

Project Management in the OSCE

A Manual for Programme and Project Managers

Development, Coordination and Design

This manual is designed and developed by the OSCE Secretariat's Conflict Prevention Centre, Programming and Evaluation Support Unit (CPC/PESU).

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Acknowledgements

This manual contains comprehensive guidance on how the Organization for Security and Co-operation in Europe applies the Project Cycle Management method and the Logical Framework Approach to its project work, as well as essential information on the political, programmatic, regulatory and information technology aspects of project management.

The manual's purpose is to ensure coherence, consistency and transparency of project work across the OSCE and to provide a complete set of tools, techniques and templates on how OSCE projects are identified, developed, managed, monitored and evaluated. It is aimed primarily at OSCE Programme Managers and Project Managers, who will be managing projects and other staff and mission members directly or indirectly involved in project work, as well as consultants and external auditors who wish to gain insight to the OSCE project management method.

The method offered by this manual complements the OSCE's Performance Based Programme Budgeting approach and builds on the OSCE Project Management Case Study, the OSCE Project Management Toolkit and the experience of the OSCE executive structures. It particularly draws on the work of the Field Operations in Bosnia and Herzegovina, Croatia, Kosovo and the former Yugoslav Republic of Macedonia. It also reflects international good practice developed by other organizations, including the European Commission, the Organization for Economic Co-operation and Development/Development Assistance Committee, the International Fund for Agricultural Development, and the International Bank for Reconstruction and Development/World Bank.

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Special note on abbreviations: As this is a practical manual, the usual convention on abbreviations (first reference to a title or phrase printed in full and thereafter abbreviated) has been modified to include repeated references in full. This allows any reader to consult chapters and sections without having to be familiar with the previous content or with OSCE intra-departmental abbreviations. Nevertheless, a comprehensive list of abbreviations can be found after the Table of Contents.

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Foreword

The OSCE's work is going through a period of adaptation to the political, financial and operational challenges it currently meets. The Organization's field operations, institutions and Secretariat have to translate the OSCE participating States' political commitments into effective programmatic strategies and projects with increasingly limited human and financial resources.

Projects have to be developed and implemented against the backdrop of growing pressures to be more responsive to the needs of host country authorities and civil society, as well as the calls of the participating States to increase the efficiency, effectiveness and transparency of the OSCE's activities.

The OSCE Project Management Manual is being introduced to address the aforementioned challenges and complement the Performance Based Programme Budgeting approach. A comprehensive methodology is essential to streamline project management practices across the Organization, to implement efficient, effective and sustainable programmes and projects, to improve performance via constant learning as well as to account for the sound and transparent use of the OSCE participating States' contributions.

I am confident the OSCE Project Management Manual will become a pivotal tool to improve the way the OSCE executive structures develop, implement, monitor and evaluate projects to deliver tangible and sustainable results.



OSCE Secretary General
Marc Perrin de Brichambaut

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List of Abbreviations and Acronyms

ACMF	Advisory Committee on Management and Finance
AMU	Asset Management Unit
CA	Conventional Ammunition
CPC/PESU	Conflict Prevention Centre/Programming and Evaluation Support Unit
CRMS	Common Regulatory Management System
CSO	Civil Society Organization
DelWeb	Delegates Website
DHR	Department of Human Resources
DMF	Department of Management and Finance
DocIn	Records and Document Management System
EC	European Commission
FAI	Financial/Administrative Instruction
FAU	Fund Administration Unit
FMMC	Fund Material Management Committee
FSC	Forum for Security Co-operation
HCNM	High Commissioner on National Minorities
IBRD/WB	International Bank for Reconstruction and Development/World Bank
IFAD	International Fund for Agricultural Development
IP	Implementing Partner
IPA	Implementing Partner Agreement
IRMA	Integrated Resource Management System
Logframe	Logical Framework Matrix
MC	Ministerial Council
MC.DEC	Ministerial Council Decision
MoD	Ministry of Defense
MoU	Memorandum of Understanding
MoV	Means of Verification
NAMSA	North Atlantic Treaty Organization Maintenance and Supply Agency
NGO	Non-governmental Organization
OCEEA	Office of the Co-ordinator of OSCE Economic and Environmental Activities
ODIHR	Office for Democratic Institutions and Human Rights
OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
OIO	Office of Internal Oversight
PBPB	Performance Based Programme Budgeting
PBPR	Programme Budget Performance Report
PC	Permanent Council
PC.DEC	Permanent Council Decision
PCM	Project Cycle Management
PO	Programme Outline

PrepCom	Preparatory Committee
PSD	Project Summary Document
SALW	Small Arms and Light Weapons
SPMU	Strategic Police Matters Unit
SSA	Special Service Agreement
ToR	Terms of Reference
UB	Unified Budget
UBP	Unified Budget Proposal
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development
XB	Extra-Budgetary

Introduction to Project Work

INTRODUCTION

Over recent years, the Organization for Security and Co-operation in Europe has become increasingly involved in project implementation. This manual's purpose is to provide a complete reference guide to how projects are managed in the OSCE, including essential information on the regulatory and information technology aspects of project management.

It is aimed at Programme Managers who will be providing overall managerial guidance to projects, Project Managers who will be implementing projects, and other OSCE staff/mission members who will be part of a project team, as well as consultants and external auditors who wish to gain an insight to the OSCE project management method.

What is an OSCE Project?

An OSCE project is a temporary initiative with clear start and end dates. It consists of one or a series of activities to produce results and achieve a specific objective with limited resources. The OSCE field operations, institutions and the Secretariat engage in project work to contribute to the implementation of their respective mandates, alongside their traditional diplomatic work and monitoring and reporting activities.

Why is Project Management Important?

Project Management is important in order to appropriately conceptualize an idea, proficiently plan and develop a proposal, as well as to properly implement, monitor, control and evaluate a project. Project management puts in place a logical and simple method to ensure a project achieves its objective. In summary, project management:

- Guarantees consistency between the political priorities of the OSCE and its project work
- Ensures there is a strategic justification for setting up the project
- Improves the quality of project work
- Maximizes the chances of project impact
- Ensures the human, financial and material resources are employed in an effective and efficient way
- Ensures the project is implemented in a transparent and accountable manner in line with the rules and regulations of the OSCE, and
- Mitigates the risk of project failure.

Project Management within the OSCE

The OSCE project management method provides a structured framework to manage the project from its beginning until its closure and also ensures that the project achieves its objective. It provides a set of techniques, tools and templates to organize each phase of the project work. The OSCE uses Project Cycle Management (PCM) method together with the Logical Framework Matrix¹ (logframe) to design, implement, monitor and control, and evaluate projects.

This manual will guide you through the different phases of the OSCE PCM method; teach you how to apply the logframe and use the different techniques, tools and templates to organize each phase of your work.

The OSCE project management method is inseparable from the programmatic, regulatory and information technology framework. In addition to proficiency in project management, a good Project Manager needs to have a solid understanding of the:

1. Mandate of his or her executive structure that triggers project work
2. Unified Budget process and its key documents that set the context for project work
3. Regulatory framework that governs project work, and the
4. Information technology framework that supports project work.

Key Concepts

The OSCE has its own vocabulary to ensure common understanding among its diverse workforce and this is equally true of its project management method. It is essential that the Project Manager has a good understanding of the key project management concepts used in the OSCE to ensure timely, effective, accountable and transparent implementation of projects. The outlines of key concepts given below are refined and expanded in the relevant chapters and sections of the manual (see for example, the section on Roles and Responsibilities).

Mandate

In the context of project management, the mandate refers to the decision made and authorization given by an OSCE decision-making body, usually the OSCE Ministerial Council or Permanent Council, to set up an executive structure or expand its scope of tasks. The mandate explains why an executive structure was set up and defines the nature and boundaries of its co-operation with either an individual host country or collectively with all participating States.

A Project Manager needs to refer to the relevant Ministerial or Permanent Council Decision(s) to better understand the higher level political context that triggers specific project work.

Unified Budget Process

Fund Managers translate their mandates and the political guidance received from the participating States into programmes via the Unified Budget process. The Unified Budget (UB) process is composed of three key documents, produced on an annual basis: the Programme Outline (PO), the Unified Budget Proposal (UBP) and the Programme Budget Performance Report (PBPR). The PO describes programme strategies, the UBP outlines their resource requirements and the PBPR reviews their performance.

Projects do not take place in isolation. Programmes set the context in which projects take place, therefore project management starts with understanding the UB process.

Regulatory Framework: Common Regulatory Management System

Management of projects is regulated by the various provisions of the Common Regulatory Management System (CRMS). The CRMS consists of Financial and Staff Regulations and Rules, relevant Decisions of the Ministerial and/or Permanent Council and a set of Financial, Administrative and Staff Instructions.

The OSCE staff/mission members involved with project work are required to be familiar with, and abide by, the aspects of the CRMS which regulate projects. These key financial, administrative and staff regulations, rules and instructions are integrated into each relevant chapter of this manual.

Information Technology Framework: IRMA and DocIn

Within the OSCE, management of projects is supported by an elaborate information technology framework called the Integrated Resource Management System (IRMA). IRMA incorporates the set of

rules, processes and systems that are governed by the CRMS. Within IRMA, a comprehensive array of software applications is provided, including Oracle, and communication tools to manage the OSCE programmes and projects.

IRMA sets the framework to support the engagement, management and monitoring of each project's financial, human and material resources. It provides information and helps to control how the OSCE manages its resources, and it ensures that procedures are in line with accepted best business practices. These systems in finance, budget, procurement and human resources are supported by modern technology based on the Oracle Enterprise Resource Planning modules.

OSCE staff/mission members involved with project work are required to be familiar with the purpose of IRMA's different software applications and communication tools. Depending on the roles and responsibilities they assume in a project, they may be required to actively use one or more of these applications and tools.

In addition, the OSCE's Records and Document Management System (DocIn) facilitates the storage and management of substantive, programmatic, managerial and administrative information. DocIn is the custodian of the OSCE's institutional memory and it is essential for Project Managers to store, share and disseminate all the key project documents.

Executive Structure

The OSCE field operations, institutions and the Secretariat, Special Representatives or other operational instruments of the Organization are referred to as the OSCE executive structures.

Fund Manager

The Secretary General and Heads of Institutions and Field Operations are Fund Managers of the OSCE. The Secretary General has the ultimate responsibility as he or she is accountable to the Permanent Council and must monitor compliance by all executive structures in accordance with Financial Regulation 1.05.

Fund Managers carry ultimate responsibility for the transparent and accountable implementation of the programmes and projects in line with the CRMS. In practice, Fund Managers delegate their authority to Programme Managers.

Programme Manager

A Programme Manager is typically a Head of Unit, Section or Department. He or she plans and formulates his or her programme's priorities and resource needs, as well as supervising its implementation and administration.

Chief of Fund Administration

The Chief of Fund Administration supports the Fund and Programme Manager in the administrative implementation of their programmatic work. He or she ensures that the resources used in this work are in compliance with the CRMS, and advises and supports them in this endeavour.

Project Manager

The Project Manager reports to the Programme Manager. Whereas a Programme Manager will supervise the implementation of a larger, over-arching programme, a Project Manager will be concerned with implementing projects that advance the objectives of that programme.

Unified Budget and Extra-Budgetary Contributions

The OSCE projects are funded from one of two sources: Unified Budget (UB) or extra-budgetary (XB) contributions. The participating States finance the annually budgeted activities (including most projects) of the OSCE under the UB, which is the principal source of funding for the OSCE. The UB funding is available for a maximum of one year from 1st January until 31st December.

Any other contribution made to the OSCE in support of activities not funded in the UB is called XB. Such contributions could come from a governmental or a non-governmental source.²

Performance Based Programme Budgeting

The OSCE uses the Performance Based Programme Budgeting (PBPB) approach to plan for, develop and manage its UB Programmes. The PBPB is essentially a form of results-based management which focuses the OSCE's work, including projects, on achieving short-term results (outputs), and contributing to medium-term (outcomes) and long-term results (objectives). It is important to gain a good understanding of the PBPB approach to see how projects contribute to the achievement of the objectives of a programme and ultimately to the political commitments of the Organization.

Dual Approval Authority

As a safeguard for the proper use of its financial resources, the OSCE applies a dual approval system. For this purpose, the OSCE distinguishes between a programmatic approval and an administrative approval. Together, the programmatic and administrative approvals create a management decision.

Programmatic approval is carried out by the Fund Manager or, under his or her delegated authority, by the Programme Manager. The programmatic approval provides the Fund Manager's or Programme Manager's certification that a specific action is required for achieving the respective programme objective and output. The Fund Manager/Programme Manager is responsible for the effective use of programme resources.

Administrative approval is provided by the Chief of Fund Administration and confirms that the action complies with the CRMS and is an efficient use of the programme resources.

Logical Framework Matrix

The Logical Framework Matrix (logframe) is a visual project planning and management tool. It allows the main components of the project (programme objective, project objective, results and activities) to be organized and analyzed in a structured way. Logframe complements the PCM method to form the methodological basis of project management in the OSCE.

PROJECT CYCLE MANAGEMENT

An overview

1.1 The Characteristics of an OSCE Project

A project is a temporary initiative with limited resources, clear start and end dates, consisting of a series of activities aimed at producing results and achieving a specific objective. Within the OSCE, a project may be funded from the Unified Budget (UB) or extra-budgetary (XB) contributions (for simplification, the XB process is excluded from the description below but see references to XB in the Table of Contents for specific differences). An OSCE project has the following characteristics:

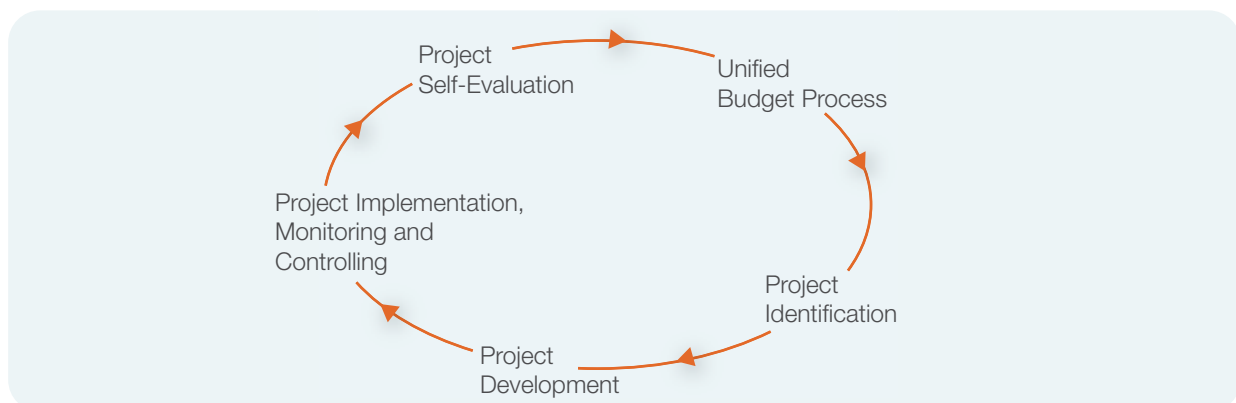
- A Project Manager who is accountable and responsible for the project on behalf of the Fund Manager
- Clear start and end dates and a timeline
- A limited, pre-defined amount of human, financial and material resources assigned to the project
- A set of activities to produce the results
- Results that are goods and/or services to be produced by the project, and
- An objective achieved by the production of results.

Because of these characteristics an OSCE project has a defined life cycle. The project life cycle consists of the various phases a project goes through to deliver results and achieve a specific objective.

1.2 What is Project Cycle Management?

Project Cycle Management (PCM) is a method that ensures the project is managed in an effective, efficient and accountable manner. It divides the project life cycle into five key phases. These are the Unified Budget process; project identification; project development; project implementation, monitoring and controlling; and project self-evaluation. The Project Manager is responsible for managing the cycle. *Figure 1.1* displays the five progressive phases of the project cycle.

Figure 1.1 The Five Phases of the Project Cycle



Each phase ensures that project work is organized based on a set of tasks to be carried out, procedures to be followed and templates to be utilized. These phases also indicate the critical milestones in the life of a project, when stakeholders are to be consulted, approvals from senior management are needed, and when informed decisions need to be made to progress towards the next phase.

1.3 Key Phases of Project Cycle Management

The life cycle of a project starts with the UB process. The UB process sets the context within which projects take place, provides higher level strategic guidance to the Project Manager and triggers project work.

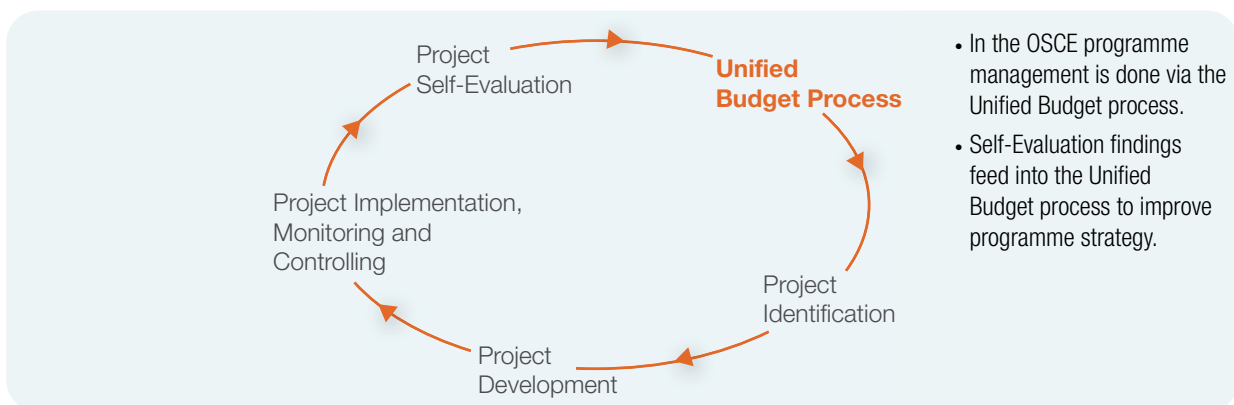
Actual project work starts with the identification of appropriate project ideas and the development of a project strategy. Once a project is developed and approved its implementation, monitoring and controlling phase starts. During this phase, activities are carried out to produce results, the progress of the project is monitored and when necessary changes are made. Self-evaluation is the final phase in the life of a project. It consists of assessing the achievements of the project with a view to documenting the lessons learned, improving strategy and identifying follow-up action. The life cycle of the project ends with the inclusion of project self-evaluation findings into the UB process (planning for the following year).

PCM is a flexible method. The Project Manager will adapt the method to the particular circumstances of his or her project. This manual contains techniques, tools and templates for each phase of the cycle. Whereas the use of some techniques, tools and templates are mandatory, others will be optional. The Project Manager will decide if the novelty, type, size, scope and complexity of the project warrant their use.

1.3.1 Unified Budget Process

Every aspect of the OSCE's work, both substantive and administrative, is organized into programmes. The strategy and resource requirements of these programmes are outlined in a document that is called the Unified Budget Proposal (UBP). In the OSCE the UB cycle is annual, meaning that Programme Managers will be required to plan their activities and request resources for only one year. The life cycle of a project starts with the UB process (see *Figure 1.2*), which translates the mandates of the OSCE executive structures into programmes.

Figure 1.2 The Project Cycle and the Unified Budget Process



This phase is led by the Fund Manager and by Programme Managers. Its purpose is to provide strategic justification for setting up the project and guarantee consistency between the policy and programmatic priorities of the OSCE and its project work.

The UBP is not part of a project as such, but sets the higher level, strategic context in which the projects take place. Strategic choices made at the UBP level directly affect the choice of projects an executive structure will make. Please see the chapter on the Unified Budget Process for further reading.

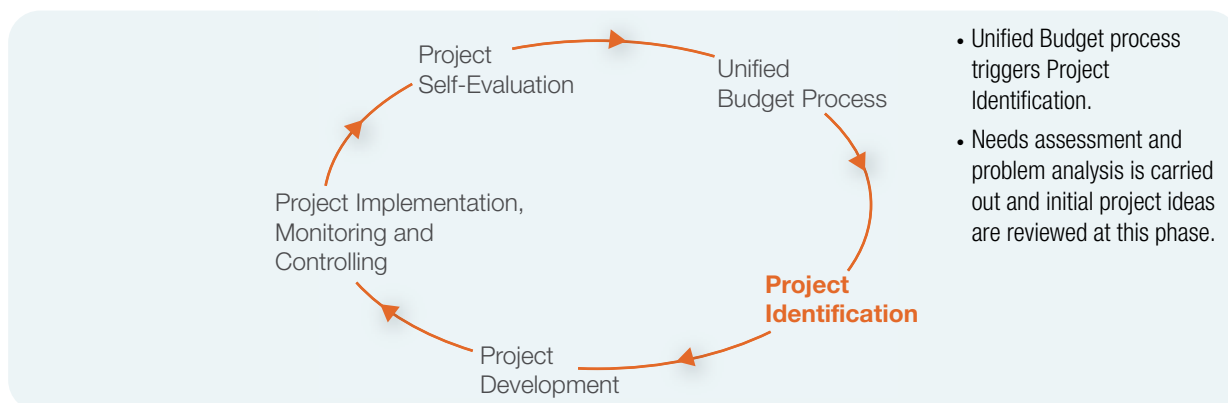
1.3.2 Project Identification

Project Identification is the second phase of the project cycle (see *Figure 1.3*). This phase will begin initially when the Unified Budget Proposal (UBP) is being prepared, because without a tentative identification of project ideas it is not possible to estimate the resource requirements of a programme. Project identification will continue on an *ad hoc* basis throughout the year.

The purpose of this phase is to conduct a needs assessment, analyze the problems in more detail and examine the options available to the OSCE to address them. By conducting a needs assessment, the Project Manager will be able to provide the Fund Manager and the Programme Manager with an overview of:

- The needs in relation to the specific target group/potential beneficiaries
- The options that are available in terms of project ideas
- What the project could resolve or change
- Who will need to be involved, and
- Approximately how and when the project will be carried out.

Figure 1.3 The Project Cycle and Identification



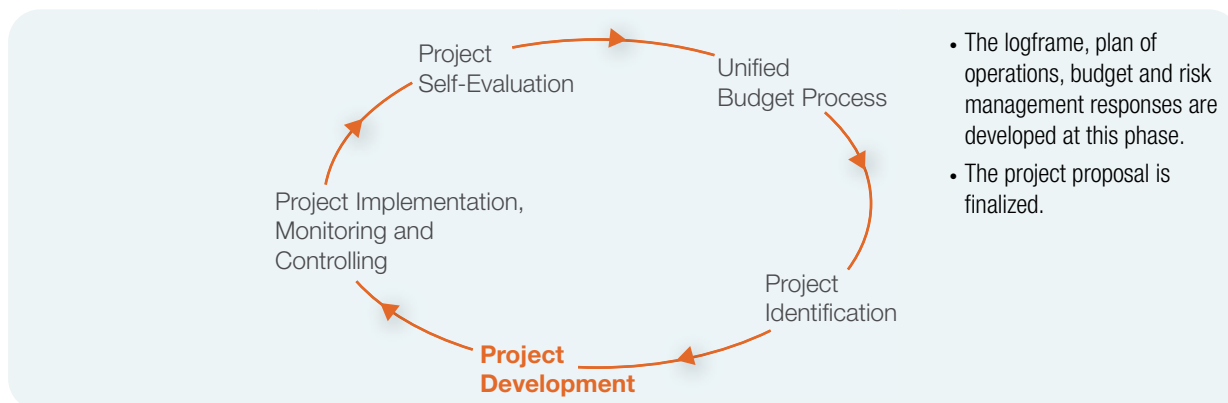
The Fund Manager and/or Programme Manager will decide whether there is sufficient justification to start the process of further planning and developing the project.

This manual offers a complete set of techniques and tools to identify suitable project ideas. The use of these techniques and tools is optional and can be tailored to suit the nature of the project. This may vary according to the experience and capacity of the executive structure (i.e. a brand new endeavour or administrative and technical capacity to implement), size (i.e. high-budget project), scope (i.e. many thematic issues addressed at once) and complexity (i.e. multi-year project, presence of many parallel or interdependent activities or dependence on other projects).

1.3.3 Project Development

Project Development is the third phase of the project cycle, after the Fund Manager and/or the Programme Manager have given their initial approval to proceed further with the development of a full-fledged *Project Proposal*. This is the phase during which the project is thoroughly planned (see *Figure 1.4*). It builds on the work that was undertaken during project identification but will also involve the development of entirely new elements. These new elements are the plan of operations, the detailed budget, the risk management plan and modalities of monitoring, controlling and self-evaluation. The

Figure 1.4 The Project Cycle and Development

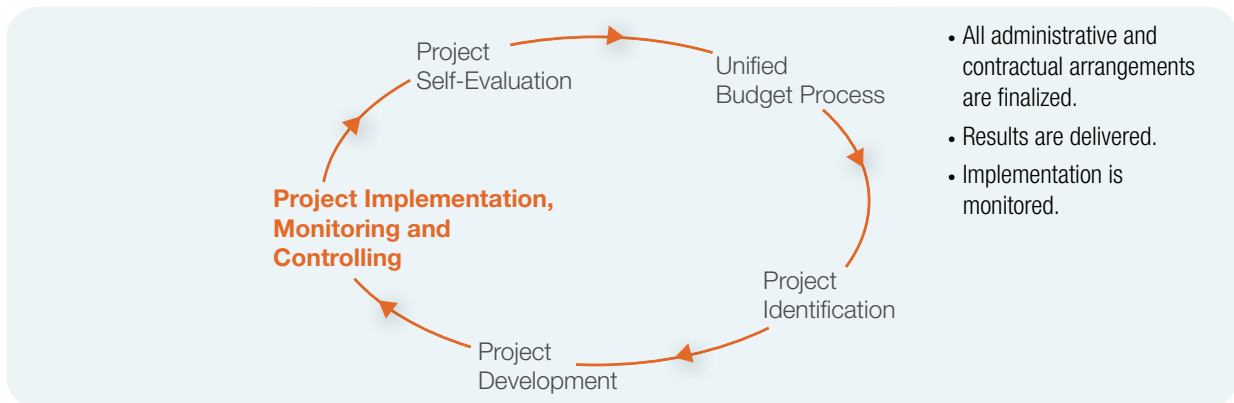


purpose of this phase is to submit to the Fund Manager a complete *Project Proposal* for approval. The proposal will contain the following:

- Description of the political, legal, economic or social context in which the project will take place
- Strategic justification for undertaking the project
- Description of the project objective
- Description of results the project is expected to deliver
- Plan of operations
- Roles and responsibilities of different parties to the project
- Risk management plan
- Monitoring, controlling and evaluation modalities, and
- A detailed forecast budget.

This manual offers a complete set of techniques and tools to successfully develop the project. Projects often fail due to insufficient planning and preparation. Using these techniques and tools will prevent or mitigate risks from the start of the project. The key document that will be produced is the Project Proposal.

Figure 1.5 The Project Cycle and Implementation, Monitoring and Controlling



1.3.4 Project Implementation, Monitoring and Controlling

Project implementation, monitoring and controlling is the fourth phase of the project cycle, and begins when the *Project Proposal* has been approved by the Fund Manager (see *Figure 1.5*).

