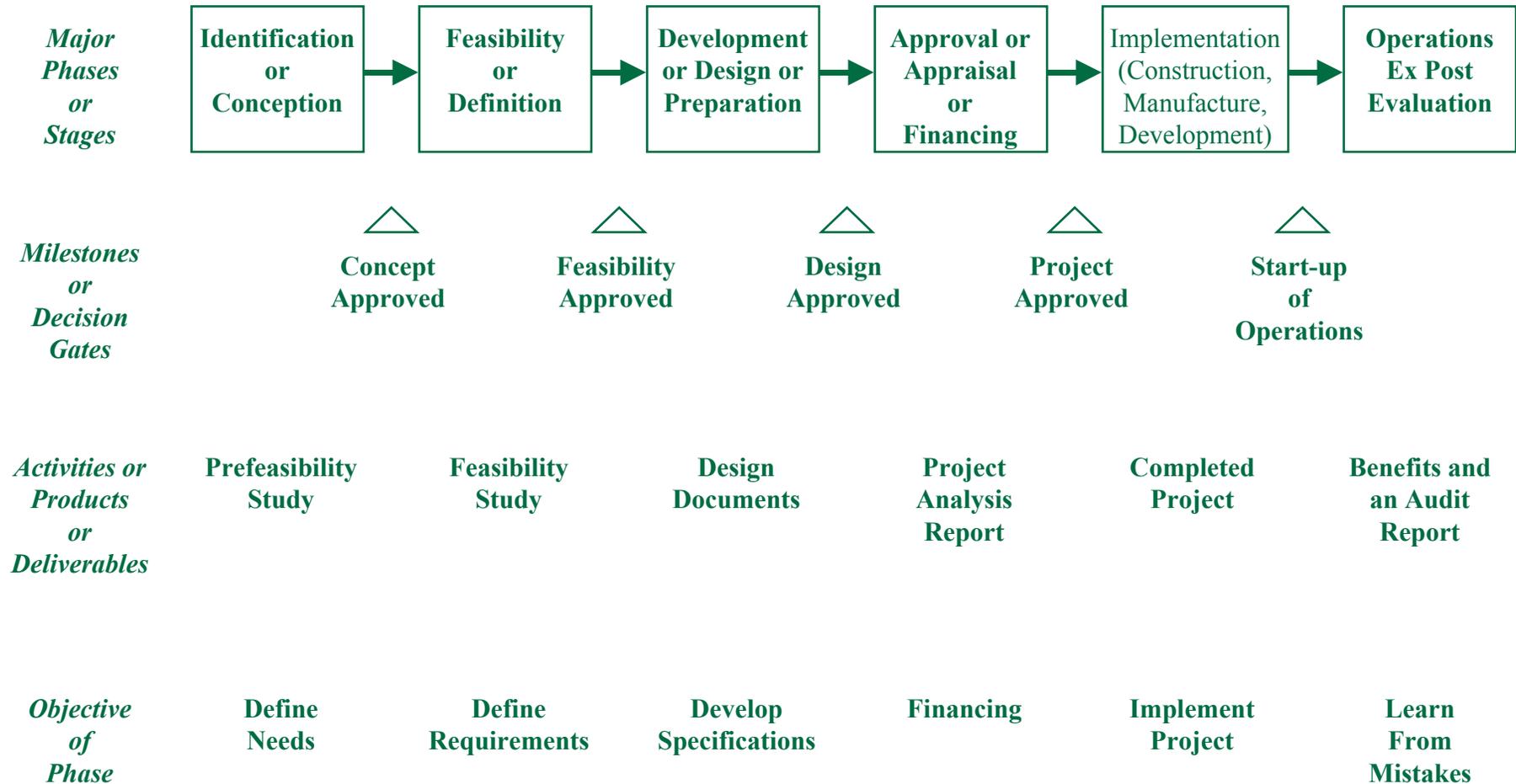


Exhibit 1

Typical Project Life