This phase will include the following processes:

- Inception period (initial implementation phase) during which all administrative and contractual work is finalized.
- Execution phase during which activities foreseen in the plan of operations are carried out and results delivered.
- Monitoring and controlling which take place parallel to execution.
- Administrative closure and handover of the project to local counterparts.

The main purpose of this phase is to deliver the results and realize the benefits expected from the project. The Project Manager will need to manage his or her team, as well as the information flow and communication (e.g. within the team, with senior management, beneficiaries, implementing partners).

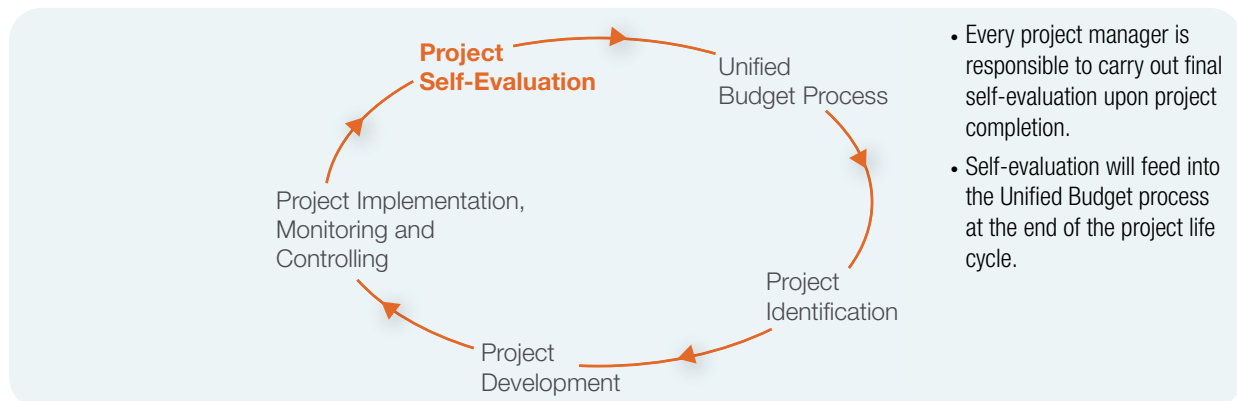
Most Project Managers perceive this phase as the most substantial part of the project cycle, and indeed most of the tangible activities and results will come during it. However, it needs to be underscored that the effort required in this phase is proportionate to those made during the development of the project. Whilst unforeseen challenges can occur at any time during implementation, insufficient development will likely result in more of these being encountered and the Project Manager will be forced into more, time-consuming *ad hoc* arrangements.

This manual contains a complete set of techniques, tools and templates to successfully implement, monitor and control the project. It also gives guidance on how financial reports available in DocIn will complement a monitoring report. The key document that will be produced is the Project Progress Report.

1.3.5 Project Self-Evaluation

Project Self-Evaluation, the fifth phase of the project cycle, is the assessment of the completed project including its strategy, implementation and results by the department or unit of the OSCE executive structure that implemented it (see Figure 1.6).

Figure 1.6 The Project Cycle and Self-Evaluation



The purpose of this phase is to evaluate the performance of the project, find out if the results are delivered and the project objective achieved; identify lessons learned and recommendations as well as follow-up projects to improve the higher level UB programme strategy.

Every Project Manager is responsible for carrying out self-evaluation on completion of the project. The OSCE uses seven criteria³ for the evaluation of projects, which in turn address the following questions:

- **Relevance** To what extent were the project results and objective relevant to the problem?
- **Efficiency** Were the results of the project achieved at reasonable cost?
- **Effectiveness** Were the results achieved/are the benefits likely to be realized?
- **Impact** Did the project bring real change and contribute to a specific UB programme objective/outcome?
- **Sustainability** Will the benefits last beyond the OSCE's initiative?
- **Coherence** Was the project complementary to other interventions of the OSCE?
- **Added Value** What difference did the OSCE's undertaking the project make?

This manual contains a complete set of techniques, tools and templates to effectively self-evaluate the project. The key document to be produced in this phase is the Final Project Self-Evaluation Report.

1.3.6 Revisiting the Unified Budget Process

With the completion of the fifth phase of the project cycle the life of the project comes to an end. Self-evaluation findings will in this phase feed back into the UB process. The purpose of this phase is to ensure lessons learned from self-evaluation are used to improve the programme strategy. The findings will assist the Programme Manager and Fund Manager to evaluate strategic priorities and plan for more effective, efficient and sustainable programmes.

The key guiding documents for this phase succeeding project self-evaluation are the Programme Budget Performance Report (PBPR) and the Programme Outline (PO).

GENDER MAINSTREAMING PROJECTS

2.1 What is Gender?

Gender is a term used to describe socially determined differences between women and men, such as roles, attitudes, behavior and values as perceived in a given context. Gender is an identity that is learned through family, education, media, social and cultural tradition.

Different roles, rights and restrictions are assigned to women and men, depending on societies, countries, historical periods or individuals. These gender roles and rights, as well as the relations between men and women, are not an absolute value or an ideal. They usually change, allowing more rights to both men and women if appropriate gender equality policies are in place. Gender is a relational term that includes both women and men. Gender roles and the relations between men and women are, therefore, changeable and are actually continuously changing.

On the other hand, sex, identifies exclusively the biological differences between men and women, which are genetically determined. Only a few of the differences between men and women can be attributed to biological or physical differences based on sex, for example, pregnancy and childbirth.

2.2 What is Gender Equality?

Gender equality means that women and men enjoy the same status within a society. It does not mean that men and women are the same, but rather that their similarities and differences are recognized and equally valued. Gender equality means equality for men and women in the allocation of resources or benefits, or in access to services. It is the full and equal exercise by men and women of their rights.

Gender inequality can also result in men being “disadvantaged”. Gender equality focuses on changes for both women and men. For example, women should hold, with normality and not as an exception, high management positions, regardless of their private family situation, of whether they have children or not. On the other hand, men should be able to exercise their fatherhood and make use of the paternity leave entitlements with full normality.

2.3 What is Gender Mainstreaming?

Gender mainstreaming is a strategy and a method to achieve gender equality. It is the process of assessing, within a given society/area, how men and women have access and control over resources, decision-making and benefits, and integrating this into the project cycle.

It is also a methodology for making women and men’s concerns and experience an integral part of the design, implementation, monitoring and self-evaluation of policies, programmes and projects. These may be policies, programmes or projects in all political, economic and social spheres.

Under the Common Regulatory Management System (CRMS), the OSCE executive structures are responsible for mainstreaming gender aspects in programmes and projects they plan, design, implement, monitor and self-evaluate. This is in line with the Ministerial Council Decision (MC.DEC/14/04) on the adoption of the 2004 OSCE Action Plan for the Promotion of Gender Equality.

In the OSCE project management context, gender mainstreaming implies that all projects formulated in the Politico-Military, Economic and Environmental, and Human Dimensions take into account the situation of men and women in a specific country and/or area of work, and plan accordingly. This manual integrates gender mainstreaming elements into every phase of the project management cycle from project identification to self-evaluation. A checklist for gender mainstreaming key project documents can be found in the Appendices.

2.4 Gender Mainstreaming and Project Management

Gender mainstreaming is the globally accepted strategy for achieving gender equality. It is a tool the OSCE integrates into the project management cycle to further gender equality. Gender mainstreaming covers the whole project cycle because the concern for gender inequalities has to be analyzed in all situations and in every phase of the project. In sum gender mainstreaming is a tool to ensure the following:

1. The project does not exacerbate any existing gender inequalities.
2. The project is planned more effectively by recognizing that the activities, results and objective will be affected by gender relations in that society and the strategy needs to be adapted to the specific context. With gender mainstreaming a Project Manager will have a better knowledge of the characteristics of the beneficiaries/stakeholders and can more effectively and efficiently plan for and reach results.
3. Gender equality is made a part of the transformation the project wishes to achieve. All the OSCE projects pertain in one way or the other to the “transformation” of political, military, economic, environmental, social or cultural institutions and structures. The Project Manager will integrate gender equality into this transformation process.

ORGANIZATION OF THE PROJECT TEAM

In the OSCE, the Project Manager — on behalf of the Fund Manager — assumes primary responsibility for the effective, transparent, accountable implementation and day-to-day management of the project. However it is also important to understand how the OSCE participating States and different levels of management influence project work.

3.1 Different Levels of Management and Project Work

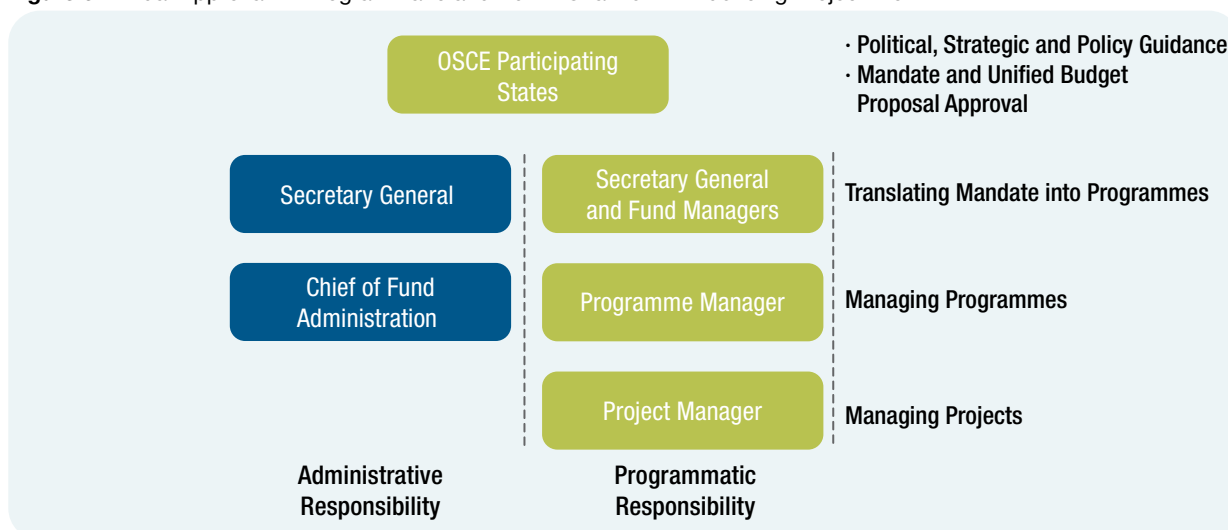
The OSCE participating States collectively represent the highest level of authority in the Organization, including on management of resources. The participating States approve mandates and provide political and policy guidance that sets the context for programmes and projects implemented by the OSCE executive structures.

Figure 3.1 illustrates how the participating States and different levels of management impact project work. The OSCE executive structures operate on the basis of a dual approach to controls, which means the programmatic and administrative aspects of each management action are distinguished. Each management action requires dual approval: the approval of the Fund Manager/Programme Manager and the approval of the Chief of Fund Administration. To underline the principle of dual approval and emphasize the administrative approval authorities of the Secretary General and the Chief of Fund Administration, two rectangles in *Figure 3.1* are shaded in blue.

Each Fund Manager is responsible for translating the mandate into programmes. All Fund Managers receive both programmatic and administrative support from the Secretary General to strengthen the effectiveness of their programmes.⁴

The programmes are managed by Programme Managers designated by each Fund Manager who, in turn, designate Project Managers to carry out project work. In select few cases and depending on the importance of the project, a Programme Manager or even the Head or Deputy Head of Mission may assume the role of a Project Manager.

Figure 3.1 Dual Approval — Programmatic and Administrative — Influencing Project Work



3.2 Roles and Responsibilities

3.2.1 OSCE Participating States

The OSCE participating States, through the Ministerial and Permanent Council approve the “mandates” of the OSCE executive structures. The Permanent Council also approves the Unified Budget Proposal. This is the highest level of management in the OSCE and it is not part of project work but sets the political and resource context within which projects take place.

3.2.2 Secretary General

The Secretary General has both programmatic and administrative responsibilities. The Secretary General is the Chief Administrative Officer of the Organization and the Fund Manager of the Secretariat, and also acts as representative of the Chairman-in-Office. The Secretary General assists the Permanent Council and is responsible to it for the efficient use of the Organization’s resources and for the proper application of the Common Regulatory Management System (CRMS). The Secretary General ensures programmatic co-ordination between the OSCE executive structures; oversees the management of the OSCE field operations and co-ordinates their operational work; develops, approves and issues rules and instructions as part of the CRMS and monitors their implementation; accepts the pledges of extra-budgetary (XB) contributions and allots funding to the XB projects planned by the OSCE executive structures.

The Secretary General co-ordinates the preparation and submission of the Unified Budget (UB) process documents to the Permanent Council and Advisory Committee on Management and Finance (ACMF). Under the UB process he or she assists the Fund Managers in implementing their mandates and policy guidance received from the participating States.

The Secretary General has the overall responsibility of strengthening the efficiency, effectiveness and transparency of the OSCE’s activities, including the UB programmes and XB projects. Therefore the Secretary General influences the development, implementation and evaluation of the UB programmes. The Secretary General does not get directly involved with project level work, however he or she may on occasion be involved in creating political momentum for, or launching of, very high-profile projects.

3.2.3 Fund Manager

The Fund Manager is responsible for translating the mandates and political guidance of the participating States and the Chairmanship into operational activities. He or she will do this by organizing the activities of the executive structure within different programmes in order to achieve their objectives.

The Fund Managers designate programme managers to manage individual programmes and through them manage the resources assigned to their Funds by the participating States. A Fund Manager has the full authority to approve or reject the launch of UB and XB projects. However, his or her in depth involvement with a project will depend on the importance of the initiative.

During project implementation, the Fund Manager has the responsibility to ensure the overall compliance of activities with the respective political (mandate, approved programme) and regulatory (financial and human resource rules, regulations and instructions) confines. It is therefore crucial that the Fund Manager is regularly informed about the development and implementation of projects.

3.2.4 Chief of Fund Administration

The Chief of Fund Administration heads the Fund Administration Unit (FAU) of each Fund and is responsible for day-to-day management of the OSCE resources. He or she is responsible for administrative approval both at programme and project level. In providing administrative approval the Chief of Fund Administration ensures that programmes and projects are implemented in an efficient manner and confirms that project decisions (e.g. procurement, recruitment) do not violate the CRMS.

The Chief of Fund Administration provides guidance to the project manager on how the project can be implemented within the parameters of the CRMS. He or she decides how the FAU will support the project. This includes the upload of the project into IRMA, and the management of administrative actions (e.g. accounting, procurement, asset management).

3.2.5 Programme Manager

The Programme Manager is responsible for achieving programme objectives as set by the Fund Manager and discussed with the participating States within the budget process, and for identifying separate projects to achieve these objectives. He or she will manage the human, financial and material resources allotted to the programme and will assign them to specific projects as required.

The Programme Manager may identify concrete projects to achieve programme objectives and monitor project development and implementation. He or she is not responsible for the day-to-day management of the project, unless he or she is appointed as the Project Manager. For critical decisions (e.g. major changes to the project) the Project Manager will need the approval of the Programme Manager.

3.2.6 Project Manager

The Project Manager is responsible for the day-to-day management of the project. He or she is the key decision maker for the project as long as these decisions are within the responsibilities set by the Programme Manager. The Project Manager will also be the coordinator of relations with the relevant host country stakeholders at working level to ensure their commitment to and ownership of the project.

The Project Manager will set up and manage the project team, and will specify the respective roles, responsibilities, margins of authority and expertise required from the members of the team. He or she also has the responsibility to create and oversee a gender-sensitive and professional working environment.⁵

Together with the project team he or she will identify the activities that need to be undertaken to deliver results and achieve the project objective. He or she will be responsible for managing risks, keeping track of implementation, monitoring progress against results, time targets and expenditure and controlling changes to plans when problems arise and adjustments are needed. Upon completion of the project he or she will evaluate project performance.

In the event that the required services, skills or expertise are not available within the OSCE, and/or if the project includes a capacity-building objective, the Project Manager may also engage implementing partners to carry out the project.

3.3 Project Team

To ensure the project is implemented as effectively as possible, the Project Manager will need to liaise with a number of other OSCE colleagues. Collectively, these can be described as a “project team”, and are responsible for the day-to-day execution and implementation of the project. These are:

- *Project Coordination Unit* (where available) in the field operation assists the Project Manager in the development, monitoring and self-evaluation of the project.
- *Project Records Manager* is the staff/mission member who is assigned the task of archiving physically and electronically the originals or copies of all substantive documents pertaining to the project. The Project Manager will designate one person in his or her department to assume this role, or alternatively the Project Coordination Unit can take on this responsibility.
- *Gender Focal Point* can provide assistance on mainstreaming gender when planning a project, during implementation or during self-evaluation.
- *Legal Adviser of the Fund* will provide *ad hoc* support to the Project Manager when legal advice is needed to clarify issues. In the absence of a Legal Advisor of the

Fund, the Legal Services of the Secretariat can be contacted, in accordance with Administrative Instruction No. 1/2009 on Documents of a Legal Nature.

- *Fund Administration Unit* manages administrative actions such as accounting, procurement, asset management.
- *Experts/Consultants* provide their special skills and expertise to the project for a limited period of time.

3.2.1 Beneficiaries

Beneficiaries are the recipients of the project results. They can be split into two broad categories:

1. *Direct beneficiaries*. Individuals or groups who benefit first-hand from the project. For instance, in police assistance projects the direct beneficiary of the OSCE's assistance will be the police service.
2. *Indirect beneficiaries*. Individuals or groups who benefit from the result or impact of the project. In the same example, the indirect beneficiaries of the impact caused through OSCE police assistance projects will be the general public, either a segment or as a whole.

Beneficiaries may be the general public, non-governmental organizations/civil society organizations (NGOs/CSOs) or host country authorities. Their needs should to be taken into account throughout the project cycle. Direct beneficiaries may take responsibility for the implementation of one or more activities in the project. They could also provide feedback during the planning and development, monitoring and controlling as well as self-evaluation phases of the project cycle.

3.2.2 Implementing Partners

The OSCE's work with implementing partners is regulated by the Financial/Administrative Instruction 15 on Implementing Partners (FAI 15). Please see the chapter on Implementing Partners for further reading on the modalities of the OSCE's work with civil society, national authorities and international organizations.

3.3.3 Project Team and Gender Equality

The OSCE is committed to achieving equality between men and women. When building the team that will manage the project, it is essential the Project Manager ensures the following:

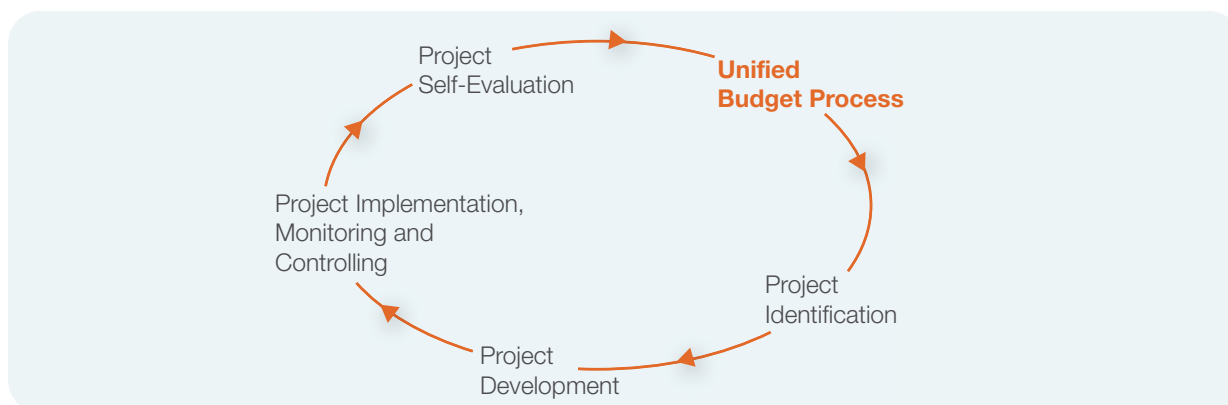
1. Both men and women are included in the project team.
2. No women professional is excluded from a responsibility, based on the assumption that she might not be able to do a good job because she is a woman. This also includes any supervisory tasks or any representation responsibilities.
3. Project management and team members understand and respond to different gender needs in the host country, field operation or institution.
4. Project team members have received basic training and are briefed on the importance of gender mainstreaming projects. This exercise can be co-ordinated with the Gender Focal Point in the respective field operation, institution or the Gender Section in the Secretariat.

From Programme to Project Development

UNIFIED BUDGET PROCESS

The OSCE executive structures translate their respective mandates and the political guidance received from the participating States into programmes through the Unified Budget (UB) process. Effective project management starts with understanding this process. The purpose of this phase is to plan for and formulate strategic priorities of the programmes and set the context within which projects take place (see *Figure 4.1*). Under the authority of the Fund Manager, the UB process is led by the Programme Manager. The Project Managers identify and develop projects in the context of programmes created through the UB process.

Figure 4.1 The Project Cycle and the Unified Budget Process



A UB programme is a level higher than a project. In the OSCE it involves not only managing multiple ongoing projects but also carrying out traditional diplomatic work and political monitoring and reporting. A programme is a complex, continuous and long-term effort whereas a project is a relatively simple, temporary initiative with clear start and end dates.

Fund Managers communicate with the participating States via the documents produced during the UB process and their annual reports to the Permanent Council. The UB process is composed of three key documents produced on an annual basis: the Programme Outline (PO), the Unified Budget Proposal (UBP) and the Programme Budget Performance Report (PBPR), which relate to and build on each other. Fictional examples are given at the end of this chapter.

Fund Managers outline their strategic priorities in the PO, describe how they will go about implementing their programmes and the size of the budget they need in the UBP, and what progress they have made in the PBPR.

4.1 Performance Based Programme Budgeting

The UB process uses a form of results-based management called the Performance Based Programme Budgeting (PBPB) approach to plan for, formulate, communicate, manage and review the programmes that are outlined in the PO, UBP and PBPR. This approach places the emphasis on conducting activities in order to achieve, or contribute to, short-, medium-, and long-term results. This requires sound programme planning and prioritization. It also strongly emphasizes clear com-

munication, so that the OSCE's 56 participating States understand what the Programmes are trying to achieve with those activities. Please refer to the *PBPPB Orientation Guide* for further reading.

All staff members involved with project work should master the use of the key PBPPB concepts. These are: programme objectives, outcomes and the related performance indicators, and outputs. Objectives, outcomes and outputs are derived from the mandate and strategic policy guidance given by the participating States. The UBP is the reference document where all these key concepts are outlined.

While the mandate provides the political framework for the Fund to operate within, the multi-year strategic choices made at the programme level will determine the choice of projects to be implemented. Projects must directly contribute to the achievement of programme outputs set out in the Unified Budget document, in the course of eventually achieving outcomes and, ultimately, objectives. If a project idea that has been identified does not directly help to achieve a programme output it should not be developed further, whether or not it fits within the mandate of the Fund or broader OSCE commitments.

4.2 Key Programme Elements

4.2.1 Programme Objectives

Programme objectives are the end results that a programme intends to achieve over several years. Programme objectives should, where possible, be directly attributable to one or more aspects of the mandate they contribute to, and should also reflect the strategic policy guidance given by the participating States.

4.2.2 Programme Outcomes

Programme outcomes are the mid-term results induced by the outputs. An outcome is a medium-term impact a programme wants to achieve, on route to the fulfillment of objectives. Although affected by outside factors the outcome must lie within the reasonable influence of the OSCE. Outcomes must focus on the tangible change introduced by the programme.

4.2.3 Indicators

Performance Indicators are elements that reflect a quantitative or qualitative change which enables the assessment of programme achievements, or progress towards those achievements. In the OSCE, Performance Indicators are applied at the Programme Outcome level, in order to help gauge the impact of the Organization's work. It is important to remember that indicators only provide a signal of progress and not scientific proof.

4.2.4 Programme Outputs

Programme outputs are the specific products or services resulting from several OSCE activities over one UB process. Projects are usually linked to this level of the hierarchy and one output can be linked to many projects.

4.3 Activities

The activities that contribute to an output are traditional diplomatic work, political monitoring and reporting and projects. It is important that these activities are synchronized and co-ordinated with projects to achieve programme outputs.

4.3.1 Traditional Diplomatic Work

Traditional diplomatic work of the Head of Mission, Head of Institution, Secretary General or senior management can be in the form of policy advice, policy dialogue, advocacy of the OSCE commitments, leading coordination with donors, and relevant host country authorities outside of the established projects. The Programme and Project Managers may well be involved in traditional diplomatic work which is crucial for the OSCE to create momentum or achieve real change in certain areas, especially legislative changes.

4.3.2 Political Monitoring and Reporting

Monitoring and reporting on political developments and on security trends are crucial activities for the OSCE to remain relevant and responsive to the issues in a specific area. Projects need to be responsive to the early warning signals monitored and documented in political reports.

4.3.3 Projects

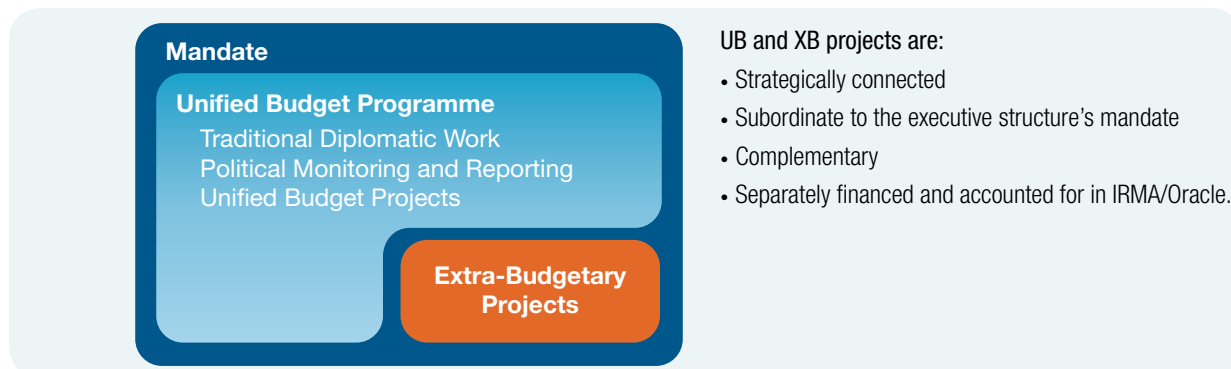
Projects are the OSCE’s way of practically supporting the participating States’ fulfillment of their commitments. In doing this they complement the Organization’s traditional diplomatic work and political monitoring and reporting activities. The value of projects is that they allow the OSCE to be tangibly involved in shaping or solving an issue, which demonstrates the OSCE’s willingness to back up its political dialogue with proactive and practical action. Projects may be financed from the Unified Budget (UB) or extra-budgetary (XB) contributions.

4.3.4 A Strategic Relationship: Unified Budget and Extra-Budgetary Projects

The financing and accounting of the UB and XB projects are kept separate in order to ensure that extra-budgetary contributions are accepted, budgeted, expended, monitored, accounted for and reported under proper authority and control. For this reason, a project cannot be financed and accounted for partly from the UB and partly from the XB resources. Cross-charging of expenditures between the UB and XB resources is also not an acceptable practice.

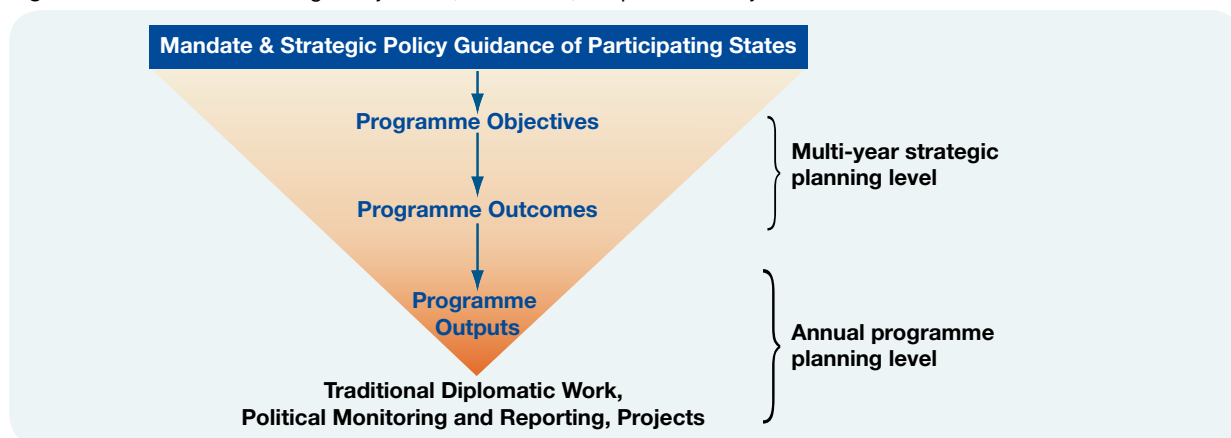
Figure 4.2 depicts the strategic relationship of the XB projects to the mandate and the UB. Regardless of their source of funding, projects will always be subordinate to the UB programme objectives. Thus, the XB projects have to be relevant to the mandate; consistent with and complementary to the UB programme objectives of the executive structure.

Figure 4.2 Unified Budget and Extra-Budgetary Projects: A Strategic Relationship



Programme Managers formulate their programme objectives, outcomes, indicators and outputs in the UBP. The multi-year strategic choices made at programme level will, in turn, impact the choice of projects they will implement. Regardless of their source of funding, projects will contribute to the achievement of programme objectives, outcomes and outputs outlined in the approved UBP.

Figure 4.3 Multi-Year Strategic Objectives, Outcomes, Outputs and Projects



4.4 Key Unified Budget Process Documents

4.4.1 Programme Outline

The PO, presented at the end of May to the participating States, describes the medium- to long-term strategic priorities of each and every programme and defines how the Fund Managers intend to support mandate implementation (see *Figure 4.4*). It should be used to highlight the issues the programme intends to address and justify why OSCE support is required.

Figure 4.4 Fictional Police Affairs Programme Outline

Category: B.1 Politico-Military Dimension			
Programme: Police Affairs			
Strategic Plan			
Police reform remains the central theme of the Police Affairs Programme. The Mission will continue its work on modernizing police education and introducing new policing techniques, such as community policing, in order to strengthen democratic policing and effective law enforcement.			
Sustainable and institutionalised progress at modernising the working methods and techniques employed by the police in the country can only be achieved through reforming the police education system. In November 2007 the Ministry of Interior announced a seven year initiative to overhaul the current police education system. The current system dates back to the 1960s and comprises of three separate institutes: the National Police Academy, the Police Staff College and the Police Training School. All three institutes provide very similar courses, with almost no co-ordination between them. It is expected that this year the Cabinet of Ministers will approve a Ministry of Interior proposal to consolidate the current institutes into two, the National Police Academy, which will provide basic training to new recruits, and the Police Staff College, which will focus on specialised training. The curricula of both institutes are also scheduled to be thoroughly revised. The Mission will support the Ministry of Interior in both of these endeavours. For the last two years, the Mission has supported the Ministry of Interior in developing an array of basic and specialised training modules that can eventually be used in the institutes. This work will continue, with a view to the Mission also training the relevant Ministry of Interior instructors once the courses have been finalised. In parallel, the Mission will support the restructuring of the training institutes once agreed upon by the Cabinet of Ministers. Specialised advice, mentoring and technical support will be provided to the Ministry of Interior planners to ensure that the new structure is efficient and co-ordinated.			
A second focus area will be the nationwide establishment of community policing practices. Following the well-publicised nationwide disturbances in January 2006, and the subsequent criticism of the actions of the police, the Mission has been assisting the Government in the police reform process. Until now, this has focused on developing the technical skills of the police to manage public order in an organised manner without recourse to arms. Despite tangible improvements in the way the police now manage public events, there remains widespread scepticism about the role of the police as a public service rather than an instrument for state control, as voiced frequently by public and political figures, as well as by civil society groups. In order to build and institutionalise the trust between the police and the general population, the Mission has been developing the concept of Community Policing in the country. So far, this has entailed raising the awareness of senior police officers of the concept and practical implementation, and launching a pilot phase in one district of the capital. Initial results from the pilot have proved encouraging, and the host Government now intends to introduce Community Policing into all cities in the country. Over the next years, the Mission will assist police in initially developing a national community policing plan, and then providing operational guidance to implementing it around the country. Where necessary, the Mission will also support the building of a relevant procedural and legal framework to allow the concept to flourish.			
OBJECTIVE 1:	TO ASSIST THE HOST COUNTRY IN THE REFORM OF THE POLICE SERVICE TO ENSURE DEMOCRATIC AND EFFECTIVE LAW ENFORCEMENT.		
Outcome 1.1	The Ministry of Interior develops, sustains and manages a training system that is efficient and relevant to contemporary needs.	Performance Indicators: <ul style="list-style-type: none"> • Cabinet of Ministers approves revised police training structure. • Two training institutes are functioning with revised curricula. 	Means of Verification: <ul style="list-style-type: none"> • Copy of the decision of the Cabinet of Ministers. • Mission monitoring. • Copy of the adopted curricula.
Outcome 1.2	The Ministry of Interior introduces community policing throughout the country.	Performance Indicators: <ul style="list-style-type: none"> • Number of regions where community policing practices have been adopted. • Increase in the percentage of the population with a favourable perception of the police. 	Means of Verification: <ul style="list-style-type: none"> • Information from the Ministry of Interior. • Mission monitoring. • Public survey/Focus group feedback.

4.4.2 Unified Budget Proposal

The UBP, which is presented to the participating States at the end of September, outlines how the respective mandates of the executive structures will be operationalized into programme strategies and outputs, together with the human and financial resources needed for them (see *Figure 4.5*). In addition, the UBP provides direction to ensure that there is a strategic justification for setting up a project. The Project Manager has to refer to the UBP in order to guarantee consistency between the policy and programmatic priorities of the OSCE and its project work.

Figure 4.5 Fictional Police Affairs Programme Unified Budget Proposal

Category: B.1 Politico-Military Dimension		
Programme: Police Affairs		
OBJECTIVE 1:	TO ASSIST THE HOST COUNTRY IN THE REFORM OF THE POLICE SERVICE TO ENSURE DEMOCRATIC AND EFFECTIVE LAW ENFORCEMENT.	
Outcome 1.1	The Ministry of Interior develops, sustains and manages a training system that is efficient and relevant to contemporary needs.	Performance Indicators: <ul style="list-style-type: none"> • Cabinet of Ministers approves revised police training structure. • Two training institutes are functioning with revised curricula.
Output 1.1.1	Re-organisation of the Ministry of Interior's police training structure is facilitated.	
	Having already supported the Ministry of Interior in developing a revised structure for police education, next year the Mission intends to support with the implementation of this. The revised structure foresees the consolidation of the existing three training schools for basic police training into two schools that are better designed and equipped for its needs. The Mission will provide specialised equipment and associated training for the trainers. It will also provide the Ministry with expert advice to draw up contingency plans that allow police education to continue whilst the restructuring is implemented.	
Output 1.1.2	A relevant and comprehensive set of police training curricula is developed.	
	Complementary to the reorganisation of the police education structure, the Ministry of Interior, through the National Police Academy, is also revising all police education and training modules. The Mission will provide methodological guidance to, and expert participation in the working groups that have been established to re-design these modules. Priority has been given to changing the basic training course, and the Mission will sponsor experts to provide the working group with best practices and advice on how to incorporate the OSCE commitments into the new modules. The working group will also be provided with exposure to basic training models employed in other OSCE participating States through a series of study visits.	
Outcome 1.2	The Ministry of Interior introduces community policing throughout the country.	Performance Indicators: <ul style="list-style-type: none"> • Number of regions where community policing practices have been adopted. • Increase in the percentage of the population with a favourable perception of the police.
Output 1.2.1	Establishment and implementation of the national community policing model is supported.	
	Expert support will be provided to the drafting of a National Community Policing Plan, led by the Ministry of Interior. The Mission will participate in the self-evaluation of the existing pilot community policing model, introduced into one district of the capital two years ago, with a view to identify lessons learned for the national plan. The Mission will supplement these domestic efforts by facilitating the sharing of international best practices with the Ministry of Interior. Mission-sponsored experts will provide further legal and operational advice to the Ministry of Interior during the drafting of the plan, and subsequent action plans for individual cities. Furthermore, the Mission will facilitate the involvement of civil society and community groups into all phases of the development and drafting of the national plan in order to gain the largest possible buy-in from stakeholders when it is eventually launched.	
Output 1.2.2	The establishment of a legal and procedural framework for nationwide community policing is supported; including the revision of police school curriculums.	
	In parallel to the drafting of a National Community Policing Plan, the Mission will assist the Ministry of Interior in identifying and revising the existing legal and procedural framework to allow for the introduction of community policing. Specifically, the Mission will provide legal expertise to the Ministry in amending the 1998 "Law Enforcement Act", as well as providing legal and operational advice on revisions required to the police's operational procedures.	

4.4.3 Programme Budget Performance Report

The PBPR is presented at the end of February to the participating States and constitutes the key programme review document for the OSCE executive structures (see *Figure 4.6*). The document serves to account for the use of previous year's resources, as well as reporting on the achievement of outputs and progress towards the outcomes. Together with the subsequent feedback from the participating States, it will constitute the basis for the elaboration of the next PO.

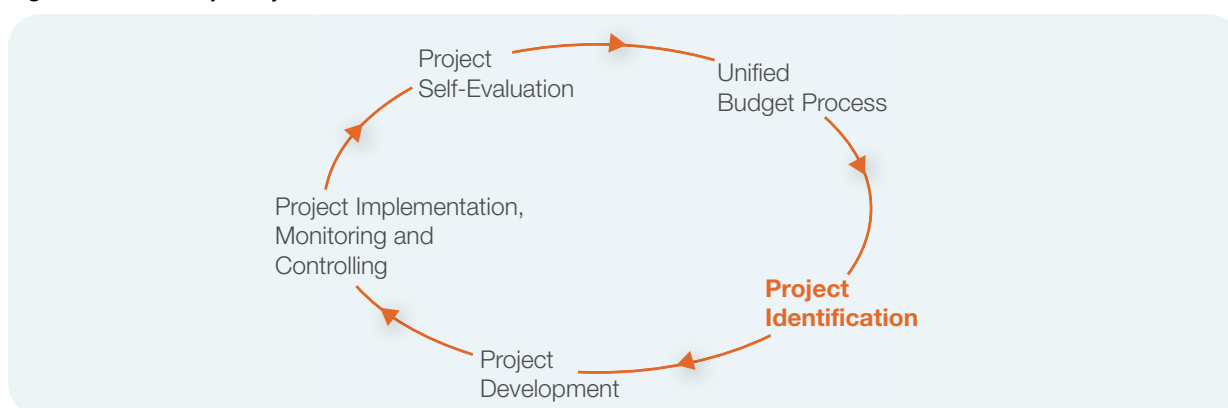
Figure 4.6 Fictional Police Affairs Programme Budget Performance Report

Category: B.1 Politico-Military Dimension	
Programme: Police Affairs	
OBJECTIVE1:	TO ASSIST THE HOST COUNTRY IN THE REFORM OF THE POLICE SERVICE TO ENSURE DEMOCRATIC AND EFFECTIVE LAW ENFORCEMENT.
Outcome 1.1	<p>The Ministry of Interior develops, sustains and manages a training system that is efficient and relevant to contemporary needs.</p> <p>Performance Indicators:</p> <ul style="list-style-type: none"> • Cabinet of Ministers approves revised police training structure. • Two training institutes are functioning with revised curricula.
	<p>The Parliamentary elections in May caused delays in the fulfilment of this Outcome, with the Cabinet of Ministers postponing their decision on the restructuring of the police training institutions. However, important ground work has been completed which will form the basis for tangible achievements in the next 1-2 years. In particular, the new basic police training modules have been completed and are now ready to be implemented. Although behind schedule, the plan for reorganising the police training structure has also been finalised, and implementation can begin as soon as the political approval is given. Importantly, despite the delays incurred in the previous year, the incumbent Government has maintained the same level of support for the reform process.</p>
Output 1.1.1	Re-organisation of the Ministry of Interior's police training structure is facilitated.
	<p>Despite the finalisation of a revised structure for police education, the realisation of this was delayed during the course of the year. The Parliamentary elections in May saw a change in Government, which delayed the formal approval of the restructuring plan until November. Nonetheless, the implementation began in late December, and is expected to continue without delay throughout the course of this year.</p>
Output 1.1.2	A relevant and comprehensive set of police training curricula is developed.
	<p>Despite delays in the approval of the police education restructuring plan, the Mission and the Ministry of Interior revised the basic training curricula. A working group defined the methodology for the new curricula, and the members of the group visited Canada to learn about different models of basic training. Following these visits, significant progress was made, with the drafting of the basic training curricula completed by November.</p>
Outcome 1.2	<p>The Ministry of Interior introduces community policing throughout the country.</p> <p>Performance Indicators:</p> <ul style="list-style-type: none"> • Number of regions where community policing practices have been adopted. • Increase in the percentage of the population with a favourable perception of the police.
	<p>A significant milestone was reached when the national community policing plan was approved in the early part of the year. This model provides the methodological and operational basis for better community-police relations, through the establishment of the community policing concept in all cities in the country. This achievement has been supplemented by the revised operational procedures which were approved the year before. However, a number of obstacles remain. The 1998 "Law Enforcement Act" must be amended to enable the community policing model, and related work on this was suspended last year. The Ministry of Interior have signalled that work on this can proceed this year. In addition, whilst the conceptual basis for community policing has now been laid in all cities, the operational knowledge among police officers is still insufficient and the Mission's efforts will be required to build capacity in this regard.</p>
Output 1.2.1	Establishment and implementation of the national community policing model is supported.
	<p>Work on the national community policing model continued. In the first quarter of the year, the pilot community policing model was evaluated by a working group consisting of the OSCE experts, the Ministry of Interior and Civil Society representatives. The extensive recommendations from that evaluation subsequently formed the basis for the draft national model. This draft was completed in September whilst the OSCE legal and community policing experts provided a quality assurance role in the process. The national community policing model was completed in November, and at the start of this year was approved by the Minister of Interior. Work will now begin on the development of individual action plans.</p>
Output 1.2.2	The establishment of a legal and procedural framework for nationwide community policing is supported.
	<p>The Mission had planned to assist the Ministry of Interior in the amendment of the 1998 "Law Enforcement Act", which is a prerequisite to establishing nationwide community policing. However, the Parliamentary elections in May and subsequent change in Government delayed work on this. Instead, the Mission focused its efforts, with the Ministry of Interior, on revising the police's operational procedures. The Ministry was provided with drafting advice to incorporate best practices, as well as the OSCE commitments. The revised operational procedures were approved by the Minister of Interior in October.</p>

PROJECT IDENTIFICATION

Project Identification is about determining which actions are required to address the problems outlined in the strategic priorities of the programme (see *Figure 5.1*). This will be done through conducting a needs assessment, analyzing the problems in more detail and the options available to the OSCE. The Programme Manager is responsible for identifying projects which will contribute to the achievement of the programme outputs, outcomes and objectives as outlined in the Unified Budget Proposal (UBP).

Figure 5.1 The Project Cycle and Identification



This phase will begin initially when the UBP is being prepared, because without a tentative identification of project ideas it is not possible to estimate the resource requirements of a programme. Whereas the Unified Budget (UB) process sketches out the strategic context in which projects will be implemented, the project identification phase will add detail and colour and continue on an *ad hoc* basis throughout the year.

The amount of work that needs to be carried out in this phase will depend on how well the UBP was prepared. If thorough needs assessment and strategic planning took place prior to the drafting of the UBP, the project identification will be relatively short and the project development phase can begin. However when a brand new, risky, complex, multi-year or high-budget project idea is explored a thorough needs assessment prior to project development is highly recommended.

The Programme/Project Manager initiates this phase with the needs assessment. This will allow him or her and the project team to analyze and evaluate the needs of the beneficiaries and to identify strategic solutions to address these problems. Needs assessment will answer the following questions:

- What needs to be achieved?
- What actions would most effectively achieve that?
- What other options are available?
- In which context will the project take place?
- Who has a stake in the project and who will need to be involved?
- Approximately how and when can the project be carried out?

The Fund Manager and/or Programme Manager will decide whether there is sufficient justification to start the process of further planning and developing the project.

5.1 Identifying Preliminary Project Ideas

The project idea generated by the OSCE staff/mission members or external sources will often be derived from a need. A need is a condition, a specific kind of good or service that is perceived to be lacking or requiring improvement by the beneficiary group.

To understand the needs in a given context and the problems stemming from them the Project Manager has to carry out a needs assessment. *Table 5.1* outlines and explains the variety of ways in which project ideas can be generated.

Table 5.1 Generating Project Ideas

1. Original project idea of an OSCE staff/mission member.
An OSCE staff/mission member may develop an original project idea/a follow-up to an already implemented project in line with the field operation mandate and relevant UB programme. The idea might be generated as a result of the strategic programme planning process, observations, formal and informal consultations with host country authorities, civil society or as a follow-up action to a project previously implemented.
2. An OSCE Chairmanship priority or a formal request of host country authorities to the Organization.
An OSCE Chairmanship priority may be translated into a concrete project or the host country authorities may make an official request to the OSCE executive structure or to an OSCE decision-making body (Ministerial Council, Permanent Council, and Forum for Security Co-operation) regarding the implementation of a project.
3. Response to a formal tasking of the OSCE decision-making bodies.
The Ministerial Council or Permanent Council may task the field operations, institutions or the Secretariat to address or respond to an emerging situation or threat to security and stability. After consultation with the participating States, the form of the OSCE intervention will be defined. This could range from the establishment of a fully fledged field operation, a unit or an office to a request for identification and subsequent implementation of selected project ideas.
4. Informal request for assistance of host country authorities.
The host country authorities may approach the OSCE executive structure with an informal request of assistance to implement a project. It is the prerogative of the Fund Manager to decide whether the request may be translated into a concrete project.
5. Project proposal is received from a civil society organization.
A non-governmental organization/civil society organization (NGO/CSO) may submit a project proposal to an OSCE field operation to work as the Organization's implementing partner in the host country. The project proposal may be worth taking into consideration. If the OSCE executive structure decides to implement the project, the proposal will be revised to address what the OSCE wants to achieve and to underscore the Organization's added value to the initiative. The OSCE's co-operation with NGOs/CSOs as implementing partners is regulated by the OSCE Financial/Administrative Instruction 15 (FAI 15). Before engaging an implementing partner, the Project Manager and Chief of Fund Administration will ensure the NGO/CSO is selected in line with FAI 15 and that the co-operation is based on a reasonable level of OSCE involvement to ensure the proper monitoring, controlling and self-evaluation of the project.
6. Response to an informal recommendation made at an OSCE forum, conference or meeting.
Informal recommendations from or the momentum created by the OSCE Economic Forum, ODIHR Human Dimension Implementation Meetings, and similar events may translate themselves into concrete project ideas.
7. Response to a call for proposals or initiatives of other international organizations.
Bilateral development agencies of participating States, as well as multilateral organizations such as the European Commission and the United Nations, launch regular call for proposals in conformity with their own strategic policy priorities. If the call for proposals is in line with an OSCE executive structure's mandate, its UB programme objective and within the capacities of the Fund, an XB project idea may be explored.

5.2 Needs Assessment

Needs assessment is the process of identifying the needs of a community, institution, region or country, analyzing the causes and effects of their problems and evaluating strategic solutions to address them. The process will be led by the Project Manager. However, he or she will need the leadership and

vision of the Fund Manager and Programme Managers to know in which direction they want their programme to develop, as well as the specific results they want to achieve within the given timeframe.

The needs assessment will lay the groundwork for building a Logical Framework Matrix (logframe) and a detailed plan of operations. The Project Manager will usually set up his or her project team before the needs assessment begins. It is the responsibility of the Project Manager to ensure a gender perspective is applied throughout the needs assessment process. To complete a needs assessment the following techniques are used:

- **Situation Analysis** to understand the context in which the project will take place.
- **Stakeholder Analysis** to study the different stakeholders to the problem, their interests and expectations.
- **Problem Analysis** to analyze the problem and strategic options to remedy it.

5.3 Purpose of Needs Assessment

Needs assessment reflects the conclusions of the situation, stakeholder and problem analyses, and ensures the following:

- Project idea is relevant to the needs of the beneficiaries.
- All the strategic options to address the problem are explored and evaluated.
- Key stakeholders are committed to the project from the start.
- Project idea is coherent and consistent with interventions made by the other OSCE executive structures.
- Project idea is co-ordinated with other international organizations.

It is the Project Manager's prerogative to decide to what extent he or she wishes to use these techniques before developing the logframe. This will depend on the novelty, budget size, scope, complexity, political weight and risks of the project.

5.4 What is Situation Analysis?

Needs assessment starts with situation analysis. Situation analysis is the review of the political, social, cultural, historical, institutional and legal context that will affect the project. By understanding the wider context, the Project Manager will design a more relevant and effective project strategy and reduce the risk of project failure.

Situation analysis assists the Project Manager to identify the key factors affecting the project, including risks and opportunities. It will also clarify how gender roles are defined in the local setting.

Situation analysis will feed into stakeholder and risk analyses. Each factor will be linked to one or more stakeholders (individuals, groups, or institutions) that have an interest in the project. It is critical to understand the interest and attitude of stakeholders as these may also create risks or opportunities for the project. The situation analysis will be used in the *Background and Justifications* section of the *Project Proposal* and contribute to the design of the project objective, results and activities.

5.5 How to Carry Out Situation Analysis

Situation analysis is done the following way:

1. Collect background information relevant to the problem.
2. Brainstorm on and analyze the issues.
3. Discuss how the issues affect the situation at local, national and regional level.
4. Connect the issues to stakeholders.

5.5.1 Collect Background Information

- Read the political reports produced by the relevant OSCE executive structure.

- Collect qualitative and quantitative data (e.g. checking the websites of all relevant host country entities and international organizations; gathering reports, statistics, and other key documents). It is important to collect sex-disaggregated data where possible.
- Arrange for consultation meetings and/or roundtables with key stakeholders.
- Benefit from the expertise available within the OSCE (e.g. ODIHR, HCNM, Gender Section in the Secretariat, SPMU).
- Compile self-evaluations on ongoing or previous projects that the OSCE and other actors are doing.
- Once the background information is collected, the Project Manager will review it with his or her team to summarize the gist of the information essential to the problem.

5.5.2 Brainstorm on and Analyze Issues

- Make use of visual tools to identify all situational factors outside the OSCE's control which will influence the implementation of the project.
- Eliminate all secondary factors and archive the documents no longer considered to be essential to the project development.
- Link the issues to relevant stakeholders who must be involved in the project.

Figure 5.2 is an example of a visual tool to start a brainstorming session. The Project Manager will lead the session. The project team will assess the environment in which the project will operate. The issues to analyze and assess may include:

- Public policy and development objectives of the host country
- Political system, institutions and the balance of political power in the country, the comparative strengths and weaknesses of the various political actors and how they relate to the project
- Legislation in place and expected changes to legislation
- The socio-economic situation
- Economic power relations and major economic actors, and how they relate to the project
- Human rights, national minorities situation
- Roles of men and women, gender relations, gender equality law, and
- Socio-cultural issues in addition to gender relations.

Figure 5.2 Diagram to Map all Situational Issues Relevant to the Project Idea



It is important to take into consideration how political, social, cultural, historical and legal factors will influence the project, insofar as gender equality is concerned. Helpful sources of information to understand gender equality aspect of the project may include: legislation, key government documents,

research, donor-funded technical assistance and the reports of NGOs/CSOs. Including a gender analysis at this phase would allow an understanding of the following:

- Division of labour: the ways in which women are producers and contributors in the area under review
- Women's and men's access to, and control over, the resources
- Women's and men's role in decision-making mechanisms, opportunities to access services, business or political life, and
- Women's and men's expected benefits from any possible changes achieved through the planned project.

5.5.3 Discuss How the Issues Affect the Situation at Local, National and Regional Level

Some problems are particularly acute in specified locations or regions. Depending on the nature of the project, the project team should assess how these issues affect the situation at local (e.g. situation in municipalities, towns, cities, districts and local policies), national (e.g. political reform, national policies, and other institutional arrangements), and regional level (e.g. geographic region, relations with neighbour countries). The reflection of issues at the local, national, regional level as well as the impact of international dynamics will create opportunities and constraints for the project that the team will need to take into consideration.

5.5.4 Connect the Issues to Stakeholders

The project team should agree on a core list of issues and link them to relevant stakeholders whose views and positions have to be taken into consideration during project planning and implementation. The core list of situational factors will help the Project Manager to:

- Justify setting up the project
- Decide the geographical focus of the project
- Refine project strategy and the pace of project implementation
- Highlight which key stakeholders will be involved in the project, and
- Identify potential implementing partners.

5.6 Who are Stakeholders?

The stakeholders in a project, who may be individuals, groups of people, communities, institutions, organizations or government entities, are all those likely to have an interest in or to be affected by the project. They may directly or indirectly, positively or negatively affect the initiative. Key stakeholders will be identified and short-listed at the end of the situation analysis. The benefits of involving the stakeholders from the start are the following:

- Stakeholders are a key source of information and expertise; they allow the Project Manager to verify that the needs assessment and project strategy are correct.
- Their early involvement increases the likelihood of their ownership and commitment to the project.
- Their feedback is essential to monitor progress, implement controls and evaluate project performance.

Project Cycle Management (PCM) envisages a participatory approach and therefore the Project Manager will involve the stakeholders in the project from the start. It is important to be aware that different stakeholders will need different degrees of involvement in the project cycle. The Project Manager will also be responsible for providing feedback to stakeholders, ensuring that everyone understands why he or she is involved and also knows what their responsibilities or roles may be, as well as how the project may affect them.

During stakeholder analysis, the Project Manager or his or her team members will have several contacts with the same individuals, groups and organizations. It is important that the project team avoids creating false expectations over what the project may be able to achieve. The project team should not make any verbal or written commitments regarding the project to potential implementing part-

ners, beneficiaries and host country authorities. Such commitment can only be made after the official approval of the project by the Fund Manager.