Cycle for a Country

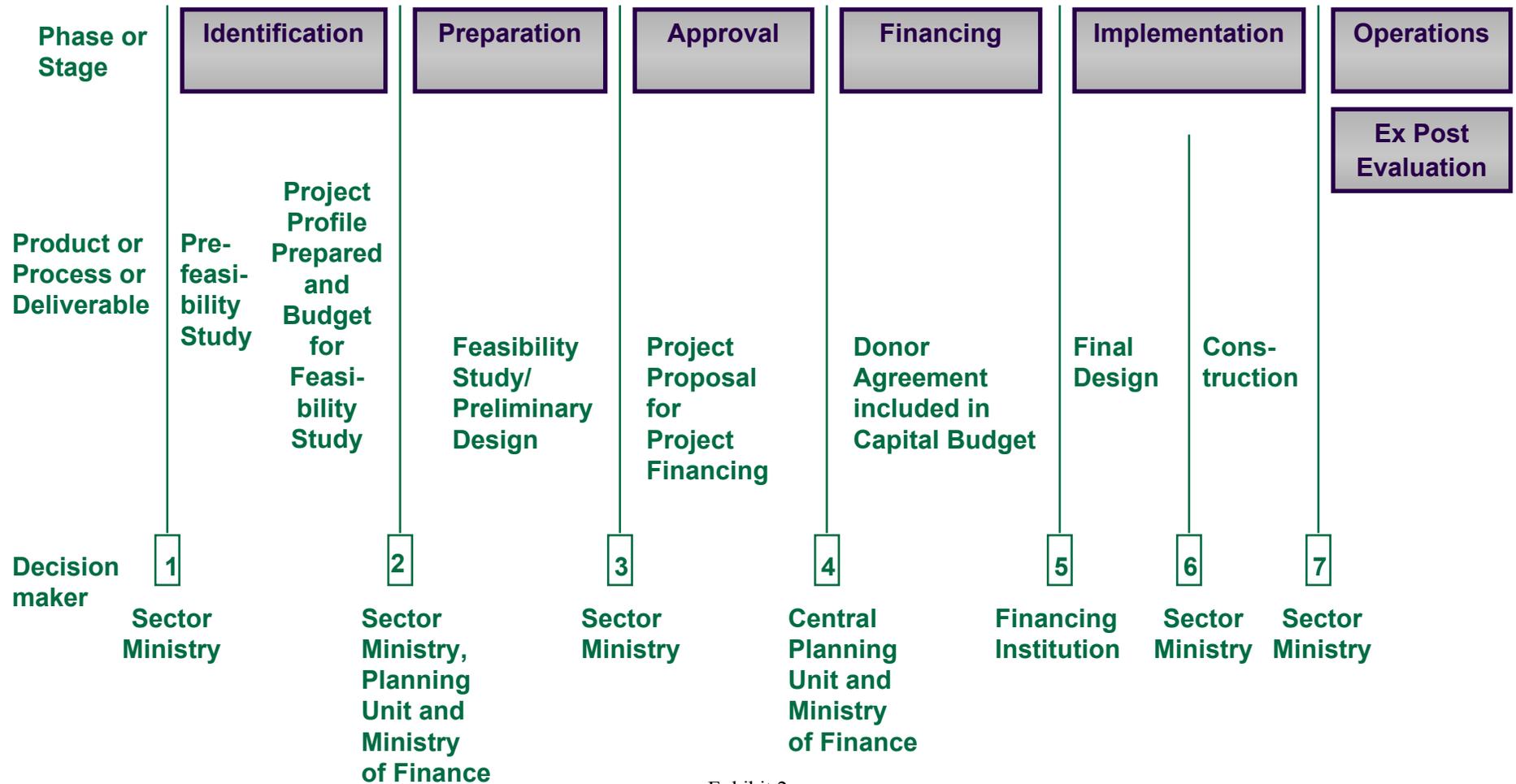


Exhibit 2