5.7 How to Carry Out Stakeholder Analysis

Stakeholder analysis is carried out in the following way:

1. Identify the stakeholders.
2. Contact the stakeholders.
3. Profile the stakeholders.
4. Understand the interests of the stakeholders.
5. Decide how stakeholders can contribute.
6. Anticipate what the stakeholders expect.
7. Agree on conclusions for action.

5.7.1 Identify the Stakeholders

Stakeholder analysis starts with listing the names of all individuals, groups and/or institutions that may influence the project. A number of stakeholders were identified by analysing the situation. To ensure the list is relevant and complete, the project team should answer the following questions:

- Who will benefit directly or indirectly from the project (differentiate between men and women)?
- Who will be the beneficiaries of the project?
- Who will have to be involved in the project?
- Who might affect, influence or support the project?
- Who is already doing/has done similar projects?
- Who might pose a threat to the progress or success of the project?

The Project Manager should make sure that all relevant stakeholders, including the following, are considered:

- Government structures at all levels
- NGOs/CSOs and international organizations
- Community leaders, youth and women's rights groups, and
- Other OSCE field operations, institutions and the Secretariat.

5.7.2 Contact the Stakeholders

Since the OSCE field operations carry out political monitoring and reporting activities, as well as traditional diplomatic work, some information about the stakeholders' needs, problems, current engagements, expectations from the OSCE is already available to the Project Manager. Therefore, knowledge and information about stakeholders does not exist in a vacuum.

The project team will build on the knowledge that is already in place and refine it. Stakeholder analysis will feed into problem analysis. The team will aim to complete information gaps and try to get a good understanding of the attitudes of various stakeholders regarding the project idea. This may be done via joint or separate meetings, interviews with, and visits to, different stakeholders. For instance, a "workshop" can be organized with all key stakeholders to discuss their views on the problem and project idea.

5.7.3 Profile the Stakeholders

It is important to understand the nature, size and capacities of the stakeholders. The project team may ask the following questions to identify the characteristics of the stakeholders:

- Is the stakeholder a government entity (local, regional, national level), an international or civil society organization?
- What is the stakeholder's focus and mandate?
- What are the stakeholder's socio-cultural characteristics?

- Will the stakeholder benefit from the project?
- How large is the stakeholder's organization, how well established is it, does it have a widespread presence in the area?
- What are the strengths of the stakeholder (e.g. important political/economic actor, strong lobbying and influence at local level)?

The project team will look at the information gathered previously to answer the above listed questions but note only those answers that are relevant and critical to the success of the project idea.

5.7.4 Understand the Interests of the Stakeholders

Different stakeholders have different interests and motivation regarding the project. Before engaging them in the project, the Project Manager should consider how much they need to be involved. The project team may ask the following questions to prepare an overview of stakeholder interests and expectations:

- What concrete interest do the stakeholders have in the implementation of the project?
- What are the stakeholders' needs concerning the problem?
- What are the stakeholder's different motivations for being involved in or opposing the project?
- What is the cost to the project of not involving the stakeholders?

5.7.5 Decide How the Stakeholders Can Contribute

Establishing partnerships is key to the participatory approach of PCM. Stakeholders can contribute to the project team with their expertise or knowledge of the problems and risks ahead. The project team should consider the following issues:

- Do stakeholders have knowledge and experience in this type of project?
- Do the stakeholders have specialized skills or expertise that might be needed?
- Do the stakeholders enjoy political access to influential networks or authorities?
- Can the stakeholders dedicate funding/human resources to this project?
- Do the stakeholders have premises or facilities, specialized published material or equipment that could be used for this project?

5.7.6 Anticipate What the Stakeholders Expect

Establishing partnerships involves projecting what kind of assistance the potential partners may need from the project. The project team should consider the following issues:

- Do stakeholders need any specific form of capacity-building?
- Do stakeholders need training in a particular subject or skill?
- Do stakeholders need support to finance their activities?
- Do stakeholders need special investment in form of equipment, material or human resources?

5.7.7 Agree on Conclusions for Action

The success or failure of partnerships depends on creating the conditions necessary for co-operation. Depending on the nature of the relationship, at this early phase of planning the Project Manager may identify potential documents that may be signed by different parties:

- Terms of reference
- Job descriptions
- Letters of Intent
- Memoranda of Understanding, and
- Implementing Partner Agreement.

The Project Manager will be responsible for ensuring that the stakeholders know why their involvement is sought and what will be expected from them. It may be that the Project Manager concluded that whilst certain stakeholders do not need to be proactively engaged in the project, they should

be kept informed. The Project Manager has the option of using a Stakeholder Analysis Matrix to document the analysis described above. *Table 5.2* shows this matrix.

Table 5.2 Stakeholder Analysis Matrix

Name of the Stakeholder	Characteristics	Interests	Potential Role	Expectation	Conclusions for Action

5.7.8 Linking Situation, Stakeholder and Problem Analyses

At this stage, the project team has a relatively clear picture of the situation, who they should include in the project and what potential problems will be addressed. The last step of the needs assessment is to analyze the problems in order to identify a specific objective and results (products or deliverables of the project). The information that emerged from situation and stakeholder analyses will feed into problem analysis.

Situation and stakeholder analysis will also be instrumental in pointing out where there is potential to build partnerships and which conditions may make implementation of the project successful.

5.8 What is Problem Analysis?

Problem analysis is the technique the OSCE Project Managers use to analyze and organize the problems that the project idea aspires to solve. A problem is the description of a poor state or negative situation. Conducting a problem analysis will help to explore the different problems identified during situation and stakeholder analysis. The aim is to establish cause and effect relationships between different problems in order to find suitable solutions.

5.9 How to Carry Out Problem Analysis

The purpose of problem analysis is to ensure the problem has been sufficiently studied. Depending on the budget and nature of the project it is recommended to use either a simple or a more methodical approach to problem analysis (see *Table 5.3*). Many international/multilateral organizations that use PCM and the logframe employ a methodical approach to carry out problem analysis. This approach is explained in the Appendices.

Table 5.3 A Tiered Approach to Problem Analysis

Criteria	Step by Step
For projects with a total budget equal to or less than €50,000: a simplified problem analysis.	Following situation and stakeholder analyses, a meeting is convened by the Project Manager to do the following: <ol style="list-style-type: none"> 1. Brainstorm on problems. 2. Agree on the problems the OSCE can address. 3. Agree on the project objective and results. 4. Critically discuss the strategy. 5. Draw up a project summary for review.
For projects with a total budget greater than 50,000 or when specifically requested by senior management: a methodical problem analysis.	Following situation and stakeholder analyses, a meeting is convened by the Project Manager to do the following: <ol style="list-style-type: none"> 1. Brainstorm on problems. 2. Put negative statements on a flipchart. 3. Organize problems into groups. 4. Build the Problem Tree. 5. Build the Objectives Tree. 6. Analyze the strategy. 7. Draw up a project summary for review.

For projects with a total budget equal to or less than €50,000, the Project Manager is required to convene a meeting prior to drawing up the logframe. The meeting will proceed as follows:

5.9.1 Brainstorm on Problems

Problem analysis starts with brainstorming. The Project Manager will lead the brainstorming exercise and explain how the project idea was initiated, the findings of situation and stakeholder analysis. He or she should then invite the project team to share their thoughts about the problems. The Project team should then point out specific problems the project should address.

5.9.2 Agree on the Problems

The project team will agree on the major problems faced by the potential beneficiaries of the project. A member of the project team, assigned as note-taker, will group the problems according to the stakeholders they relate to, their geographical proximity, and thematic category. Finally, the project team will agree on a single core problem.

5.9.3 Agree on the Project Objective and Results

Once the team has agreed on the problems their project should address, they should discuss the main objective of their initiative and how it relates to a specific UB programme objective/outcome/output. The final step of problem analysis is discussion on the concrete results (goods and/or services) the project is expected to deliver.

5.9.4 Critically Discuss the Strategy

The project team will select the strategy and verify that it is complete, coherent, realistic and achievable in the light of the questions outlined in *Table 5.4*.

Table 5.4 Critical Review of the Project Strategy

1. The project idea complies with the mandate and the UBP.
<ul style="list-style-type: none"> • Is the project in line with the mandate of the executive structure? • Is the project contributing to a specific objective/outcome/output outlined in the Unified Budget Programme?
2. The project is complementary to other forms of OSCE intervention.
<ul style="list-style-type: none"> • Has the project been sufficiently co-ordinated within the OSCE? • Do other OSCE executive structures (e.g. field operations, institutions or the Secretariat) assume concrete roles and responsibilities in the project?
3. The project strategy is coherent, logical and feasible.
<ul style="list-style-type: none"> • Why should the OSCE executive structure implement this project? • Is the project strategy relevant to the specific conditions of the country/region and to the problems that need to be addressed? • Does the project capitalize on the achievements of former projects? • Were the lessons learned from similar projects incorporated into the strategy? • Is the project strategy coherent and logical? • Will the project objective bring about any significant change or improvement? • How will the results of the project contribute to the prevention of conflict? • Is the strategy going to contribute to furthering gender equality? • Will the project results be sustainable?
4. The project ensures the commitment and ownership of the beneficiaries.
<ul style="list-style-type: none"> • Are the host country authorities committed to the project? • Are the NGOs/CSOs and key community representatives supportive of the project? • How can the ownership and commitment of the beneficiaries be ensured? • Will the beneficiaries and key stakeholders assume concrete roles and responsibilities in the project? • Can their commitment be secured in writing (e.g. Letter of Intent, Memorandum of Understanding)?
5. The project fosters traditional diplomatic work.
<ul style="list-style-type: none"> • Is the project supportive of the policy advice and advocacy of the OSCE commitments undertaken by the Fund Manager and Programme Managers? • Does the project foster the political messages given by the Chairmanship of the OSCE and the Fund Manager?

6. The project keeps the balance between technical assistance and capacity-building.

- Does the project involve provision of equipment or similar technical assistance?
- Is the beneficiary solely interested in technical assistance?
- Does the beneficiary have the skills to effectively use and maintain the equipment?
- How can the project's capacity-building aspect be strengthened?
- Does the project strategy keep the delicate balance between the political expediency of accepting technical assistance requests and capacity-building?
- What is the opportunity cost of refusing this request?

7. The OSCE's added value to the project.

- Does the OSCE executive structure's involvement add value to the project? What is its concrete contribution?
- Does the OSCE executive structure assume concrete roles and responsibilities in the project?
- Are there other international or bilateral actors active in same field? Is the project idea co-ordinated with these actors?
- What will the OSCE executive structure get in return (e.g. better publicity, new contacts and a stronger network, political access?)

8. The OSCE has the technical and administrative capacity to manage the project.

- What is the financial size of the project in proportion to the Unified Budget and to the portfolio of already existing extra-budgetary projects?
- Does the OSCE executive structure have any prior experience in this matter?
- Does the OSCE executive structure have the technical expertise, administrative and managerial capacity to implement this project in an effective, transparent and accountable manner?
- Does the OSCE executive structure have the capacity to properly monitor and evaluate this project?
- Does the OSCE executive structure have sufficient time to implement this project?
- Does the OSCE executive structure have adequate human, financial and material resources? If not, is the Programme/Project Manager reasonably confident he or she can secure adequate resources?

5.9.5 Draw up a Project Summary for Senior Management's Review

The situation and stakeholder analyses and the project strategy (the objective and results) are summarized in a brief document (one page) and submitted to senior management to obtain the green light to further develop the project. The project team will also strive to come up with an estimate budget based on the executive structure's previous experience with similar projects. This estimate figure will be changed once the plan of operations is sufficiently developed.

5.10 Senior Management's Review of Project Ideas

Unless a decision-making body of the OSCE decides to develop a specific project, all project ideas will be subject to initial review by the Programme Manager. Once senior management has reviewed and given the green light to the project idea, project development can begin. The project strategy will form the basis on which the Project Manager will draw up the logframe.

This review is recommended to be in the form of a brief meeting to discuss the project ideas before the logframe is developed. The purpose of the review is to confirm the project idea is in line with the mandate and a specific UB programme objective, and appears to be feasible from the outset. Senior Management can use the questions outlined in *Table 5.4* for a detailed review to decide on the appropriateness and feasibility of a project idea.

A checklist for the review meeting can be found in the Appendices. The Programme Manager has the discretion to make use of the checklist. Its use is strongly recommended for large or complex project ideas, and in large executive structures who wish to formalize their project management procedures. For smaller, routine projects it may not be required.

5.10.1 Conclusion of the Review

The Programme Manager will make a decision on whether or not to proceed further with the project idea. In case of prominent and high-budget projects, it is advisable that the Fund Manager or his or her Deputy and the Chief of Fund Administration, the latter in particular to confirm that the FAU resources are available to support the project, join the review.

The review board has the following options:

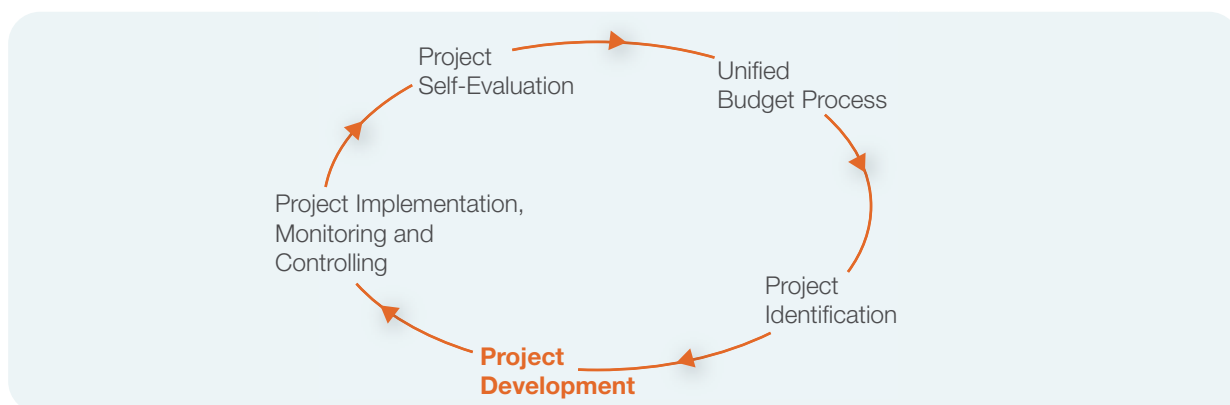
- a. *Project idea accepted.* If the project meets all criteria listed above, the Project Manager can set up a team and start project development.
- b. *Project idea accepted subject to changes.* If the project idea meets only some of the criteria and is relevant to a specific UB programme objective then the Project Manager can further proceed with project development. The changes requested by senior management will be made during project development.
- c. *Project idea not accepted.* If the project idea did not meet the criteria listed in the checklist, provide feedback to the staff/mission member, NGO/CSO or host country authority. Organize a brief meeting and explain the reasons why the project idea cannot be implemented by the OSCE as proposed.

The use of the Project Summary Document (PSD) is mandatory to upload any UB or XB project in IRMA. Upon the approval of the Fund Manager and/or Programme Manager the project can be uploaded in IRMA and implementation can begin. A copy of the PSD can be found in the Appendices. For projects that have a very small budget (e.g. less than €10,000) or that consist of a single activity it may be sufficient to transfer the needs assessment and project strategy into the PSD and implementation can begin.

PROJECT DEVELOPMENT

Project development is about planning the project in detail (see *Figure 6.1*). The OSCE uses the Project Cycle Management (PCM) method together with the Logical Framework Matrix (logframe) to develop the project. During this phase, the project team will develop the logframe and plan of operations; calculate the budget; and establish the modalities for risk management, monitoring, controlling, and self-evaluation. At the end of this phase, the *Project Proposal* is drafted and reviewed.

Figure 6.1 The Project Cycle and Development



6.1 Logical Framework Matrix

The logframe is a tool that helps to plan and visually present the strategy of the project (see *Table 6.1*). The logframe displays the objective, results, and main activities of the project and their relationships with each other.

Table 6.1 Logical Framework Matrix

Project Strategy	Narrative Summary	SMART Indicators	Means of Verification	Assumptions
UB Programme Objective				
Project Objective				
Project Results				
Project Activities				
				Preconditions

The logframe includes indicators and sources of verification to verify that the project delivers its intended results. It also captures the assumptions that need to be in place to achieve the project strategy. The logframe is not carved in stone. It needs to be updated throughout the project. During project development it is used as a tool to visually present the strategy and clarify how performance will be measured. Throughout implementation it will be used as a tool to monitor the activities and the progress towards results. On completion of the project, the logframe will be used to evaluate the overall performance.

6.2 Components of the Logframe

6.2.1 Unified Budget Programme Objective

The Unified Budget (UB) programme objective connects the project to the programme to which it is intended to contribute. The programme objective explains the long-term benefits of the project in its wider environment. Usually, several projects will share a common programme objective.

In exceptional circumstances, a field operation, institution or the Secretariat may engage in an extra-budgetary (XB) project which may not fit one of its already existing programmes. However, for such interventions a Permanent Council or Forum for Security Co-operation approval is needed. In this case, a programme level objective will need to be defined by the team to reflect the longer-term benefits of the project.

6.2.2 Project Objective

The project objective reflects what the project intends to accomplish. The project objective will reflect the justification for carrying out the project and will summarize the effects it should have. The project objective should try to define the sustainable benefits to the target group. For instance the project objective should explain how the initiative will affect the current situation and what difference it will make for the beneficiaries.

Ideally the project should only have a single objective. The number of objectives should be limited to maximum three. Too many project objectives will typically imply that the project is too complex to manage or that the team is trying to design a long-term programme while calling it a project.

6.2.3 Project Results

Results describe the concrete goods and/or services the project will deliver. These are the products of the activities that will be undertaken. The combination of results will achieve the project objective.

6.2.4 Project Activities

The activities define the way the project team intends to carry out the project. They are composed of a set of actions to deliver concrete results. The activities will form the backbone based on which a detailed plan of operations will be developed. The plan of operations will include individual work plans of the team members, their responsibility regarding each activity and its sub-activities.

6.2.5 Indicators

Indicators are quantitative or qualitative references that provide a simple and reliable means to measure project progress and achievements.⁶ Indicators at different levels of the logframe will demonstrate that the project has completed its activities, delivered its intended results and achieved its objective. The project team does not need to establish indicators at the programme objective level. Achievement of the programme objective is expected to be typically far beyond the scope and timeframe of a single project. However, programme level indicators may be obtained from the Programme Outline of the respective field operation, institution or the Secretariat, in order to provide a long-term reference point.

6.2.6 Characteristics of Indicators

The OSCE uses SMART criteria to describe the characteristics of indicators. A SMART indicator should be:

Specific to the project objective, results and activities it is supposed to measure

Measurable either quantitatively or qualitatively

Available at an acceptable cost

Realistic so that the project team is confident they are likely to occur and achievable, and

Time-specific so that the project team knows when or within which period it can be measured.



The team is expected to give the maximum of two indicators per level. It is unrealistic and not practical to collect and assess more indicators. They should also strive to define SMART indicators that are gender-sensitive in order to measure how the project affects women and men. For example, indicators should provide sex-disaggregated information.

At the same time always remember that the indicators merely indicate. They provide a signal of progress (or lack thereof), not scientific proof.

6.2.7 How to set SMART Indicators

In order to set SMART indicators (see *Figure 6.2*) the project team will need baseline information about the selected indicator. Baseline information is also needed to justify why a project needs to be implemented. *Baseline* can be thought of as the first measurement of an indicator or as a snapshot of the current situation prior to the implementation of the project. This information can be found during the needs assessment exercise.

Figure 6.2 How to Set SMART Project Indicators

Identify Baseline Information	What is the desired level of improvement?	SMART INDICATOR
Where are we now? 	How much progress can we reasonably achieve?	 Where do we want to be?

Source: *Ten Steps to a Results-Based Monitoring and Evaluation System*, IBRD/WB 2004, p.91

6.2.8 Means of Verification

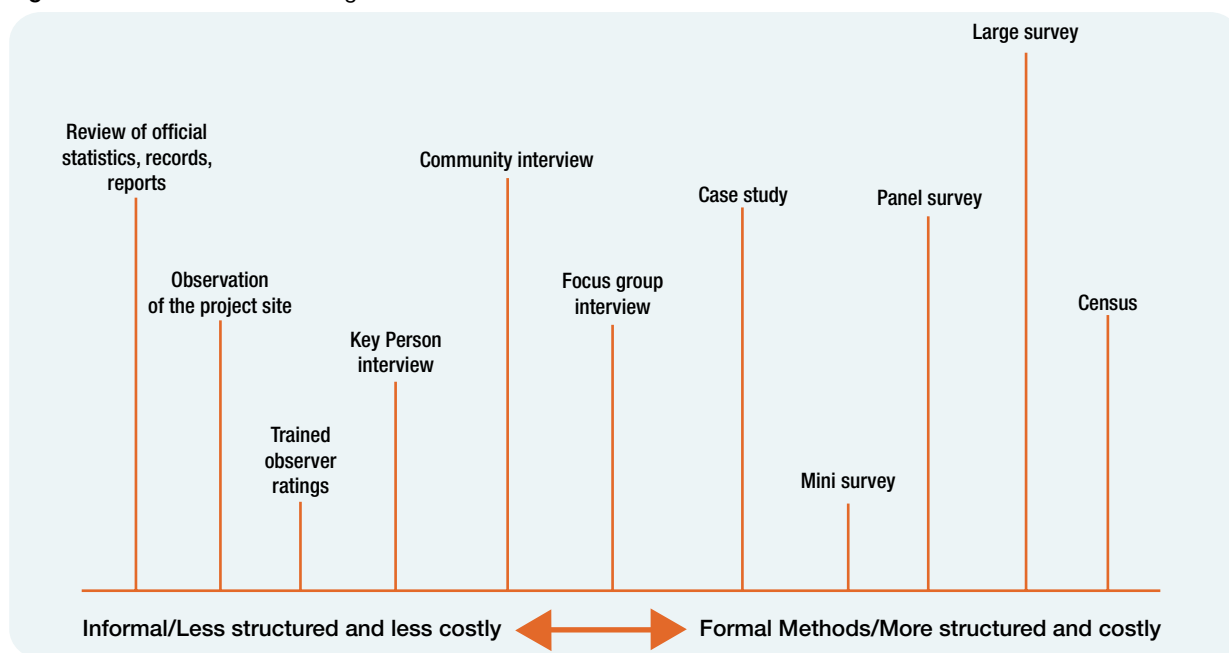
Means of verification indicate what source of information will be used to verify progress towards, or achievement of, indicators. Means of verification should clearly describe where, and in what form, the necessary data will be obtained.

Some types of data may be costly to obtain. In this case, the costs of collecting and analyzing information will be built into the project budget. *Figure 6.3* shows a variety of methods for collecting data to verify that indicators have been achieved. The costs of collecting and analyzing data increase as project team moves from informal towards more structured or formal methods of data collection.

Review of official records, observation of the project site, key person or community interviews are the most frequently used methods by the OSCE executive structures. These less structured methods are time-consuming but typically low-cost and require no research methodology expertise. Therefore, OSCE Project Managers usually prefer less-structured methods to collect data on indicators, monitor progress and evaluate project performance.

High-budget, multi-year, complex projects may require the use of more structured methods to evaluate project performance. Structured data collection methods, such as a mini- or large survey, should be carried out by professional qualified researchers. The cost of outsourcing data collection and analysis will need to be included into project budget. For further reading on individual data collection methods and when their use is recommended, please refer to the chapter on Project Self-Evaluation.

Figure 6.3 Methods of Collecting Data



Source: Adapted from *Ten Steps to a Results-Based Monitoring and Evaluation System*, IBRD/WB 2004, p.85

The project team can use a matrix for identifying and selecting the means of verification (see *Table 6.2*). The matrix helps to assess how costly and time-consuming it is to get data, clarify the roles of team members and establish monitoring and self-evaluation modalities.

Table 6.2 Matrix for Selecting Indicators

Indicators	Means of Verification				
	Data collection method	Timing and Frequency	Cost	Who will collect the data	Who will analyze and report
Project objective					
Project results					
Project activities					

Source: Adapted from *Ten Steps to a Results-Based Monitoring and Evaluation System*, IBRD/WB 2004, p.82

6.2.9 Assumptions

Assumptions are external factors that lie outside the team’s control but are likely to influence the project’s success. Preconditions are external factors that need to be in place for project activities to start. These preconditions may for instance be the availability of funding or the agreement of national authorities.

Assumptions set at the level of activities and results will influence the successful implementation of the project. Assumptions set at the project objective level will affect the initiative’s sustainability. There are no assumptions at the programme objective level. Some of the assumptions may be discovered during the situation analysis exercise. Others might come to light as the project team analyzes the problems and selects the project strategy. To have a complete overview of assumptions the project team should consider the following:

- What factors must be in place for the project to start?
- Is there anything that can prevent, delay or negatively influence the implementation of activities?
- Is there anything that can prevent, delay or negatively influence the delivery of results?
- Are there any barriers to women or men’s full participation in the project?

6.2.10 Assumptions and Risk Management

Assumptions are closely linked with risks. As the team discusses assumptions that need to be in place for the project to succeed, they can also identify the risks to the project. These risks may prevent the assumptions from taking place. The project team will need to design countermeasures to eliminate or mitigate the impact of these risks. For further reading on risks, please see the chapter on Risk Management. *Table 6.3* summarizes how all the elements of the logframe are going to be outlined in the matrix.

Table 6.3 Components of the Logical Framework Matrix

Project Strategy	Narrative Summary	SMART Indicators	Means of Verification (MoV)	Assumptions
UB Programme Objective	Connect the project to the UBP.			
Project Objective	Describe what the project intends to accomplish and its long-term benefits.	Outline the references that measure the achievement of or progress towards the project objective.	Indicate which MoVs will be used to verify progress towards or achievement of indicators.	Describe which conditions must be in place to contribute to the UB programme objective.
Project Results	Outline the concrete products that the project will deliver.	Outline the references that demonstrate the results have been delivered.	Indicate which MoVs will be used to verify achievement of results indicators.	Describe which conditions must hold true to achieve the project objective.
Project Activities	Outline the actions that should be carried out to deliver results.	Outline the references that demonstrate the individual activities are carried out.	Indicate which MoVs will be used to verify the activity indicators.	Describe which external factors need to be in place to deliver results.
				Describe which preconditions must be in place for the project to start.

6.2.11 Verifying the Design of the Project

The logframe will contain all the essential information about the project strategy. Since the matrix is based on cause and effect links, it is easy to verify the internal logic of the project. If the project strategy is consistent, it should be possible to move from one level to the next, starting from the bottom right corner (i.e. from the preconditions). This is known as the “vertical logic” of the matrix. *Table 6.4* displays how to verify the vertical logic.

Table 6.4 Verifying the Design of the Logframe

Project Strategy	Narrative Summary	SMART Indicators	Means of Verification	Assumptions
UB Programme Objective	Progress towards the UB programme objective is made.			
Project Objective	The project objective is achieved.			If the project objective is achieved and assumptions at this level are met,
Project Results	The results can be delivered.			When project results are delivered and assumptions are met,
Project Activities	The activities can start.			When activities are completed and assumptions are met,
				If preconditions are met,

The use of vertical logic ensures that:

- *The project strategy is sound.*

Verifying the logic between the activities, results, project objective and the UB programme objective ensures that the project strategy is coherent and feasible with the overall work/strategy of the executive structure.

- *A clear, realistic and manageable project plan is in place.*

The logframe shows how the results are going to be achieved by specifying a set of clear, realistic and manageable activities, defined on the basis of the project objective to be achieved. It ensures that the activities are subordinate to the UB programme objective/outcome/output and not vice-versa. It also requires the team to establish the preconditions and assumptions that need to be in place for the project to start and succeed.

The matrix can also be read in line with the “horizontal logic”, that allows assessment, within each level, how and where progress/achievements are made. The use of horizontal logic will ensure that the project’s performance can be measured.

The logframe requires indicators to be established at the level of the project objective, results and activities to measure project performance. The means of verification will also be established during logframe development. The indicators and means of verification will be a crucial point of reference for the project team during implementation and self-evaluation.

6.3 What is Plan of Operations?

The plan of operations is a detailed plan which describes how, when and by whom the activities outlined in the logframe will be carried out. The plan of operations is prepared as follows:

1. Take the list of activities in the logframe and break them down into manageable sub-activities.
2. Determine the dependencies of the activities.
3. Specify the start and end dates of the activities.
4. Match the resources to the activities.
5. Draw up the Gantt chart.
6. Decide when to monitor and evaluate.
7. Assign an owner from the team to manage each activity.

Long-term projects may be planned in phases. A project may also be planned in phases in order to accommodate political uncertainty or the pace of legislative changes in the host country. In this case it is advisable to develop the plan of operations in detail for the first phase (3 to 6 months or 6 months to 1 year). Once the first phase is completed, the plans can be revised and developed in further detail for the follow-up phases.

6.4 How to Prepare a Plan of Operations

6.4.1 List the Activities in Detail

The project team will plan in detail all the actions that need to be performed to complete every activity in the logframe. To do this each activity in the logframe will be broken into smaller and manageable sub-activities, actions or duties. This will allow the development of a more accurate and realistic estimation of the time and resources needed to implement the project. *Figure 6.4* displays the activity breakdown structure of a simple project with only 2 main activities in its logframe. The structure can be further broken down into smaller actions or duties. It is the prerogative of the Project Manager to decide the level of detail in the plan of operations.

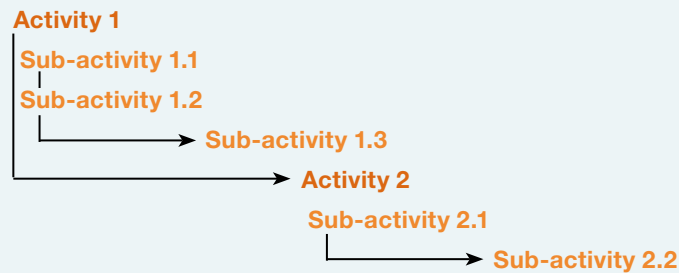
Figure 6.4 The Activity Breakdown Structure – An Example

Activity 1
Sub-activity 1.1
Sub-activity 1.2
Sub-activity 1.3
Activity 2
Sub-activity 2.1
Sub-activity 2.2

6.4.2 Decide on the Dependencies of the Activities

Once all the work that is required to complete the activities is defined, the project team can organize the activities based on the dependencies. To do this, the team will need to reflect on the order and duration of activities. The key is to specify which activities are dependent on the completion of another activity.

Figure 6.5 provides an example of the dependencies and the sequence of some activities. Accordingly, Activity 2 cannot start before Activity 1 is completed. For instance, in a Small Arms and Light Weapons (SALW) project, the destruction of SALW cannot start before tendering takes place to choose the firm that will carry out the task. Similarly, within Activity 1 there are dependencies: sub-activity 1.3 cannot start before both sub-activities 1.1 and 1.2 are completed. On the other hand, sub-activities 1.1 and 1.2 do not need to follow a sequence. They can be accomplished in parallel fashion or one after the other.

Figure 6.5 Deciding on the Dependencies of the Activities

6.4.3 Specify the Start and End Dates

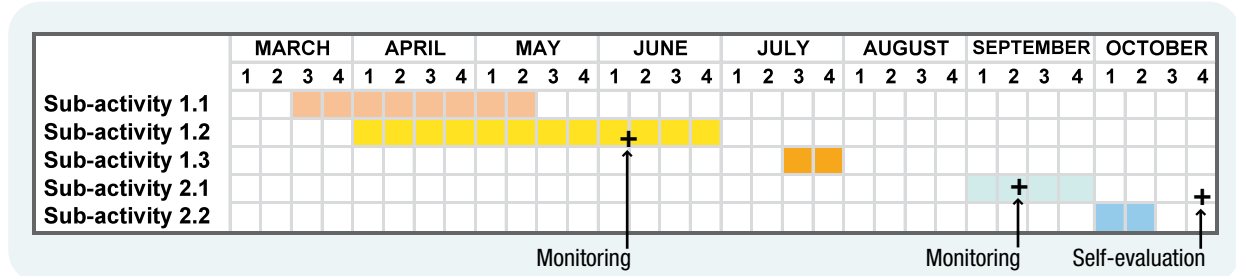
The team will schedule the work that needs to be completed. To do this, they will assign likely start and end dates to the activities according to their sequence and dependencies. It is important to identify slack time and revise the activity breakdown structure if bottlenecks or other potential delays and problems are identified. *Figure 6.6* builds on the previous example and shows the schedule of a project which will start in March and is expected to end in October.

Figure 6.6 Specifying the Start and End Dates

6.4.6 Decide When to Monitor and Evaluate

Using the Gantt chart will help the project team to visually mark the critical milestones in a project. Based on this forecast, the team can decide how and when the project activities will be monitored (see *Figure 6.9*). In case of complex multi-year projects, there might be a need to carry out a progress evaluation to assess the achievements of the initiative to that date. The timing for progress evaluation or final self-evaluation can be established at this phase.

Figure 6.9 Gantt Chart with Key Points for Monitoring and Evaluation



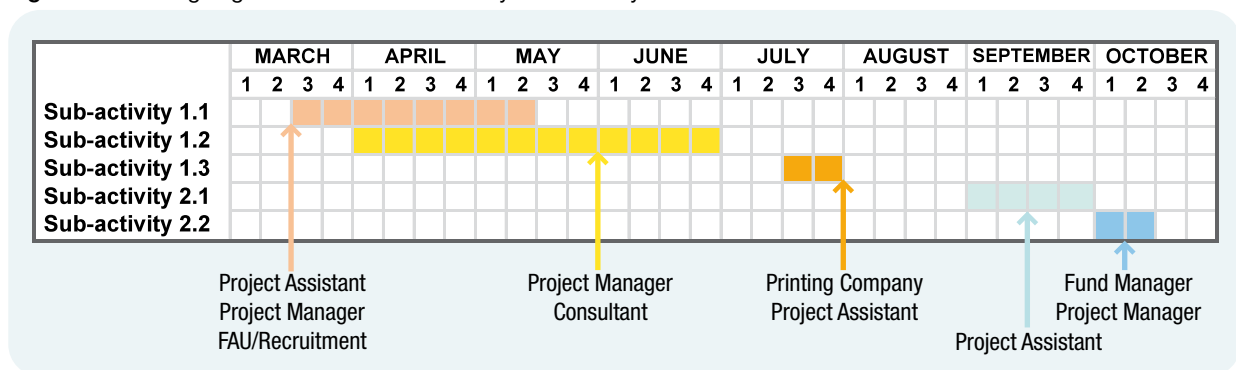
The project team should consider the following questions to define critical milestones and establish monitoring and evaluation modalities:

- When is the project due to start and end?
- Are there conditions which oblige the project to start or to finish at a certain point in time?
- Are there any dates indicated in the logframe under the indicators?
- What are the critical milestones regarding external factors, such as elections or legislative reform?
- Which activities and their indicators should be monitored?
- How often does the team need to report on the progress?
- If the team is developing an XB project, does the donor request any progress reports?

6.4.7 Assign an Owner to each Activity or Sub-Activity

The project team members should be assigned to carry out, oversee and monitor the activities (see *Figure 6.10*). In case of small projects this exercise is not needed. However, in case of complex projects involving many parallel activities over a long period of time it is essential for the team to clarify monitoring and managing responsibilities.

Figure 6.10 Assigning an Owner to each Activity/Sub-Activity



Project Administration

RECRUITMENT, PROCUREMENT AND BUDGET

The resources required for the implementation of the project are planned through the project budget. This budget has to be prepared in line with the Common Regulatory Management System (CRMS). In the OSCE, costs indicated on a budget are divided into four categories: the Staff Costs, Operational Costs, Assets/Equipment Costs and Office Costs. The detailed accounting lines underneath these four cost categories have to be organized in line with the OSCE Chart of Accounts.

7.1 Recruitment

During the development of the project regular contacts need to be maintained with the Fund Administration Unit (FAU) in the field operations and institutions and/or with the Department of Human Resources (DHR) in the Secretariat. This will ensure that the recruitment activities are planned for and undertaken in compliance with the CRMS. Specifically, all recruitment and personnel action should be executed in close consultation and co-ordination with the Chief of Fund Administration and his or her human resources team.

To ensure consistency with the CRMS, reference should be made in particular to the following major regulatory documents:

- The Staff Regulations and Rules
- The Staff Instructions (e.g. Staff Instruction 23/2006 on Special Service Agreements), and
- The Uniform Guidelines on the Administration of Personnel Paid from Extra-Budgetary (XB) Funds.

7.1.1 Additional Project Staff and Their Contracts

The staff posts are approved by the Permanent Council as part of its approval of the Unified Budget Proposal (UBP). On the other hand, an XB project may need to employ staff in addition to the regular OSCE staff/mission members paid for by the UB.

Recruitment of additional staff should be planned in a timely and transparent manner, in line with the CRMS. Additional project staff may be employed under different types of contracts. These are:

1. Short-term appointment (STA) (up to six months renewable to a maximum 12 months in the same duty station)
2. Fixed-term appointment (FTA) (six months to one or two years)
3. Secondment by an OSCE participating State that bears the cost of salary, health insurance and other benefits of the staff appointed to a project, and
4. Special Service Agreement (SSA) signed with a consultant who will bring for a limited duration the expertise of a specialized nature which is not available in-house.

The staff categories, grades and duration of assignments vary to a certain extent among the executive structures. In order to draw up a proper budget, the Project Manager should be aware of the different staff categories and their respective attributes. These are reflected in *Table 7.1* and *Table 7.2*.

Table 7.1 Categories of Staff in Field Operations

Staff Category	Grade	Type of contract	Duration
Seconded mission member	S (1-4)	Terms of Assignment	Fixed-term
International contracted mission member	P (1-5)	Letter of Appointment	Fixed-term or Short-term
Local contracted mission member	G (1-7); NP (1-3)	Letter of Appointment	Fixed-term or Short-term
Daily mission member	G (1-7)	Letter of Appointment	Less than one month
Consultants (local or international)	N/A	Special Service Agreement	Maximum six months

Table 7.2 Categories of Staff in the Secretariat and Institutions

Staff Category	Grade	Type of contract	Duration
Seconded staff member	S	Terms of Assignment	Fixed-term
International contracted staff member	P (1-5)	Letter of Appointment	Fixed-term or Short-term
Local contracted staff member	G (1-7)	Letter of Appointment	Fixed-term or Short-term
Daily staff member	G (1-7)	Letter of Appointment	Maximum one month
Consultants (local or international)	N/A	Special Service Agreement	Maximum six months

7.1.2 Administration of Extra-Budgetary Project Personnel

The Uniform Guidelines on the Administration of Personnel Paid from Extra-Budgetary (XB) Funds are provided in the DoCln and form part of the CRMS. They set out the provisions for the employment of fixed-term project personnel whose salaries are paid from extra-budgetary resources. The appointment of project personnel is usually from six months to one year, subject to receipt of XB funds. The Project Manager is responsible for ensuring that sufficient funds are available/have been estimated. It is recommended to calculate an additional 10 per cent on top of the standard staff costs when budgeting for project personnel.

In the process of project development, the Project Manager should consult the FAU on the type of project personnel needed to efficiently implement an XB project. The Project Manager, with guidance from the Chief of Fund Administration, will draw up a job description which is then sent to the DHR in the Secretariat for classification. The job description will be used as a basis for vacancy notices.

7.1.3 Staff Instruction 23 on Special Service Agreements

The purpose of this staff instruction is to outline the terms and conditions of service for the hire of consultants to provide advisory services, expert assistance, special skills or knowledge that regular OSCE staff/mission members are not able to provide and for which there is no continuing need. The duration of an SSA can normally not exceed three months. Extensions may be granted up to a maximum of six months within any 12-month consecutive period, irrespective of the duty station.

In certain instances it may be necessary to use host government officials or serving officials from another participating State in the project. It is crucial that the Project Manager is cognisant with the relevant laws and regulations of the involved participating States that regulate payments to serving officials. If it is necessary to hire serving officials this may be done through an SSA. In case a project foresees to hire a serving official, guidance should be sought from the DHR of the Secretariat.

Service contracts with a company, or with groups of consultants of two or more, are treated under the procurement rules outlined in the Financial/Administrative Instruction 6 on Procurement and Contracting (FAI 6).

7.1.4 Terms of Reference for Consultants

The first phase in recruiting a consultant/expert is drafting a terms of reference (ToR) document. The ToR should outline the specific tasks, necessary qualifications and concrete result(s)/deliverables

expected from the consultant. The ToR serves as a basis for:

- Drawing up vacancy notices (consultancy), and
- Identifying consultants (to be hired under SSAs).

The project budget should include a fee estimate for the consultant. The FAU and/or the DHR is responsible for determining the consultancy fee levels. The Project Manager should therefore consult them at the project development phase. The ToR document should be prepared in advance to ensure that the estimate is realistic. Elements of the ToR, such as the tasks envisaged, can already be included in the *Project Proposal. A Terms of Reference for SSA* template can be found in the Appendices.

7.1.5 Recruiting Additional Project Staff

The project team should look to the FAUs in the field operations and institutions, or the DHR in the Secretariat, for guidance and support from the start of the project.

The Project Co-ordinators or Project Assistants who will carry out regular duties can be hired on a fixed-term appointment. Their duties will be summarized in a job description which is classified at a Professional (P) or General Services (GS) level. This job description will then serve as a basis for the issuance of the vacancy notice. When drawing up the job description, it is of utmost importance that the lines of reporting and hierarchy within the department are respected.

Consultants and short-term staff members may be recruited from the OSCE Roster of Consultants or the locally maintained rosters in the field operations and institutions. This process should follow a due selection procedure which is documented on the terms of reference.

The OSCE encourages the recruitment of qualified female candidates. GenderBase is an online database that provides the profiles of female professionals working in areas of expertise of the politico-military dimension (arms control, border management, combating terrorism, conflict prevention, military reform and policing) or in gender issues in general. The DHR, Gender Section and selected mission members in the field operations have access to the database and can launch queries to identify potential candidates.⁷

7.1.6 Budgeting for Additional Project Staff

The cost of staff hired on appointments or assignments is calculated under the Staff Costs budget category, whereas the cost of consultants hired under an SSA is calculated under the Operational Costs budget category.

It is important to properly estimate the cost of additional project staff. The Project Manager should consult with the FAU in the Missions and Institutions, and the DHR in the Secretariat, on issues concerning the maximum duration of service, social and medical benefits, travel costs, and the boarding and lodging allowance. To accurately estimate the cost of additional project staff, the team should consider the following questions:

- What types of additional services are required and for how long?
- Do we need international or local staff?
- Given the nature of the services required, should they be classified as Professional or General Services staff?
- Do we need consultants to provide special expertise for which there is no continuing need?
- What is the duration of assignment for each type of staff?
- What is the estimate cost of each additional staff post?

The Project Manager should ensure that the budget is sufficient to cover all the staff costs for the entire duration of the assignment, track the staff costs and compare to the budget throughout the project.

7.2 Procurement

The project team may need to procure goods, rent equipment or facilities to successfully carry out the activities. The OSCE procurement and contracting procedures apply both to UB and XB projects. When planning the procurement and budget, the following Financial/Administrative Instructions (FAI) should be consulted:

- ➔ FAI 6 on Procurement and Contracting
- ➔ FAI 7 on Asset Management, and
- ➔ FAI 15 on Implementing Partners.

When considering procurement the Project Manager must ensure the Chief of Fund Administration is involved at an early stage to avoid delays during implementation. In drafting the budget, the team should provide clear specifications for the equipment, materials and services needed for the project. In the absence of objective and compelling legal, proprietary or technological reasons, the use of specific brand names in the project budget should be avoided. Instead, generic technical specifications of the item should be given. It is important to note that while specifications may be generic, they should still be as detailed as possible. In case of the provision of services, the naming of specific contractors must be avoided, unless the Chief of Fund Administration determines that the *Sole Source Contracting* procedures apply, as outlined in FAI 6.

For the purposes of assisting in the budgetary planning, project staff may obtain quotations from companies. These quotations may be passed to procurement staff for their information in the procurement process (for example by attaching documentation to the Purchase Requisition). However, on no account is project staff authorized to commit the OSCE to any financial obligation. Nor are the Chief of Fund Administration and his or her procurement team obliged to source the goods or services from the supplier that has provided the quotation, even if it falls within the threshold for requiring only one written quotation. Once the Purchase Requisition is approved and the procurement process is underway, project staff should refrain from further communication with potential suppliers and contractors.

7.2.1 Coordination with Administration

The project team has to follow the guidance given by their Fund Administration Unit (FAU) in the field operations and institutions, or the Department of Management and Finance (DMF) within the Secretariat. The FAU and DMF staff can:

- ➔ Provide information on the standard cost estimates for different goods and services
- ➔ Ensure that the estimates for the purchase of goods and services are realistic
- ➔ Check whether or not goods are available in the OSCE's virtual warehouse
- ➔ Provide information about goods that can be obtained via window contracts (e.g. computers)
- ➔ Provide information about the tender and contracting procedures
- ➔ Make sure that no costs (e.g. cost of tender) have been overlooked, and
- ➔ Indicate how long it will take to procure the required good or service.

However, the project team needs to ensure that all information has been accurately provided, and with sufficient time for the FAU to plan and execute procurement activities.

7.2.2 Donations and VAT Status

The Project Manager has to consult with the Legal Adviser of the Field Operation or Institution, or with Legal Services within the Secretariat, regarding the laws, regulations and procedures of the host country in matters of procurement, tendering, value-added tax (VAT) exemption, customs exemptions and donations.

The Project Manager is responsible for checking whether or not the OSCE enjoys a tax-free and/or customs duty-free status in the host country and if the VAT for the procured goods can be reimbursed by the Ministry of Finance. When the Mission donates goods, it is the responsibility of the Project Manager to ensure that the project partner has checked with the competent national authorities in good time as to whether the recipient is exempt from paying the VAT and customs duties.

It is important that the Project Manager understands the implications, and that – where applicable – the VAT or other tax costs are included or excluded from the budgets of the XB and UB projects. Additionally for the XB projects, the Project Manager may need to ensure that the donor will cover VAT or other tax costs.

7.2.3 Audit

If the XB project budget is equal to or higher than €250,000; an external audit needs to be budgeted. The budgeted value can be estimated at three per cent of the total project budget. The *Project Proposal* should include the terms of reference for the audit, approved by the DMF and the Office of Internal Oversight (OIO).

7.3 Budget

An OSCE project budget is based on the estimated cost of resources needed to carry out the activities. The project team is responsible for making an accurate estimation to calculate the detailed budget. To do this, they will get support from the FAU's recruitment and procurement experts.

A sound forecast budget will contribute to the success of the project. A detailed budget can be prepared in an excel spreadsheet. *Table 7.3* outlines how the costs of an XB project, lasting 12 months and leading to a major regional conference, are calculated.

Table 7.3 A Detailed Project Budget

Budget Item	Period/Unit/Person	Price in Euro	Number of Units	Total Cost in Euro
Staff Costs				
Salary for FTA Project Co-ordinator P3	Months	4000	12	48,000
Salary for STA Administrative Assistant G6	Months	1000	3	3,000
Total Staff Costs				51,000
Operational Costs				
Consultancy and Contracted Services - International Consultant P2 Level	Months	3000	6	18,000
Conferences - Tickets for non-OSCE Officials (40 participants from the region)	Persons	350	40	14,000
Conferences - DSA for non-OSCE Officials (3 nights * 40 participants)	Persons	50	120	6,000
Conferences - Rent Facilities	Each	1000	1	1,000
Conferences - Hotel Accomodation (3 nights*40 participants)	Persons	60	120	7,200
Conferences - Interpreters (3 days * 2 persons)	Persons	50	6	300
Publication/Printed Material - Conference Binders	Each	3	200	600
Office supplies -Stationary	Months	100	12	1,200
Total for Operational Costs				48,300
Assets / Equipment				
Hardware - Laptop	Each	700	1	700
Total Assets / Equipment				700
Office Costs				
Utilities-communication, internet, phone	Months	100	12	1,200
Total Office Costs				1,200
Total				101,200

The purpose of this detailed budget is two-fold:

- To show the minimum amount of information needed to properly calculate costs, and
- To show how costs are categorized according to the OSCE Chart of Accounts.

The human resources, services and goods that are needed depend on the specific circumstances of the project. Therefore, this example is not a budget template for all projects involving a conference. For instance, UB project budgets include indirect costs in the Common Operational Costs Category of the UB programme. Therefore, the office costs shown for the XB project above would not be included in a UB project budget. Likewise, the cost of acquiring goods and services changes from one place to the other. Therefore, the table does not suggest the average costs of recruiting staff or acquiring goods or services across the OSCE.

A properly drawn up budget tells the story of the project. The budget in *Table 7.3* explains the following:

- The conference and accommodation is budgeted for 120 participants. The OSCE will assume the travel and daily subsistence of the 40 non-OSCE participants. These 40 participants will stay for three nights. The OSCE will pay for their travel and accommodation.
- The project will hire a co-ordinator at P3 level on a fixed-term appointment for 12 months, and a local administrative assistant at G6 level on a short-term appointment for three months. These costs are categorized as Staff Costs.
- The consultant will be employed for six months and his or her fee is categorized as an Operational Cost item.
- Three interpreters will be provided at the conference and a conference binder will be produced for each participant. Eighty extra binders will be made available for those participants who wish to take additional binders for their organizations and for future use.
- The conference facility's rent, catering services for lunch and coffee breaks, travel and accommodation expenses, the published material and office supplies are categorized as Operational Costs.

7.3.1 Reviewing the Detailed Budget

To review the budget, the project team needs to consider the following issues:

- Is there a need for a small contingency budget? The budget in *Table 7.3* does not foresee one. A contingency budget is not forbidden or regulated by the CRMS. But it should strictly not exceed fifteen per cent of the total project budget.
- Did we plan for administrative expenses? The budget in *Table 7.3* does not foresee a separate accounting item for administrative expenses. However, it indicates that an administrative assistant will be hired on a short-term basis (possibly to cover for the increased administrative tasks as the conference approaches).
- Is there any duplication in expenses? Where can we find efficiency gains within each category?
- Have we budgeted for measures to mainstream gender in the project?
- What types of in-kind contributions can we receive from the host country? For instance, can the venue be made available free of charge?
- Do the items shown and the overall budget represent best value for money?
- Are all the items shown definitely required and are they directly related to the project?

7.3.2 The OSCE Project Budget

The next phase is to summarize this budget into the OSCE project budget format, as it would appear in the *OSCE Project Proposal* and in the on-line reports extracted from Oracle. *Table 7.4* shows the detailed budget summarized into an OSCE project budget as can be viewed in the on-line reports. As the detailed budget is already organized in line with the OSCE Chart of Accounts, the Project Manager needs to take only the first column indicating expense category and the last column on total cost in euro. Once it is approved by the Fund Manager, the FAU will upload the budget into Oracle.

The FAU may ask if the budget needs to be divided into several tasks. In the Oracle Projects Module a “task” can correspond to an entire project or to the separate results of a project. How the project is structured affects the reporting. *Table 7.4* has only one task covering the entire budget. Having only one task simplifies the budgeting and allocation of funding within the project.

On the other hand, a Project Manager can also organize the budget according to the concrete “results” of the project. The budget will then be organized into several tasks. This has the advantage of showing exactly how much money is needed to produce each result indicated in the logframe.

In order to organize the budget into several tasks the project team will go through the proposal and look at the results and the resources needed to achieve those results. Division into tasks provides the Project Manager with the ability to do results-based budgeting and monitor expenditure according to project results.

Table 7.4 An OSCE Project Budget with One Task

Project Financial Resource Requirements (EUR)	
<u>Staff Costs</u>	
Contracted	48,000
General Service Staff	3,000
Total for Staff Costs	51,000
<u>Operational Costs</u>	
Consultancy and Contracted Services	18,000
Conferences - Tickets for non-OSCE Officials	14,000
Conferences - DSA for Non-OSCE Officials	6,000
Conferences - Facilities	1,000
Conferences - other	7,500
Printing Services/Copying Services	600
Office supplies - Stationary	1200
Total for Operational Costs	48,300
<u>Assets / Equipment</u>	
Hardware - Laptop	700
Total for Assets/Equipment Costs	700
<u>Office Costs</u>	
Utilities-communication, internet, phone	1200
Total for Office Costs	1200
GRAND TOTAL	101,200

RISK MANAGEMENT

A formalized risk management methodology allows the OSCE to identify, understand, assess the impact of, and manage the risks that it faces in a timely, efficient and effective manner.

8.1 What is Risk?

Risk is the chance that an event will prevent, or negatively affect the chances of, a project achieving its objective. It can also be thought of as a threat to the project's success or sustainability. Within the OSCE, the Project Manager is responsible for managing the risks of a project and ensuring that sufficient controls are in place to mitigate the risks.

8.2 Integrating Risk and Project Management

Risk management is essential for effective planning and management of projects. Risk and project management are closely intertwined, as *Figure 8.1* illustrates. Risk management is not about eliminating all risks to a project but being aware of and managing a project's exposure to risk. Projects bring change and change always involves some risk, therefore, every project will tolerate some risk. However, the risks that constitute a direct and imminent threat to the project's success have to be managed and controlled.

Figure 8.1 Risk and Project Management



Risk management allows for informed decision-making throughout the project cycle, provides assurance to the OSCE that risks are evaluated and adequate controls are provided. It reduces overall uncertainty of the project and enhances the protection of the OSCE's staff and physical assets, as well as its reputation.

Risk management provides a set of tasks to be carried out and procedures to be followed at each phase of the project cycle. Managing risks starts with project identification. The situation, stakeholder and problem analyses provide the first opportunities to identify the risks to a project. Project development requires that the impact of risks is assessed and the management responses are designed to

control these. Risks are managed, monitored and controlled in a parallel fashion to project implementation. On project completion, as a part of final self-evaluation, the Project Manager evaluates how well the risks to the project were managed. The lessons learned from risk management can then be incorporated into managerial decision-making, in order to improve future projects and programmes.

8.3 Types of Risk

The type of risk defines the nature of the problem and the aspect of the OSCE that a project risk will affect (see *Table 8.1*). The purpose of defining types of risks is three-fold:

- a. To understand and recognize the variety of risks that may pose a direct and imminent threat to the project's success
- b. To make a reasonable assessment of the probability and impact of the risk, and
- c. To design better management responses and controls to counter the risk.

Table 8.1 Types of Risk

Type of Risk	Examples and Possible Consequences
Strategic/ Reputation	A major crisis with the project strategy, affiliation of the project with damaging partners, bad publicity. The public's or host country's trust in the OSCE and perception of the OSCE's impartiality is damaged. The participating States' confidence in the OSCE executive structure's capability is eroded. The OSCE's future plans, projects and programmes are negatively impacted.
Financial/ Economic	Financial liabilities or financial loss due to exchange rate fluctuation, inflation, interest rate, difficulties in fundraising, delay in the approval of the UBP, delay in the transfer of the extra-budgetary contributions (XB), theft, corruption, lack of viable firms who can operate in conflict zones may damage the OSCE and its projects.
Political	War, active conflicts, frozen conflicts, disorder, political instability, change of national or local government, change of national, regional or local policies may damage the OSCE and its projects.
Legal	Legislative changes which adversely affect the project, problem with intellectual property rights, failure to obtain VAT and customs duties exemption, failure to get approval from the Ministry of Foreign Affairs or other relevant host country authorities, legal liabilities stemming from contractual clauses may damage the OSCE and its projects.
Security	War, active conflicts, frozen conflicts, public disorder, political unrest, explosion, chemical contamination, accidents leading to security failures may harm the safety and security of the project staff, stakeholders and property, and ultimately damage the OSCE.
People	Lack of competent and responsive management to address project problems, risks or changes to project plans, lack of relevant policies to solve problems, incompetent leadership, inadequate authority of the Project Manager, personality clashes may damage the OSCE and its projects.
Environmental	Force majeure such as natural disasters (e.g. earthquakes, storms, flooding), pollution, chemical contamination, seasonal changes (e.g. extreme temperatures, snow, freeze) may damage the project.
Technology	Defective, out of date or incompatible hardware equipment, software, design, lack of basic utility infrastructure (e.g. water, gas, electricity) may damage the OSCE and its projects.

It is important to remember that a risk may affect different aspects of the OSCE. For instance, the Project Manager needs to consider the risk of explosion for a project dealing with the destruction of stockpiles of Conventional Ammunition (CA). A potential explosion exposes the OSCE to:

- ➔ Security/safety risks for those employed in the project
- ➔ Financial/economic risks, such as financial liabilities to those injured or involved with the project, cost of repair/replacement/rebuilding property, and
- ➔ Reputation and strategic risks affecting the organization's long-term plans regarding destruction and management of stockpiles of ammunition.

8.4 How to Manage the Risks of a Project

The risks to OSCE projects are managed in the following way:

1. Identify significant risks that constitute a direct threat to the project.
2. Understand the nature of the risks: assess the potential impact and probability.
3. Identify possible controls: calculate the cost of different types of responses to manage the identified risks and decide how to respond.
4. Put the risks and controls on record.
5. Monitor and control the risks during implementation.
6. Evaluate the management of project risks.

8.4.1 Identify Significant Risks

The first phase in risk management is to identify a list of potential risks that threaten the success of the project. This exercise has begun with the situation and stakeholder analyses and drawing up of the logframe. It is important to describe the risks precisely, avoid being too vague or setting the risks at too high a level. To complete risk identification the project team needs to do the following:

- *Revisit Situation Analysis*

What are the key situational issues (e.g. legislative change, pace of economic reform) that may negatively affect the project? Do they constitute a direct and imminent threat to carrying out the project activities and delivering the desired results? If yes, add them to the list of potential risks to the project. For instance if there are municipality elections in three months' time and significant changes are expected, a project dealing with building the capacity of municipalities will have to factor elections in as a risk. As a response the initiative may be delayed until after elections.

- *Revisit Stakeholder Analysis*

The stakeholder analysis explores the individuals, groups or organizations that may be opposed to or may actively try to prevent the project. If they are strong enough to derail the project then they should be added to the list of potential risks. For instance, the mayor of one particular municipality may be opposed to the municipality capacity-building project. The mayor's antagonism may damage or limit the success of the initiative. Therefore, it needs to be considered as a direct risk to the project.

- *Revisit Logframe Assumptions*

The assumptions are enabling or positive external factors that influence the success of a project, but lie outside the project team's control. Certain risks may negate or block project-critical assumptions. These risks will already have been identified during the development of the logframe. It is important to add them to the list of potential risks to have the full overview of what can go wrong.

- *Brainstorm with Experts*

Some risks may have been overlooked, even if thorough situation and stakeholder analyses were done and a proper logframe was developed. For example, the legislation of the host country may not allow certain types of civil servants to take part as trainers in the municipality capacity-building project. A whole project may be derailed due to this risk. Brainstorming or exchanging ideas with experts and people with relevant experience will help to make the list of potential risks complete.

- *Review Lessons Learned*

Similar projects may have been carried out by other OSCE executive structures. Revisit the *Final Project Self-Evaluation Reports* of similar projects. These documents will explain what went wrong and what were the lessons learned. The risks identified from the lessons learned may be added to the list if they constitute a direct and imminent threat to the project.

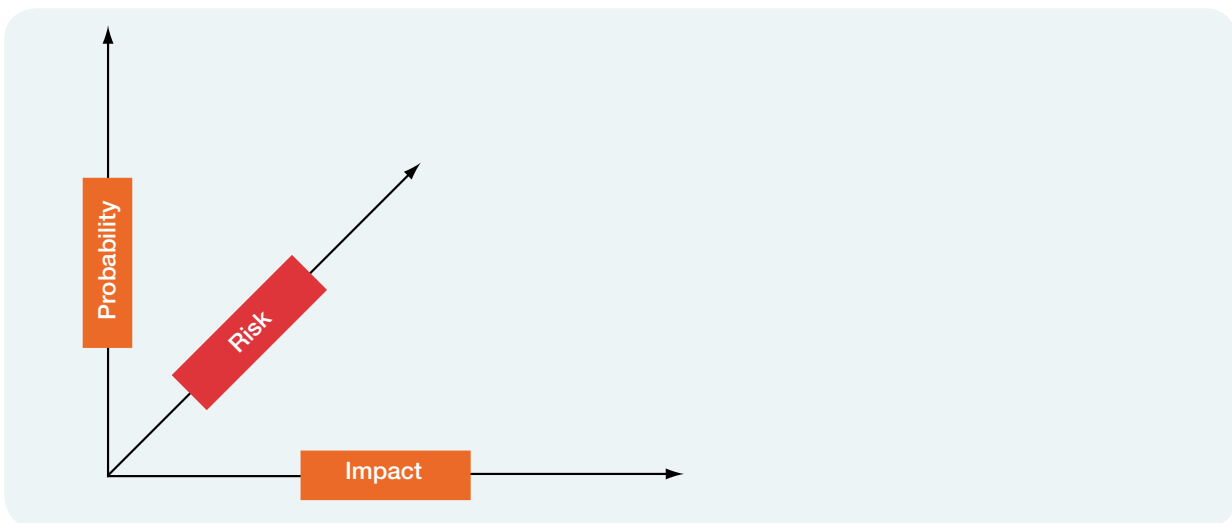
- *Revisit the Database of the OSCE Risk Management Software*

Project Managers have the option of using the OSCE Risk Management software database as a repository for documenting the risks and controls for projects. Project Managers can check which types of risks were identified for similar types of projects in the past and to search for examples of the controls introduced. Access to the software is provided through a dedicated Risk Management section on Doeln.

8.4.2 Understand the Nature of Risks and Assess Their Potential Impact

Once potential risks to the project have been identified, the next phase is to understand their significance. The significance of a risk is assessed based on the likelihood of it happening (probability) and the potential damage (impact) if it does occur. *Figure 8.2* shows that as the probability and impact of a risk increase, then so does the significance of the risk.

Figure 8.2 Evaluating Potential Risks



The exercise to assess the significance of a risk is performed three times to assess the inherent risk, the current risk and the controlled risk:

Inherent risk is the risk level a Project Manager identifies during the development phase of the project before any controls are implemented. This will flag high risks and help the Project Manager to focus on the significant risks when developing controls to be introduced in the project.

Current risk is the risk level of the project after management responses to risks are agreed upon, and the controls are put in place to mitigate them. The current risks and the controls introduced are documented in the *OSCE Project Proposal*.

Controlled risk is the anticipated level of risk that would be expected should the Project Manager consider the implementation of additional control measures.

a. Probability

The probability is the likelihood that a risk the project team has anticipated will actually happen (see *Table 8.2*). The OSCE assesses probability as one of five grades from “remote” to “near certainty”, as defined below.

Table 8.2 Probability

Remote	Remote likelihood it could occur.
Not Likely	Not likely to occur.
Likely	Likely to occur.
Highly Likely	Highly likely to occur.
Near Certainty	Almost certain to occur.

b. Impact

The impact is the size and degree of the damage that occurs if the event or threat, at risk of happening, does actually materialize. It is not easy to evaluate the impact of risks. Some risks, such as financial damage or liabilities, can be defined in numerical terms. Others, such as the impact on the OSCE's strategic sustainability and reputation, can only be defined in subjective terms. *Table 8.3* outlines how to assess the size and strength of damage.

Table 8.3 Impact: Size and Strength of Damage

	Characteristics	Financial and Economic	Technical and Operations	Strategic and Reputation
Critical	Wide scope, affecting several thematic issues or on a very large scale. Very significant impact on people and resources.	Very significant financial loss, unplanned expense. Scale threatens sustainability of the field operation.	Total service disruption, unable to continue to operate.	Extreme damage to reputation. Loss of credibility and sustainability of the OSCE.
High	Large scale impact on certain thematic issues. Significant impact on people and resources.	Significant level of financial loss, unplanned expense.	Significant disruption, impact on ability to provide services.	Significant damage to reputation. The OSCE's sustainability threatened. Serious concern expressed by key stakeholders.
Medium	Difficult but manageable impact on people and resources.	Noticeable financial loss and unplanned expense.	Noticeable disruption, impact on ability to provide services.	Noticeable damage to reputation. Complaints from key stakeholders.
Low	Manageable impact on people and resources.	Minor financial loss, unplanned expense.	Minor service disruption.	Minor damage to reputation. Minor complaints or unease.
Very Low	No noticeable damage to people or resources.	Little or no financial loss or unplanned expense.	Little or no disruption to services.	Little or no damage to reputation.

c. Timing

Timing is about how often and when the risk is likely to happen in the future. A risk may be expected to occur only once or twice, with regular intervals or be omnipresent throughout the project. It can happen in the near future (a couple of weeks to a few months) or considerably later (a year, a couple of years). The Project Manager will assess the significance of risks based on probability and impact. Timing is a factor the Project Manager will need to consider in designing the management responses.

Understanding the nature of risks and assessing their impact is not an easy exercise. In case of OSCE projects, it not only requires technical knowledge of project and risk management but also some political instinct to accurately forecast damage. For this part of the exercise, consultation with seasoned political officers and colleagues who have experience in implementing similar projects is strongly recommended.

d. Significance

The assessment of the significance of a risk can be shown on a matrix to better visualize the interaction between the probability and impact of a risk as shown in *Figure 8.3*.

Figure 8.3 The Probability - Impact Matrix

Probability ↑	Near Certainty	M	M	H	H	H
	Highly Likely	L	M	M	H	H
	Likely	L	M	M	H	H
	Not Likely	L	L	L	M	H
	Remote	L	L	L	L	M
		Very Low	Low	Medium	High	Critical
		Impact →				

In principle, the projects with current risks falling into the red, or high-risk, zone should be carefully considered by both the Project Manager and the Fund Manager. They will ensure all reasonable control measures have been planned and that the project benefits outweigh the risks.

The Programme and Project Managers, in consultation with Fund Managers, ultimately will decide how much risk they can tolerate. In case of large-scale, prominent projects, the Fund Manager may become the key person in deciding whether the project can tolerate a certain level of risk. In certain projects, the field operation or institution may accept significant risk in some areas and show no tolerance in others, such as risks to the safety and security of staff.

8.4.3 Responding to Risks and Deciding Which Controls to Implement

Programme/Project Managers have a variety of options to respond to risks. *Table 8.4* summarizes these management responses. These can also be thought of as controls available to the Project Manager to treat the risk. Accepting or tolerating the risk is also a managerial response. It implies that the Project Manager has decided nothing can be done to prevent or minimize the risk at reasonable cost and that the OSCE is ready to bear the consequences, should the threat happen.

Every management response to a risk comes at a cost. The Project Manager has to weigh the cost of the response against the probability and impact of the risk. These costs may be defined in terms of:

- Financial (e.g. cost of buying insurance, cost of undertaking additional activities, cost of producing a contingency plan, cost of hiring additional human resources)
- Time (e.g. consequence of delays, consequence of putting the project on hold, managing bottlenecks), and
- Impact on project plans (e.g. legal, political consequences of cancelling activities or carrying them out in a different way, impact on the project team).

Table 8.4 Management Responses to Risk

Management Response	Definition	Examples – A non-exhaustive list
Avoid	Terminate the risk by eliminating certain activities, doing things differently, and putting controls in place to stop the threat from happening.	If a project involves major procurement action, it is essential to get customs duties and VAT exemption from the government beforehand. This way the risk of non-reimbursement of VAT and substantial increase in costs is eliminated.
Mitigate	Reduce the risk by introducing controls to reduce its probability of happening or limit its potential damage so that the impact on the project is acceptable.	If a project involves an attractive out-of-town study visit or training, there is always a risk that the project may not get the right participants. This risk cannot be entirely eliminated but it can be reduced by drawing up the terms of reference for participation and getting the approval authority to agree to it.
Transfer	Pass the risk (usually the financial aspect) on to a third party. For example, an insurance policy or contractual penalty clause may mean that this aspect of the risk is no longer an issue for the OSCE.	If a project is dealing with the destruction of ammunition then the financial liabilities ensuing from potential risk of explosion can be passed on to an insurance company by buying specialist insurance policy. It should be understood that the reputation risk of the OSCE cannot be transferred.
Accept	Tolerate the risk because nothing can be done at reasonable cost.	If a project deals with legislative changes and there has been continuous political instability in the host country for long years, the Project Manager may decide to accept the risk and implement the project, despite the turbulent political climate.
Plan Contingency	Plan a new set of alternative activities that would take place, or prioritize activities and compromise some part of the project plan in case the risk actually happens. Planning for a contingency is also known as drafting a Plan B.	If there is a risk that an XB project may not get the funding it aspires to get, it is useful to have a contingency plan in place. The plan may concentrate on prioritizing thematically or geographically the issues the project aspires to address and implement them as funding flows in.

Source: Adapted from *Managing Successful Projects with PRINCE2™*, UK Office of Government Commerce 2005, p.256

a. Controls

A control is defined as a targeted activity designed to avoid, mitigate or transfer a specific risk. A control may be very effective, reasonably effective or not effective. The effectiveness of a control depends on the following:

- Its effectiveness has been tested with similar endeavours in the past
- OSCE staff are committed to the deployment of the control and know how to implement the control, and
- Implementation of the control is regularly monitored.

Strong controls are countermeasures tried, tested and known by experience to be effective. The OSCE staff/mission members understand their importance and know how to apply them. The implementation of very effective controls is regularly monitored and reviewed.

Medium controls are countermeasures known to work most of the time. The OSCE staff/mission member's degree of confidence in them is strong in some areas but less strong in others. The implementation of these controls is monitored only on an occasional or *ad hoc* basis.

Weak controls are countermeasures which provide little confidence. The OSCE staff/mission members are not trained on how to use them. The implementation of these controls is typically not monitored.

8.4.4 Put the Risks and Controls on Record

Once the risks are assessed and suitable management responses (controls) are identified, these have to be put on record for monitoring and controlling purposes. A risk log documents key information about the risk and how it will be managed. It contains the description of the risk, categorizes the type

of risk, its impact, probability and timing, identifies who the owner of the risk is, details what type of control will be put in place and how frequently the controls will be implemented.

Each risk will be assigned an owner from the project team. The owner will monitor the risk and ensure the controls agreed by management are implemented. The Project Manager will assume ultimate responsibility that risks are monitored and controlled. A copy of the OSCE risk log can be found in the Appendices. The electronic version is available through the Risk Management section in DoCln.

8.4.5 An Example of Risk Reduction

Table 8.5 shows an example of how risks and controls can be put on record. According to the example the Ministry of Defence (MoD) of an OSCE participating State has requested assistance in the disposal of its surplus Conventional Ammunition (CA). An OSCE needs assessment mission determined that the CA (in total 1,000 tonnes of grenades, mortars and artillery shells) are stored in an ill-suited and poorly maintained warehouse, which is adjacent to a residential area. The majority of the CA pieces are without their original packing cases and approximately 15-20 years old. Given their age and storage conditions, it is recommended that the CA is destroyed.

A joint OSCE-MoD project has been formulated, which consists of the safe packaging of the CA, its secure transportation to the designated destruction site and destruction. The work will be contracted out to a third party by the OSCE. The OSCE has also agreed to purchase adequate transportation and storage equipment.

a. Analysis of Inherent Risk and Key Controls

The OSCE Risk Log provides a detailed description of the risks that the project involves. The analysis of the inherent risk shows that the risk of explosion is highly likely and the impact will be high. The Project Manager proposes to introduce four different controls ranging from strict compliance with North Atlantic Treaty Organization Maintenance and Supply Agency (NAMSA) operating procedures (a very strong control) to buying insurance (a very strong control). These key controls reduce the impact of risks to low and probability of explosion to likely from highly likely. In this way, the high inherent risk of the project has been reduced and the current calculated risk of the project is medium.

b. Analysis of Additional Risk Control Measures

This part of the risk log documents those additional controls that the Project Manager explored but decided not to implement. The Project Manager may have sought additional risk control measures which would have eliminated the financial and legal risks completely. For instance, instead of contracting a third party, the MoD itself could have handled the transportation and destruction of CA after being provided with equipment and training. However, due to the financial burden of this option on the MoD and the political reluctance from the part of the host country, these additional controls could not be implemented.

The benefits of exploring additional risk control measures are two-fold:

- a. If the risk happens, the risk log will document which additional measures were considered and why they were not implemented. This will help to a certain extent protect the risk owner, the Project Manager, and the OSCE from damage to their reputation.
- b. Once the project is completed, the evaluators may question why additional risks control measures were not put in place. The Project Manager can use the exploration of additional risk control measures to document that all control options were explored and the feasible ones were implemented.

8.4.6 Monitor and Control the Risks during Implementation

The risks will be monitored and controls will be implemented with the frequency foreseen in the risk log. Reporting on risks and implementation of controls will be done as a part of project progress reporting.

Table 8.5 Risk Log – An Example

osce		OSCE Risk Log				
Filled in by (Name and Department):		Jane Smith			Date:	01.Sep.2010
Institution / Field Operation:		Secretariat				
Category and Administrative process:		Politico-Military Aspects of Security				
Risk Description: Provide full description including likely impact						
The project involves the risk of explosion of CA and this risk can happen at any time during implementation. The project team has identified the following risks:						
1. Security Risk which stems from the risk of explosion and its impact on safety and security of the staff and property.						
2. Financial and Legal Risks which stem from the risk of financial damage and unforeseen expenses such as hospital expenses or legal claims for compensation.						
3. Strategic/Reputation Risk which may cause deterioration in relations between the OSCE and the host country.						
Against the safety and security risk, the project will introduce very strict controls regarding the access to the destruction site and highest safety instructions as prescribed by the NAMSA. These operational control measures will be regularly implemented and monitored. Against financial and legal risks additional insurance policies will be bought for consultants and a Memorandum of Understanding (MoU) with the MoD will be signed. The MoU will protect the OSCE from liabilities once third party contractor begins its work. Senior management may decide to accept the strategic and reputation risk if it is established that sufficient amount of controls are introduced to mitigate other risks.						
Risk Owner: Please provide the first name and surname of the person responsible for the risk						
Project Manager Jane Smith						
Risk type:		Security Risk, Financial and Legal Risks, Strategic/Reputation Risk				
Key for risk categories						
Impact - Critical (C), High (H), Medium (M), Low (L), Very Low (V)						
Probability - Near Certainty (C), Highly Likely (H), Likely (M), Not Likely (L), Remote (V)						
Effectiveness of controls - Strong (S), Medium (M), Weak (W)						
ANALYSIS OF INHERENT RISK				Probability		
Probability:		H	INHERENT RISK (calculated)		M M H H H	
Impact:		H	H		L M M H H	
					L M M H H	
					L L L M H	
					L L L L M	
					V. Low Low Med High Crit.	
					Impact	
KEY CONTROLS CURRENTLY IMPLEMENTED				Monitoring Responsibility		Effectiveness of existing controls
1	Strict compliance with safety regulations during the disposal of hazardous materials according to the NAMSA instructions.			Senior Safety and Security Officer		S
2	Restricting access to dismantling activities to trained personnel only.			Senior Safety and Security Officer		M
3	The MoU with the MoD protecting the OSCE once the third party contractor assumes its work.			Senior Legal Adviser		S
4	The purchase of an insurance policy for the OSCE consultants on SSA.			Senior Personnel Officer		S
ANALYSIS OF CURRENT RISK				Probability		
Provide an assessment of the current risk taking in to account the key controls that are in place				M M H H H		
Probability:		M	CURRENT RISK (calculated)		L M M H H	
Impact:		L	M		L M M H H	
					L L L M H	
					L L L L M	
					V. Low Low Med High Crit.	
					Impact	
ADDITIONAL RISK CONTROL MEASURES				Responsibility	Anticipated effectiveness of controls	Implementation date
1	The MoD gets directly involved in the destruction of CA after training and capacity-building.			MoD	S	N/A. Financial problems and political reluctance
2	Onsite destruction, zero transportation.			MoD	M	N/A
ANALYSIS OF CONTROLLED RISK				Probability		
Probability:		L	CONTROLLED RISK (calculated)		M M H H H	
Impact:		L	L		L M M H H	
					L L L M H	
					L L L L M	
					V. Low Low Med High Crit.	
					Impact	

Sometimes changes in controls may entail changes in the plan. For instance the experienced Safety/ Security Officer who implements the operational controls may resign. In this case, the event has to be reported in writing immediately to management in order for swift action to be taken. The controls put in place to respond to the resignation of a key risk owner will also be reported in the regular *Project Progress Report*.

8.4.7 Evaluate the Management of Project Risks

Once the project is completed, self-evaluation will look into how well risks were identified, managed, monitored and controlled. The Project Manager will carry out a self-evaluation exercise within three months of the project completion.

Reviewing how project risks were managed is important for the evaluation of the initiative. In order to assess to what extent the project was effective and make a judgment on the prospect impact, the Project Manager will need to consider how well the risks of the project were identified, monitored and controlled.

Based on the findings, evaluators will make an assessment on the effectiveness and impact of the project. For further reading on evaluating management of risks and controls please refer to the chapter on Project Self-Evaluation.

8.5 OSCE Risk Management Software

The OSCE Risk Management software is used as a repository for documenting risks and controls. The Project Managers have the option of using the OSCE Risk Management software to document the risks and controls that are specific to their projects. The software will then function as a shared resource to assist the Project Managers in assessing and documenting the risk of future projects, developing appropriate controls, and providing Fund Managers with summaries of project risk and control information.

Access to the software is provided through a dedicated Risk Management section in DoCIn. The Fund Manager and Chief of Fund Administration are responsible for deciding the level of access within their Field Operation or Institution.

The OSCE Risk Management software uses the same methodology documented in this chapter. The software is simple to use. The Project Managers who would like to use it to document and manage the risks to their projects are encouraged to do so. Documentation on how to use the software, including a short eLearning presentation, and responses to frequently asked questions are provided in the Risk Management section of DoCIn.

IMPLEMENTING PARTNERS

Working with Implementing Partners (IPs), be it civil society, government entities or international organizations, is a key part of the OSCE's project work. The OSCE's work with IPs for the Unified Budget (UB) and extra-budgetary (XB) projects is regulated by the Financial/Administrative Instruction 15 on Implementing Partners (FAI 15). The Project Managers who intend to use an IP should read FAI 15 in advance.

This chapter provides a summary of the key points arising from FAI 15. The early involvement of the Chief of Fund Administration and Legal Services is important when using IPs, in order to ensure a smooth and timely selection process and avoid last-minute surprises.

9.1 Who is an Implementing Partner?

The types of entities that may qualify as IPs include:

- Ministries or entities of the host government
- Non-governmental organizations/civil society organizations (NGOs/CSOs), and
- UN agencies or other international organizations.

An IP needs to be able to undertake the day-to-day management of a project. This includes the management of funds and human resources and entails planning and executing project activities, supervision of performance and monitoring.

The IPs used by the OSCE should be not-for-profit organizations and should operate in conformity with the national legislation in the areas in which they are active. Groups or organizations that practice or endorse any form of discrimination, intolerance or promote dominance by one ethnic, religious, political or gender group (including political parties or religious organizations) do not qualify as IPs.

9.2 What is an Implementing Partner Agreement?

An Implementing Partner Agreement (IPA) is a contract made between the OSCE and the IP. The IPA contains clauses that govern the relationship, the obligations of the IP and the OSCE, as well as the budget and mode of payment. The size of an IPA is the total amount of money awarded to an implementing partner. Among other things, the Project Manager should pay attention to the following:

- Agreements with the IPs should be concluded and signed before the start of project implementation.
- The IP's reporting responsibilities and frequency should be outlined in the IPA.
- Procurement action and in particular Purchase Orders should be created after the IPA is signed to ensure that sufficient funds are available and reserved.
- Potential risks should be identified and evaluated during the project planning stage. Special attention should be paid to IPAs. Project Managers should avoid accepting conditions that could place the OSCE in an unfavourable position.

Both Russian and English versions of the IPA, as included in the annex of FAI 15, can be found in the Common Regulatory Management System (CRMS) section of Docln.

9.3 Why Work with Implementing Partners?

An OSCE project may engage an IP for the following reasons:

- a. To build the capacity of the IP in order to promote the development of civil society, and of democratic structures and institutions in the host country, or
- b. To perform activities that the OSCE staff/mission members cannot perform.

Care should be taken to use IPs only for services that entail project implementation activities or activities that the OSCE cannot do itself. As part of the process of engaging an IP, the *Project Manager* will need to justify why the IP's services are needed and describe the value that will be added. The *Chief of Fund Administration* will confirm which administrative and financial requirements must be met by the IP. Contracts for services (e.g. travel or conference arrangements) are more appropriately handled through service contracts as part of the OSCE procurement process.

The justification for engaging an IP is an integral part of the *Project Proposal*. This information is recorded in the *Background and Justifications and Implementing Modalities* sections of the OSCE *Project Proposal*.

Building the Capacity of an Implementing Partner

The OSCE may help build the capacities of a government entity, or a civil society organization, via a project to ensure its long-term sustainability. If an IP is selected for capacity-building purposes then it becomes a primary project beneficiary and the competitive selection processes will not apply. However, the necessary due diligence will still have to be performed. When selecting IPs for capacity-building purposes, the OSCE executive structures need to comply with the following guidelines:

- ➔ Projects aiming at building the capacity of a particular NGO/CSO should not exceed €25,000 annually (N.B. there is no particular monetary limit for government-related entities).
- ➔ There should be a clearly established outcome, defining the capacity level to be achieved.
- ➔ There should be a clear exit strategy.
- ➔ Projects should aim to reach a level of capacity/sustainability after three years.
- ➔ Extending funding beyond three years is subject to the approval of the Fund Manager.

9.4 Identification and Selection of an Implementing Partner

There are three ways in which a suitable IP may be engaged:

- a. Competitive selection process
- b. Development and maintenance of a roster of IPs, and
- c. Exemption from the competitive selection process shown in FAI 15.

The requirements for each selection method are summarised in *Table 9.1*. Regardless of the method of selection, due diligence will always need to be performed.

Table 9.1 Selection of Implementing Partners

Type of Implementing Partner	Method of Selection
Government entities and their legally appointed agencies or their partners who enjoy sole domain right/monopoly in a certain area.	Exempt from competitive selection process but the Project Manager should document that the implementing partner is indeed a government entity and provide a justification as to why the IP is being used.
IP is selected for capacity-building purposes.	Exempt from competitive selection process but the IP's engagement should be in line with requirements set by FAI 15.
The total amount of an IPA is less than or equal to €10,000.	Exempt from competitive selection process.
The total amount of IPA is greater than €10,000 but less than €50,000.	IP can be selected from a roster of implementing partners. Where a roster is not available the IP must be selected through a competitive selection process.
The total amount of IPA is greater than €50,000.	The selection of the IP shall be based on a competitive selection process.

9.4.1 Competitive Selection Process

For projects where the total amount of the IPA exceeds €50,000 a competitive selection process needs to take place to identify and select the most suitable IP. A competitive selection process is the solicitation of IPs to find out which one can best service the project to achieve its objective. The process works as follows:

- a. The IP terms of reference are established, based on the project objective, desired results and proposed activities, as outlined in the logframe, and describe the specific services expected from the IP.
- b. An advertisement process is designed to attract a variety of potential qualified partners.
- c. Top candidates are short-listed, preferably at least three.
- d. Interviews of the top candidates are conducted by a panel of experts including at least one member of the FAU. Selection of a candidate presupposes that they meet the OSCE's due diligence criteria.
- e. The candidate who could best contribute to the project objective in a cost-effective manner is chosen. Then the panel's decision is documented in a report and signed by the panel members.

9.4.2 Roster of Implementing Partners

For projects where the total amount of the IPA is greater than €10,000 and less than €50,000, the executive structures may identify and select the most suitable IP from an internally developed and maintained roster. The roster can include the IPs that have been used before with satisfactory results or those that have been pre-qualified after the competitive selection process (even if they were not selected). Once on the roster, an IP can remain there for three years, after which it must be re-qualified, based on a new competitive selection process.

Consideration should be given to expanding the roster on a regular basis to include different IPs to bring fresh ideas and new approaches, and to ensure that the selection remains competitive. The roster and supporting documentation should be updated and reviewed by the Project Managers upon completion of each project, and approved by the Fund Manager at least annually.

9.4.3 Exemption from the Competitive Selection Process

An IP may be exempt from the competitive selection process of FAI 15 in a few select cases. These are the following:

- For projects where the total amount of the IPA is less than €10,000, no competitive selection process is foreseen. In addition, the IP does not need to be listed in the roster.
- Government entities or their affiliated agencies and bodies who have domain rights or monopoly in a certain competence are exempt from the competitive selection process. However, the fact that the IP is indeed a government entity needs to be documented and verified as part of the due diligence.
- Projects designed to build the capacity of an IP itself are exempt from the competitive selection process.

Exemption from the competitive selection process of FAI 15 does not relieve the requirement to perform due diligence, or the need to document the reason for using an IP, and for selecting a particular IP. This documentation should be an integral part of the *Project Proposal*.

9.4.4 Due Diligence

A due diligence exercise is part of the IP selection process. The Project Manager and Chief of Fund Administration will perform the due diligence. They can request the assistance of a Legal Adviser, when necessary. Involving the Chief of Fund Administration and the Legal Adviser from the start of project development will reduce internal administrative delays and last minute surprises as they will have had adequate time to consider potential issues and perform the necessary due diligence procedures. Due diligence requires that the OSCE obtain and review the following information about the IP:

- *Legitimacy of the IP.*

This procedure involves verifying that the IP is officially registered in the host country, complies with national legislation, has the licenses, certificates and is legally able to perform the activities.

- *Capacity of the IP to perform adequately the activities required by the project.*

This procedure involves verifying that the IP has the capacity and professional competence to carry out the activities, deliver results and produce narrative and financial reports in an agreed format and on a timely basis.

- *Capacity of the IP to perform the administrative tasks required by the CRMS.*

This procedure involves verifying that the IP has adequate insurance coverage required to carry out project activities and adequate administrative capacity to report financial activity in line with the CRMS.

Project Managers should consult FAI 15 and its annexes for detailed guidance on how the due diligence exercise is performed. For high-risk projects there are additional due diligence requirements. High-risk projects are those that present an increased political, financial, or reputational risk to the OSCE because of their nature, size, political sensitivity or other inherently risky characteristics.

Examples would include projects related to ammunition or weapons destruction, large projects involving construction work or infrastructure development, or politically sensitive projects, particularly involving human rights protection or reforming electoral systems. All high-risk projects are subject to a mandatory audit or verification and the Project Manager should ensure that this cost is included in the budget.

The OSCE also implements projects in areas that have very weak civil society or little governmental infrastructure. These areas are generally characterized by weak or non-existent administrative and legal systems and therefore due diligence checks may be very difficult.

In such cases the OSCE executive structure should have a written policy describing how the due diligence will be conducted and addressed. This policy should cover issues such as whether, and how, to accept paperwork issued by unrecognized authorities.

9.5 Civil Society Organizations and Their Projects

An NGO/CSO may submit a project idea/concept/proposal to an executive structure to get funding and work as an IP in the project.

The Project Manager should explain to the IP that externally-generated project proposals need to be reviewed to ensure they are in line with the OSCE executive structure's mandate and the UB programme. This also means that — if accepted — the project idea will be revised to address what the OSCE wants to achieve, and what role the executive structure might want to take on in the initiative.

If the IPA is going to be less than €50,000 and the NGO/CSO that brought the proposal is already listed on the roster, a competitive selection process is not required but the necessary due diligence will be performed. Subject to the availability of funds, and the approval of an *OSCE Project Proposal* by the Fund Manager, the OSCE can co-operate with the IP which brought the project idea. The *Project Proposal* will contain a justification as to why an IP is being used, and why that particular IP has been chosen.

If the IPA is going to be greater than €50,000, then the Project Manager should explain to the NGO/CSO that the OSCE rules require a competitive selection process. This means that it is not guaranteed that the NGO/CSO that brought the project idea will win the selection process.

9.5.1 Gender Equality and Implementing Partners

It is important to be selective when choosing an IP. In addition to the due diligence considerations outlined by FAI 15 the IP's commitment to gender equality is important for the OSCE. The Project Manager may wish to raise the following issues with the potential IP:

- How does the IP ensure gender equality in their organization?
- Does the IP have an interest in integrating a gender perspective into the project?
- What is the IP's motivation for promoting or opposing gender equality?
- Does the IP have a policy/action plan for promoting gender equality?
- What activities has the IP carried out on gender equality or on women's rights?

An organization that opposes gender equality would not qualify to be used as an IP under FAI 15.

9.5.2 Monitoring Implementing Partners

Monitoring the progress of projects and evaluating their performance is the responsibility of the OSCE. The reports received from the IPs cannot be used as a substitute. However, this does not relieve the IPs from their duties to regularly report to the OSCE on the services they have delivered or activities they have carried out. The monitoring of IPs requires the Project Manager to do the following:

- Avail him or her of the right to review supporting documentation required to be retained by implementing partners.
- Take responsibility for the primary review and approval of the IP financial reports.
- Ensure the IP reports provide clear information on how funds were spent, whether or not the project results have been satisfactorily delivered and supporting documentation annexed to the reports.

9.5.3 Unified Budget Projects

The IP should report at least once during the implementation of the UB project. If payments to the IP are made by instalments, then no new payment should be made until the submission, review and acceptance by the Project Manager and Chief of Fund Administration of a narrative and financial report, covering the services provided with the previous instalment.

9.5.4 Extra-Budgetary Projects

The donor will usually specify the frequency of reporting expected from the OSCE in the agreement attached to the pledge (e.g. every 6 months). In this case the Project Manager should pay attention that the IP reports are received prior to the drafting of the *Project Progress Report* for the consumption of the donor.

If payments to the IP are made by instalments, then no new payment should be made until the submission, review and acceptance by the Project Manager and Chief of Fund Administration of a narrative and financial report, covering the services provided with the previous instalment.

9.5.5 Assessing Performance

At the end of a project the Project Manager, Chief of Fund Administration and Legal Adviser are required to review the performance of the IP using the IP Assessment Form. This performance evaluation should be used in future IP selection processes.

ADMINISTRATION OF UNIFIED BUDGET AND EXTRA-BUDGETARY PROJECTS

10.1 Key Steps of Project Administration

The OSCE has a standard *Project Proposal* template for all projects, regardless of whether they are funded from the Unified Budget (UB) or from extra-budgetary (XB) contributions. This proposal is the key document that helps to communicate to internal and external interlocutors exactly what the project aims to achieve. The proposal is based on the logframe, the plan of operations and budget. It depicts the risks to the project and the controls that will be put in place to manage those risks, as well as outlining the modalities for monitoring and self-evaluation.

At the end of project development, the key information from the situation and stakeholder analyses, logframe, plan of operations, budget and risk log are transferred into the *Project Proposal*. The OSCE *Project Proposal* template, with guidance on how to fill it in, can be found in the Appendices. Before the implementation of a project can begin, certain events must have transpired (see *Table 10.1*). These are the following:

1. The project identification and development phases of the OSCE Project Cycle Management (PCM) method are completed.
2. The project is formally approved by the Fund Manager.
3. In case of XB projects, the Fund Manager has signed the Support for Pledge Acceptance Form.
4. The project has been uploaded into Oracle by the Fund Administration Unit (FAU).
5. The project is adequately financed.

Table 10.1 Administration of Projects

	UB	XB
PCM	Develop the <i>Project Proposal</i> and the Project Summary Document (PSD).	Develop the <i>Project Proposal</i> and the PSD.
Approval	Requires the approval of the PSD.	Requires the Fund Manager to take into account the independent assessment by the CPC/PESU prior to approving the PSD.
Uploading to Oracle	At the direction of the Fund Manager.	After the Fund Manager signs the Support for Pledge Acceptance Form.
Financing	Signified by the approval of the Unified Budget Proposal (UBP).	Based on the acceptance and receipt of outside contributions by the Director of Department of Management and Finance on behalf of the Secretary General.
Project Start	After approval of the UBP and PSD.	Upon budget allocation by the DMF after receiving income and/or an approved Advance Authorization.
Project End	Within the UB fiscal year (1 st January – 31 st December).	Could be a multi-year project.

The phases of project identification and development and uploading to Oracle are virtually the same for the UB and XB projects. However, there are differences between the UB and XB project processes

with respect to project approval and financing, and when project implementation activity can begin and finish.

10.1.1 Project Cycle Management

For both the UB and XB projects, key information identified in the project identification and development phases of the PCM process (*Background and Justifications, Project Objective, Results and Budget* sections of the *OSCE Project Proposal*) are summarized in the PSD.

10.1.2 Approval

For both UB and XB projects, the Fund Manager is accountable to the Permanent Council or project donors for ensuring that all projects are consistent and coherent with their mandate, the policy guidance provided by the participating States and the Common Regulatory Management System (CRMS). The Fund Manager is required to formally sign the Support for Pledge Acceptance Form as evidence of his or her approval of the project. A copy of this form can be found in the Appendices.

10.2 Extra-Budgetary Projects and the Assessment Process

Prior to finalization of the PSD of the XB projects, the Project Managers for all field operations and the Secretariat are required to obtain an independent assessment and evaluation of the project. This is co-ordinated by the Conflict Prevention Centre/Programming and Evaluation Support Unit (CPC/PESU). Specifically, the Financial/Administrative Instruction 4 on Extra-Budgetary Contributions (FAI 4) requires that an XB project fulfils the following criteria:

- a. Relevance of objectives: the programme/project is consistent with the Fund's mandate and UB objectives.
- b. Compliance with the laws and regulations of the host country: the programme/project is carried out with full respect for the laws and regulations of the host country.
- c. Additionality of funding: the XB funding is in addition to funds already provided under the UB, in order to prevent double funding of programmes and projects.
- d. Complementary activities: the programme/project is well co-ordinated with other parts of the Organization.
- e. Capacity to implement: the executive structure has the necessary technical and administrative capacity to implement the proposed programme successfully.
- f. Future Liabilities of the Organization: the programme/project will not create a significant liability for the OSCE, beyond the financial resources that are provided through XB contributions.

In addition, the assessment process is a way to channel institutional memory and share accumulated experience among the field operations, institutions and the Secretariat. Before sending the *Project Proposal* for assessment, the Project Manager should ensure that:

- ➔ It is complete.
- ➔ The proposal is in line with the CRMS.
- ➔ The Chief of Fund Administration has been involved in the preparation of the proposal.
- ➔ The FAU confirmed resources are available to support the project.
- ➔ The budgeted costs are realistic.
- ➔ The project is compliant with the rules and regulations of the host country.
- ➔ Where required, other executive structures have been consulted.

To initiate the assessment process the draft *Project Proposal* is sent by email to the CPC/PESU using the email address pcc-at@osce.org. The CPC/PESU co-ordinates and manages the evaluation of all XB projects planned by field operations and the Secretariat. The assessment process involves a wide number of technical focal points from the Secretariat and institutions. The Chairmanship may also be consulted, as appropriate.

The projects are assessed on their design, strategy, feasibility, clarity, consistency and coherence with the OSCE policies and standards. These assessment criteria are outlined in the *Project Reviewers Checklist* that can be found in the Appendices. The comments of the technical focal points are consolidated and communicated back, through the CPC/PESU, usually within one week. Based on the suggestions that might have been made during the assessment process, the Project Manager will finalize the proposal. A copy of the final version of the *Project Proposal* should be sent to CPC/PESU for institutional memory purposes.

As part of his or her approval of the project, the Fund Manager should consider the comments provided by the Secretariat in its assessment and satisfy him or herself that significant concerns have been adequately addressed. The Project Manager should not share any draft project document with prospective donors before it has been reviewed by the Secretariat and approved by his or her Fund Manager.

As evidence of approval, in addition to signing the PSD, the Fund Manager is required to sign a Support for Pledge Acceptance form to be forwarded to the Chief of Fund Administration, the Senior Finance Officer and CPC/PESU. This form authorizes the Chief of Fund Administration to upload the project to Oracle, which will make the project visible on the Delegates Website (DeWeb) and facilitate the fundraising process.

10.2.1 Amending Extra-Budgetary Projects during Implementation

An XB project may be subjected to amendments after the assessment process or during implementation. This is normal procedure. There might be a need to make changes during the course of implementation to ensure project success.

However, an ongoing XB project will be re-sent for assessment in the event that it is extensively amended. The purpose is to prevent the misuse of ongoing initiatives in order to avoid developing new projects or circumventing the assessment process. The donors should be informed that significant changes are introduced to the initiative and that the project is expected to go through a new round of assessment. The ongoing XB projects are subject to assessment under the following circumstances:

- A substantial increase in the project budget.
- Substantial changes are made to the project strategy such as a complete restructuring of the project objective, results and activities which may or may not have budgetary implications.

10.2.2 Uploading to Oracle

Both UB and XB projects are uploaded to Oracle by a designated project handler. The authorization for uploading the project comes from the Fund Manager, through an approved PSD, and, in case of XB projects, a signed Support for Pledge Acceptance form in addition. As noted above, uploading an XB project to Oracle will make details of the project visible on the Delegates Website (DeWeb) so it is critical that the project has been reviewed in accordance with FAI 4 and that the PSD has been approved by the Fund Manager.

10.2.3 Financing of Unified Budget Projects

Once the UBP is approved by the participating States, it follows that the source of financing of the UB projects has been secured, so, no further efforts are necessary with respect to financing UB projects. As soon as the UBP is approved by the participating States and the PSD has been approved by the Fund Manager, project implementation can begin.

10.2.4 Financing of Extra-Budgetary Projects

The funding of XB projects is not guaranteed. Considerable fundraising efforts are needed to get extra-budgetary contributions. To be able to receive funds for an XB project, an approved project with an IRMA project number must exist in Oracle. Based on this, donors can send a pledge letter, with a reference to the project number, to the Secretary General.

The Director of the Department of Management and Finance is authorized to accept pledges on behalf of the Secretary General for approved projects only. He or she will issue a Pledge Acceptance Letter and/or Agreement to the related donor, which outlines the terms and conditions for using the funds.

Although XB contributions are accepted in accordance with the standard OSCE terms and conditions, the Project Managers must be aware of all clauses in the contract, as some donors may have specific requirements (for example quarterly interim reporting, earmarking fund for specific activities/tasks). Donor agreements must always be reviewed by the DMF in the Secretariat.

The final financial report submitted to a donor can only be sent when all Purchase Requisitions and Purchase Orders related to the project are cleared.

The implementation of an XB project can start only once a budget allocation has been made to the project by the Secretariat, which happens after the funds have been received in the OSCE bank account in Vienna. The DMF will inform the FAU of the acceptance of pledges and funds. The FAU will be automatically informed (e-mail notification) after every pledge's budget allocation.

At the written request of the Fund Manager, and where the activities are time-bound, the Director of the Department of Management and Finance can exceptionally authorize limited advance allotments, not exceeding 50 per cent of the respective approved pledge, to initiate projects prior to the receipt of funds.

The use of the UB funds to finance XB activities is strictly forbidden. The financing and accounting of the UB and XB projects are kept separate. In other words, a project cannot be financed partly from the XB resources and partly from the UB. In no event should funds from the UB be used to fund XB costs, even on a temporary basis.

10.2.5 Fundraising for Extra-Budgetary Projects

Fundraising for XB projects is the responsibility of each Project Manager. Whilst the Secretariat can assist in identifying potential donors, there is no central fundraising function at the Secretariat level. A Project Manager must not engage in pro-active fundraising until after the project has been assessed by the Secretariat and approved by the Fund Manager. However, whilst the project is still being developed, the Project Manager may need to liaise with potential donors to gauge the prospects for funding. This is understandable, as long as no commitments are made by the OSCE.

The most common form of fundraising is by sharing the approved *Project Proposal* with the embassies of the OSCE participating States in the host country, with the delegations in Vienna or directly with Capitals, and offices of other international organizations. For larger projects, fundraising meetings either in the host country or in Vienna can be organized.

It is important to remember that whilst a good network amongst the participating States is important to identify donors, the best way to attract funding is through the development of a clear, detailed and well justified *Project Proposal*.

10.3 Distance Project Management

For some OSCE executive structures, managing projects from a distance is an unavoidable reality. Sometimes it is possible to rely on the support of an OSCE field operation, but not always. The major challenge in conducting a project from a distance is to be able to properly monitor and control the project, ensuring the defined project results are achieved and the allocated resources are used in the way they were intended.

10.3.1 Sound Needs Assessment

Distance project management starts with needs assessment. Projects managed from a distance are identified by the Project Managers who work for the institutions and the Secretariat. They may be responding to requests from the participating States, civil society or international organizations.

However, unlike on-site managers, a distance manager does not have the luxury of being able to make frequent visits to the stakeholders. For instance, the manager will need to ensure that the beneficiaries can be accurately chosen and regularly contacted. Therefore, rigorous needs assessment should take place to assess the needs of potential beneficiaries and the nature of the problem before engaging in a project.

10.3.2 Project Development and Implementation

It is critical to develop a very detailed *Project Proposal* so that the implementing partner (IP) on-site knows exactly what to undertake, when and how. The Project Manager will also need to consider additional hurdles to successful project implementation. Some of these pitfalls are listed below:

- *Monitoring and evaluation is likely to have higher cost implications than a project managed on-site.*

The cost of frequent visits by the executive structure, of hiring a local mission member to oversee the project, or of reimbursing the expenses of the OSCE field operation that monitors project implementation, all need to be budgeted from the onset.

- *Day-to-day administration will be problematic.*

Ideally, a distance manager should seek to obtain the agreement of the local OSCE field operation to assist the administration of the project. However, before assuming reliance on the field operation, a distance manager should make sure their Fund Manager agrees to it and that the Fund has sufficient managerial, administrative and technical capacity to administer the project.

- *Procurement may be problematic, particularly when there is no OSCE presence on the ground.*

Distance managers have to clarify how and where equipment will be purchased, how its effective use will be monitored and how it will be handed over to local authorities.

- *Frequent interaction with relevant stakeholders, particularly with government, may be necessary.*

Distance managers have to clarify how necessary working relations with the local stakeholders will be established.

- *Selecting reliable and proficient IPs may be difficult.*

It will be difficult to monitor the project as thoroughly as an on-site project management; therefore the selection of the right IP is critical. Distance managers need very clear and specific terms of reference for the IP and ensure it agrees to the reporting modalities of the OSCE.

- *Management of risks will be more difficult.*

Risks need to be thoroughly assessed, given the disadvantages of managing the project from a distance. Management responses to risks need to be designed to take the extra difficulties of distance project implementation into consideration (e.g. additional cost of managing the risk, delays in controlling risks)

10.3.3 Rigorous Monitoring and Controlling

It is essential to maintain frequent contacts with the IP. A distance manager has to promote a two-way working relationship, so that both the OSCE Project Manager and the IP feel comfortable contacting each other at any time.

The validity of information provided by the IP needs to be verified by beneficiaries, and other key stakeholders. Payments to the IP should be tied to the receipt of reports.

Project sites need to be regularly visited and contacts with all stakeholders maintained. If the project is large-scale, hiring a local OSCE mission member on-site is recommended, in order to monitor, control and administer the project. This will have significant cost implications, but if the project is large these expenses will offset the risk of project failure.

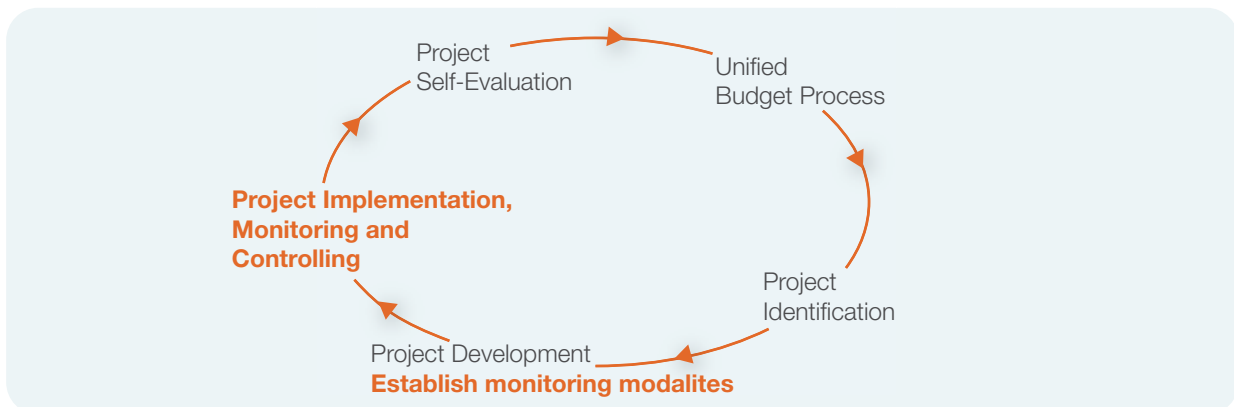
***Project Implementation,
Monitoring and Evaluation***

IMPLEMENTATION, MONITORING AND CONTROLLING

Project implementation, monitoring and controlling constitutes the fourth phase of the project cycle (see *Figure 11.1*). Implementation can begin when the *Project Proposal* has been approved by the Fund Manager and uploaded in Oracle.

During implementation, all administrative and contractual work is concluded, resources are mobilized, and activities are carried out. The progress of the project and associated risks are monitored, controlled and reported. The Project Manager will need to manage his or her team, as well as the information flow and communication within the team, with senior management, beneficiaries and Implementing Partners (IPs).

Figure 11.1 The Project Cycle and Implementation, Monitoring and Controlling



11.1 Key Steps of Implementation

In greater detail, implementation specifically involves the following:

1. All administrative work (e.g. recruitment, procurement) is finalized.
2. All contractual work [e.g. signing of Memorandum of Understanding (MoU), Implementing Partner Agreement (IPA)] is finalized. The project objective, results and activities outlined in the logframe will provide the basis to draw up these contracts.
3. For high profile projects an official launch may be organized. Otherwise, the stakeholders can be informed through a meeting, presentation, the OSCE Delegates Website (DelWeb) or local press on the actual start of the project.
4. The human, financial, material resources are mobilized.
5. The activities outlined in the plan of operations are carried out by the OSCE, its implementing partners or contracted firms.
6. Implementation of activities and progress of the project are monitored and reported. Corrective action is taken when necessary. SMART indicators and means of verification outlined in the logframe provide the basis for monitoring progress and controlling.
7. Results outlined in the logframe are delivered.
8. The project is closed administratively and handed over to local authorities (when applicable).

Often, project implementation proper cannot actually begin until the necessary staff has been recruited and the necessary goods and services have been contracted. Yet these administrative processes cannot begin until the project is approved and uploaded to Oracle and assigned budget codes. The Financial/Administrative Instruction 6 on Procurement and Contracting (FAI 6) clearly states that no procurement process is to be initiated without an approved Purchase Requisition in the system. Therefore, it is of the utmost importance for the project team to enter the Purchase Requisition for their projects at the earliest possible opportunity after approval of the project.

If the project inputs will require a *Request for Price Quotation* or *Competitive Tendering*, these processes will be conducted by the FAU (as determined by the procurement procedure thresholds in FAI 6). The project team must develop a thorough terms of reference document, with the scope of services or the technical specifications, as applicable, before the procurement procedure can be launched. This is why allocating sufficient time in the planning phase to all procurement activities is so important.

The key documents produced during the implementation phase are the Monitoring Report and *Project Progress Report*. The former is typically destined for the consumption of the Project and Programme Managers. In case of an extra-budgetary (XB) initiative, a *Project Progress Report* is prepared for the consumption of donors. Depending on the size of the field operation, final approval of Deputy Head of Mission and/or Head of Mission may have to be obtained before sharing the report with donors.

11.2 Implementation and Oracle

Project implementation means a significant amount of administration effort, besides the actual substantive work. For instance, a legal expert may be hired on an SSA to provide legal advice on a bill. This is the substantive part of work, but in order to hire this expert, the Project Manager will also need to engage and co-ordinate a significant amount of administrative work. He or she should calculate a reasonable amount of time for the administrative steps in Oracle. Many different staff/mission members working in the Fund Administration Unit (FAU) or the Secretariat's Department of Human Resources (DHR) and Department of Management and Finance (DMF) are involved in the recruitment of a single expert.

The Project Manager needs to look into the roster or get the FAU/DHR's help to find an appropriate expert. Once the right expert is found, he or she needs to engage the project handler to raise a Purchase Requisition in IRMA for the SSA services of the legal expert. From this point onwards, the administrative work in IRMA (e.g. creating a Purchase Order, creating payable Oracle invoice, creating a bank statement, paying Oracle invoice in cash management, reconciling payments) is handled by the FAU in the relevant field operation and institution, or the DMF within the Secretariat.

The Project Manager will ensure the following:

- Sufficient time is foreseen at the project development phase for administration in Oracle and potential bottlenecks in the workflow.
- The Programme Manager approves the administrative steps in Oracle.
- The project handler enters and closes all Purchase Requisitions in a timely fashion.
- The project handler enters sufficient information (e.g. technical specifications) in Oracle every time a Purchase Requisition is made.
- The administrative questions of the FAU and/or DHR and DMF are answered swiftly.
- The project handler receives the goods in Oracle once the services and/or goods are obtained.

11.3 Monitoring and Controlling

Monitoring is the systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making. Once implementation begins, the execution of activities has to be regularly overseen and progress needs to be assessed. During implementation, the project needs to be regularly monitored to verify the:

- Project's progress against its results stated in the logframe
- Project's progress against the time targets set in the plan of operations
- Effective employment of resources, and
- Expenditure stays within the limits of the budget.

Monitoring will track progress and indicate issues and problems during implementation. Controlling will take corrective action to remedy these problems and issues. It is important to establish the frequency and modalities of monitoring at the project development phase. It may also be necessary to allocate funds to cover solely the cost of monitoring.

11.4 Purpose of Monitoring and Controlling

Monitoring is a means to controlling the implementation of the project and ultimately ensuring the project objective and results are achieved. Monitoring is not an end in itself. Monitoring and controlling also guarantee resources are employed effectively, in an accountable and transparent manner in line with the Common Regulatory Management System (CRMS), and ensure the key stakeholder's commitment to the project. Finally, it provides the basis for self-evaluation which will take place after the completion of the project.

Before monitoring the project, the Project Manager needs to clarify what aspect(s) of the project needs to be monitored and why. The purpose is not to complete a set of forms but to collect information on progress, analyse this information and feed it back into the decision-making process.

11.4.1 Difference between Monitoring and Evaluation

Monitoring will provide vital information for final self-evaluation, as well as for programmatic and thematic evaluations done via independent evaluators. The modalities of monitoring and evaluation are both established during development of the project. However, monitoring and evaluation are two distinct functions (see *Table 11.1*):

- Monitoring focuses on the progress towards the achievement of project results whereas evaluation is broader in its scope. Evaluation focuses on the achievement of the project objective, its impact, sustainability and contribution towards the UB programme objective.
- Monitoring will help decision-making during project implementation, whereas evaluation will indicate whether strategic changes are needed at the UB programme level.
- Monitoring is a frequent, short-term, focused exercise providing results to the Project Manager to improve decision-making during implementation. Evaluation is a less frequent and more time-consuming exercise. It usually takes place after the completion of the project.

Table 11.1 Distinctions between Monitoring, Evaluation and Audit

Monitoring	Rapid, ongoing, continuous analysis of project progress towards achieving results with the purpose of improving management decision-making.
Evaluation	In depth analysis and assessment of overall performance of the project including the project's relevance to the problems, effectiveness, efficiency, impact and in particular its contribution to a specific UB programme objective, sustainability, coherence with other interventions and the OSCE's added value.
Audit	Financial review and assessment of legality and regularity of project expenditure and income including compliance of project implementation and use of funds in an effective and efficient manner in line with the Common Regulatory Management System.

Source: Adapted from *PCM Guidelines, Aid Delivery Methods, Volume 1*, EC 2004, p.46

11.5 Tools to Monitor and Control a Project

The OSCE uses the logframe, plan of operations, budget and risk log as tools to monitor and control the progress of a project. Political instability, various delays, problems in recruitment and procurement, attitude and commitment of stakeholders and a combination of problems may plague a project from its onset: even during the early phases of monitoring, it is possible to correctly observe signs of

trouble by using these tools. The key is then to suggest corrective action to ensure that the project stays on track and damage is contained.

11.5.1 Situation and Stakeholder Analyses

The situation analysis will help to monitor whether the social, political, economic or environmental context is being positively affected by the project or is preventing progress by blocking the activities entirely or in part. The stakeholder analysis will focus the monitoring exercise on stakeholders' interests and expectations: whether or not their capacities are effectively being built, problems addressed, attitudes changed, etc.

11.5.2 Logframe

The logframe is the key reference tool in monitoring a project. It focuses monitoring on the progress being made towards the achievement of results, rather than just tracking activities, resources and expenditure. Monitoring of results is based on the indicators set for the results. The SMART indicators describe the desired situation at a specific point in time; the means of verification indicate which sources of information to look at. The effectiveness of the logframe as a monitoring tool depends on whether relevant SMART indicators and feasible means of verification have been established.

The assumptions made in the logframe are essential to monitor external factors, which can influence the project in a negative or positive way. Monitoring includes checking if the assumptions are still correct or whether updates are needed.

11.5.3 Plan of Operations and Budget

The plan of operations and budget explain how, when, by whom, and at what cost, the activities outlined in the logframe will be carried out. The plan of operations establishes critical points in the project schedule and indicates when, and by whom, activities and results will be monitored. The Gantt chart developed as a part of the plan of operations will help to monitor time targets against the dates and duration set for activities.

Monitoring verifies that resources (human, financial, material) are effectively employed. To this end, the expenditures and resource utilization need to be monitored. Monitoring the use of human resources may involve checking that recruitment has worked out as planned; that experts showed up on time and met requirements. Monitoring the use of equipment and supplies may involve a physical check of the goods procured by the project and inventory records.

11.5.4 Monitoring Expenditure from IRMA/Oracle

Project Managers should ensure that they have the detailed view of the on-line project reports, as this enables them to see the actual transactions. As part of the monitoring of expenditures, Project Managers need to ensure that all Purchase Requisitions are entered and closed in a timely fashion, and their IRMA work list is reviewed on a daily basis to make sure that all required purchases are followed up on.

Summaries of forecast and actual financial information should be regularly compared to ensure the project remains within budget. Expenditures should be monitored and compared against the budget using the online financial reports provided on the IRMA Dashboard. The *Project Budget and Expenditure Report* is the key reference document. It provides an overview of the project budget, funding pledged by donors and actual income received from donors, as well as budget allotment and expenditure by cost categories and changes to the project balance. Underneath each cost category a detailed overview of expenditures is provided. It is important that all Project Managers read and follow the financial progress of their projects by closely monitoring this report.

A fictional *Project Budget and Expenditure Report* and explanations on how to read its key sections can be found in the Appendices.

11.5.5 Risk Log

The risks that the project is associated with also need to be monitored. A risk log documents key information about each risk and how it will be controlled. Each risk will be assigned an owner from the project team, who will monitor the risk and ensure the controls agreed by management are implemented. The Project Manager will assume ultimate responsibility that risks are monitored and controlled.

11.6 Planning a Monitoring Visit

Monitoring often includes short visits to the project site. It is essential to plan the visit properly, in order to efficiently and effectively monitor the progress of the project.⁸ Good preparation is the key to an effective monitoring visit. The purpose of the monitoring visit needs to be clear. The detailed list of questions that need to be answered should be prepared in advance. The monitor should analyze what he or she has observed, understand the causes of problems, interpret the information received and prepare recommendations for management.

Every monitoring visit is different. The list of questions will vary depending on what the project is about, purpose, scope and focus of the monitoring exercise, whether or not the project is at an advanced phase of implementation, if the monitoring visit is a routine one or an *ad hoc* measure to understand a specific problem.

Table 11.2 provides a Checklist for Planning a Monitoring Visit. The checklist will assist the project team to plan for the visit in a systematic fashion. The checklist highlights which project documents should be reviewed, how to clarify the purpose of the monitoring exercise, how to finalize monitoring questions and plan the logistics of the visit.

Table 11.2 Checklist for Planning a Monitoring Visit

1	Collect and familiarize yourself with all relevant project documents: situation and stakeholder analysis, log-frame, plan of operations, budget, risk log, IRMA Budget and Expenditure Report, Implementing Partner Agreement, Memorandum of Understanding with the host country, previous monitoring/progress reports, relevant financial statements.
2	Discuss and agree with the project team on the purpose of the monitoring visit. What will the visit achieve? Is it to check on the activities of the implementing partner, to see the response, changes in attitude of the beneficiaries, to monitor expenditure, to track overall progress towards results?
3	In connection with the purpose of the visit, identify the key issues that should be addressed. Develop a list of key questions that need to be answered. Clarify who should be involved in the visit, both in terms of the 'monitoring team' and the stakeholders whom you wish to meet.
4	Clarify the proposed approach/methods to be used to collect, record and analyse information: Who do you want to meet, where and when? Do you want to conduct group or individual interviews? Do you want to meet with women separately from men? What do you want to see? What administrative records would you like to inspect?
5	Review the list of key questions.
6	Develop a timetable/itinerary and agenda for the visit. Inform the stakeholders of your visit. Confirm appointments.
7	Identify the resources that will be required and who will provide them. Confirm that these resources are available (e.g. transport/fuel, accommodation, meeting rooms).
8	Clarify the expected output of the visit, including reporting requirements (e.g. is there a need to produce a <i>Project Progress Report</i> in addition to the monitoring report?) and how information will be 'fed back' to the project team and senior management.

Source: Adapted from *PCM Guidelines, Aid Delivery Methods, Volume 1*, EC 2004, p.107

11.7 Issues to Monitor

Table 11.3 provides categories of issues a monitor may wish to check, list of potential questions to be answered and guidance on how to prepare recommendations. In addition to asking the "right questions", the monitor will also need to ask for facts and evidence to establish that he or she has been given the correct information.

For example, if a monitor needs to establish that an activity involving a seminar/conference has indeed taken place, he or she can ask to see the following evidence:

- ➔ List of participants and lecturers/guest speakers
- ➔ Statement of payment to the lecturer/speaker
- ➔ Rent contract of the venue or facilities where the event took place
- ➔ Receipts relating to the conference/seminar
- ➔ Feedback forms filled in by participants.

It is important to be aware of the danger of drowning in a sea of excessive information. Not every piece of information is essential. The monitor needs to keep the focus on the purpose of the exercise and overall progress.

Table 11.3 Questions for Monitoring

Issues to Monitor	List of Potential Questions to Raise	Analysis/Comments/Recommendations
Plan of Operations	Which activities have taken place to date? Did the activity start on time? Will the activity finish on time? Will delays impact the overall project schedule? What issues prevent the completion of the activity? How is the implementing partner performing?	What measures can be taken to address these issues? What needs to be addressed with the implementing partner? What can be done to complete delayed or pending activities? What is the opportunity cost of cancelling some activities and focusing on others?
Logframe Activities and Results	Are there any concrete results at this phase? How well does the implementing partner contribute to this result? Is the implementing partner aware of risks and possible problems which are not under their control? Which SMART indicators have already been met? Are there differences in planned versus actual results? Can geographical differences be monitored in achieving results? Can variances among beneficiaries (men versus women, minorities, etc) be monitored in achieving results? Do beneficiaries show signs of change (attitude, response to or capacity to deal with the problem)? Are capacity-building and institutional strengthening activities well designed? Internal and external communication: does the project team communicate internally and externally about project achievements?	What is the reason for differences between planned versus actual results? Do they change the project in any way? How can these differences be eliminated? Why are there geographical differences? Why are there variances among beneficiaries? Can you express these differences in percentages or ratios? How can these differences be overcome? Can you quantify/qualify how the response of stakeholders has changed? What type of follow-up do you recommend? Where should the next monitoring activity focus? Is the overall progress sufficient to say the project is well on track?
Budget and Expenditures	What is the budget status so far (utilization rate)? Are the expenditure flowing out as foreseen in the forecast budget? Can we be reasonably confident the project expenditures will stay within the forecast budget? Are records, (receipts, bank statements etc) for all expenditures being kept up to date? Are the financial resources sufficient to complete the project as planned and on time?	If you have recommended changes to activities, will they have an impact on the project budget? Will recommendations suggested to remedy geographical/group variations impact the project budget? How can changes be financed? Can financial compromises be made?
Human Resources	Have the staff/consultants been recruited on time? Is the level of human resources sufficient to run a successful operation? Do they possess the required qualifications? Have they taken up their duties? Are there any problems with regards to the management of the project team? How are key stakeholders (target groups, beneficiaries, partners) engaged in the project and how is co-ordination and co-operation being ensured?	How can problems due to lack of skills or expertise be solved? Will this have time and budgetary consequences (e.g. new round of recruitment)? What are the concrete reasons for problems within the team or with implementing partners (e.g. communication, sharing of information, co-ordination, motivation, personality clashes)? How can they be addressed?

Material Resources	Are there any delays with the tender, procurement, delivery of essential equipment and supplies? Are procured goods and services of the right quality? Are funds being released to complete procurement? Are the inventory records intact? What is the outcome of the physical check of inventory? Are the beneficiaries dedicated to the maintenance of equipment?	How can the procurement related problems be addressed? Will issues related to procurement of goods and services have budgetary consequences? Will these issues impact the delivery of project results? What kind of follow-up is needed?
Risks	Are the controls set to respond to risks working? Are controls failing? Have important assumptions changed? Are there new risks emerging? Is there a need to change/review risk responses/controls?	Does the management need to consider new controls to respond to risks? Can you estimate how much these controls may cost? Do changes in assumptions necessitate a change in plans? How can these changes be made?

11.8 Reporting on Monitoring Findings

The monitoring findings, conclusions and recommendations are summarized into a report addressed to the Programme or Project Manager. *Table 11.4* provides an overview of the information that would be included in a monitoring report. This report should indicate the purpose of the monitoring visit, summarise project progress, describe problems, suggest relevant corrective actions and indicate when the next monitoring visit will take place. The length of the narrative part of the monitoring report should be maximum two pages.

The logframe, plan of operations, risk log or budget may need to be reviewed after a monitoring visit. There is no need to review the logframe, plan of operations, risk log or budget unless the changes suggested by the monitor are approved by the Project Manager and if needed by the Programme Manager. The financial reports are automatically updated in IRMA as expenditures are authorized.

Table 11.4 Key Information in a Monitoring Report

IRMA Number and Project Title	Indicate the Project Title and IRMA Number.
UB Programme	Indicate towards which specific UB programme objective/outcome/output the project contributes.
Date/Duration and Cost of the Monitoring Visit	Indicate the date(s) and duration (how many days/hours) and if applicable the cost of the visit.
Name and Title of the Monitor	Monitor has to be an OSCE staff/mission member. Indicate name and title of the monitor.
Purpose of Monitoring	Indicate whether or not this is a regular monitoring activity (critical milestone) or an <i>ad hoc</i> exercise due to an emerging issue which necessitates monitoring. Describe on which aspects of the project the monitoring exercise will focus.
Key Issues Monitored and Conclusions	<ol style="list-style-type: none"> 1. Indicate for each key issue, the conclusions based on facts and evidence gathered during the monitoring visit. Indicate which SMART indicators were verified to reach these conclusions. 2. Indicate which means of verification were used to collect information. Indicate which data collection methods were used to monitor the project. 3. If the monitoring visit focused on the delivery of activities, indicate the following: Which was the activity monitored? What was the topic? What was its objective? How many people were targeted and how many were reached? Were there problems in the planning or organization of the activity? If yes, for which reason? Was the activity carried out in a different way than originally planned? What is the impact on the result? Were there any comments or requests made to the implementing partner or to the OSCE? 4. If the monitoring visit focused on the operations and budget, indicate the following: Did the project expenditures so far conform to the forecast budget? Were the human and material resources engaged in time and being currently employed effectively? Indicate any problems with the engagement of resources. It is important to remain neutral and fact-based and avoid making an overly negative or positive assessment of issues.
Summary of Project Progress	Explain briefly how much progress the project has made towards delivery of results outlined in the logframe, identify if women and men have benefited equally, as planned, from the results.

Recommendations	Give clear, concise, practical and realistic recommendations (e.g. changing activities, personnel, reallocating budget). Explain which changes should be made to the logframe, plan of operations, risk log and budget.
Lessons Learned and Best Practices	Note any lessons learned or best practices that can be used in other projects and programmes.
Next Monitoring Visit	Note whether a dramatic change to plans or a progress evaluation is needed. Are there any issues, which are important to monitor in the future? Indicate when the next monitoring visit should take place and on which key issues it should focus.
Annexes	Include photos, maps, list names, sex and positions of persons interviewed, technical documents such as statistical tables, as appropriate.

11.8.1 Managing Changes to the Project

The Project Manager is responsible for making changes to a project, if necessary. Before making any change, its impact should be evaluated against the original project objective, the order of activities, people involved, budget, allocated resources and time.

Changes will need to be negotiated with stakeholders and within the project team. All relevant parties will need to be informed. The project team will then review the key project documents (logframe, plan of operations, budget and risk log) and execute changes.

11.8.2 Communication within the Project Team

The project team should convene review meetings regularly. Information regarding the project should flow constantly via emails, telephone calls, reports from implementing partners, requests from host country authorities. The Project Manager has the responsibility to keep the team informed.

Review meetings are also important to motivate the team members and coordinate their work. It is critical to keep everyone informed when there are changes to be made to the project plans (logframe, plan of operations and budget). It is recommended that the monitor also shares his or her findings in a review meeting with other project team members, and as appropriate, with key stakeholders.

11.9 Project Progress Report

In case of XB projects the manager will need to report back to the donor at regular intervals. To this end, the OSCE uses a standard *Project Progress Report* template which can be found in the Appendices. A *Project Progress Report* is usually produced after a monitoring visit. The frequency of progress report is usually decided by the donor (e.g. quarterly, bi-annual).

A project is typically monitored more often than is required to produce a *Project Progress Report*. In this case the outcome of several monitoring reports will be summarized into a *Project Progress Report*. In some cases, the monitoring activity may be *ad hoc* and happen as a result of warnings or alerts that came from project team, implementing partners, beneficiaries or other sources. Depending on the seriousness of the issue, the Project Manager may decide to inform the donors or senior management of the Fund with a *Project Progress Report*.

11.10 Project Closure

Project closure is a major operation. In case of big projects “project closure” can be included as a separate activity in the plan of operations. This will make sure that enough time and resources will be dedicated to dismantle the operation. There are five key phases when bringing a project to a close:

- a. Finish all the substantive work.
- b. Ensure all project documentation has been added to the relevant directories in DocIn.
- c. Perform the required administrative tasks (e.g. donation of procured equipment to host country authorities, handling leave and separation of project staff, completing financial records, requesting the FAU to close the project in Oracle, returning leftover funding to donors or asking their permission to reallocate it to a different project).

- d. Announce the project closure to stakeholders and other relevant parties.
- e. Prepare the Final Project Report.

11.10.1 Equipment Handover

Equipment handover should be planned for at the project development phase and prior to purchase of assets. The Financial/Administrative Instruction 7 on Asset Management (FAI 7) identifies five methods for the disposal of assets/equipment: transfer to other field operations, sale, trade-in, re-use of parts, and donation. Regardless of the source of funding (UB or XB), the items purchased for donation are recorded as OSCE assets in Oracle. For assets that have a historic value equal to, or above €2,500, the donation decision has to be endorsed by the Secretariat's Asset Management Unit (AMU). Donation can be utilized in the following cases:

1. IPA/MoU between the OSCE and the partner organization envisages the donation of the OSCE assets upon purchase or after completion of a project.
2. When none of the other four methods for the disposal of assets are found to be possible or economically justifiable.

What a Project Manager needs to know about handover of equipment/assets to beneficiaries is explained in the *Table 11.5*.

Table 11.5 Equipment Handover

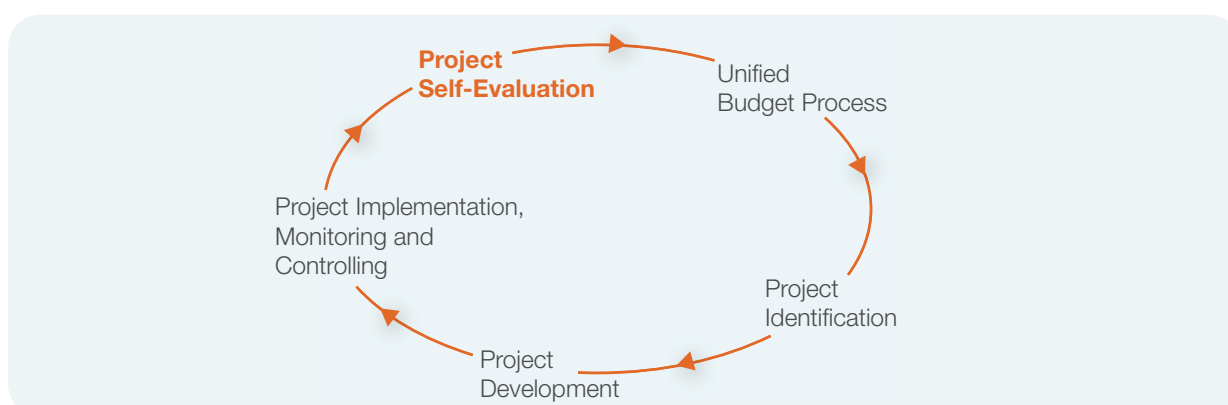
Criteria	How to Handover
For disposal of equipment/assets and miscellaneous costs related to donation (e.g. delivery, installation costs) valued at less than or equal to €50,000	<ol style="list-style-type: none"> 1. The Project Manager submits a written justification to the Chief of Fund Administration and Programme Manager on the transfer of equipment. 2. The Chief of Fund Administration and Programme Manager (dual approval) approve the justification for the donation. 3. The donation request is confirmed by the Secretariat AMU. 4. The transfer of ownership is documented in a donation agreement followed by a "handover document" in which the respective asset details are listed. The OSCE is then released of any liabilities with regards to the material. 5. After handover, the assets are retired from Oracle and the respective beneficiaries are entered into the system accordingly by the FAU.
For disposal of equipment/assets and miscellaneous costs related to donation valued at more than €50,000	<ol style="list-style-type: none"> 1. The Project Manager submits a written justification to the Chief of Fund Administration of the Field Operation or Institution, or the DMF of the Secretariat, and the Programme Manager on the transfer of equipment. 2. The disposal action is brought to the Fund Material Management Committee (FMMC) for approval. 3. The FMMC approves the donation. 4. The donation request is confirmed by the Secretariat AMU. 5. The transfer of ownership is documented in a donation agreement followed by a "handover document" in which the respective asset details are listed. The OSCE is then released of any liabilities with regards to the material. 6. After handover, the assets are retired from Oracle and the respective beneficiaries are entered into the system accordingly by the FAU.

PROJECT SELF-EVALUATION

Project Self-Evaluation is the final phase of the project cycle (see *Figure 12.1*). The OSCE's self-evaluation methodology builds on the Performance Based Programme Budgeting (PBPB) approach and the Project Cycle Management (PCM) method. Key terminology and criteria are based on those employed by the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) and the European Commission (EC).⁹

The OSCE methodology is tailored to the needs of the OSCE Project Managers and adopts a tiered approach to self-evaluation: a simplified method for smaller projects, a comprehensive method for larger complex projects, with potentially varying levels of effort for projects in between, to be decided by the Programme and Project Managers.

Figure 12.1 The Project Cycle and Self-Evaluation



12.1 What is Evaluation?

OECD/DAC: “An evaluation is an assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors”.¹⁰

Self-Evaluation is the critical assessment of a programme or project’s design, implementation, achievements and overall performance by the department or unit of the OSCE executive structure that implemented it¹¹

12.2 Purpose of Evaluation

The purpose of evaluation is to assess the performance of the project and identify key lessons and recommendations for future initiatives (see *Table 12.1*). The main objectives of evaluation are to:

- Account for the effective and efficient use of the OSCE participating States’ taxpayers money
- Demonstrate project results, impact and sustainability to the participating States
- Demonstrate accountability and the OSCE’s commitment to the host country and key stakeholders

- Analyze the effect that the project has had on men and women and on different ethnic groups
- Document and analyze project success or failure for institutional memory purposes
- Recommend ways to correct failure and reward success
- Identify better alternatives and best practices
- Provide concrete means of reviewing the annual progress made at UB level
- Recommend ways to improve efficiency by better allocation/employment of resources
- Incorporate lessons learned into managerial decision-making, and
- Improve future projects and programmes.

Table 12.1 Purpose of Self-Evaluation

Our Strategy: Are we doing the right things?
Our Management and Operations: Are we doing the things in the right way?
Learning: Are there better ways so that we improve our performance?

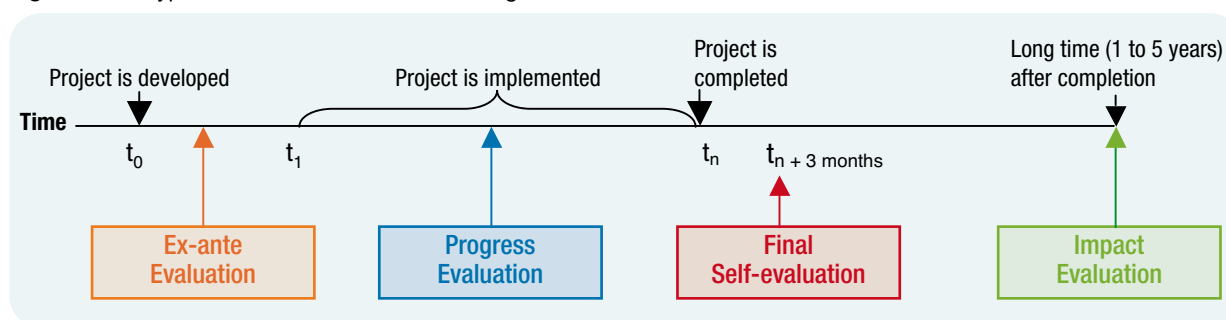
Source: Adapted from *Ten Steps to a Results-Based Monitoring and Evaluation System*, IBRD/WB 2004, p.117

12.3 Types of Evaluation

The methodology calls for four types of evaluation: ex-ante (prior to project implementation), progress (during project implementation), final (after project implementation) and impact evaluation. While every OSCE Project Manager is responsible for carrying out final self-evaluation on completion of the project, a project may also be evaluated prior to, or during implementation by the Project Manager or by external evaluators (see *Figure 12.2*).

Evaluation that takes place a long time after project or programme implementation is called an impact evaluation. The significance and perspective of the exercise may also qualify it as impact evaluation. This type of evaluation is performed by external evaluators or the OSCE Office of Internal Oversight Evaluation team.

Figure 12.2 Types of Evaluation and Their Timing



12.3.1 Ex-ante Evaluation

Ex-ante evaluation is done prior to implementation, once the *Project Proposal* is developed. The purpose is to assess a project's design, strategy, feasibility, clarity, consistency and coherence with the OSCE policies and standards.

This exercise determines the strength and probability of success of a project. Using the *Project Proposal*, logframe, plan of operations, risk log, budget and feedback from key stakeholders the evaluator tries to determine the strength and chances of success of an initiative.

Regardless of the source of funding [Unified Budget (UB) or Extra-Budgetary (XB)], an ex-ante evaluation is recommended when:

- The project has a high-budget.
- The project is complex in scope (i.e. many thematic issues addressed at once).
- The project constitutes a brand new/risky endeavour.

- The donor requests assurance about the feasibility of the project.

A donor may send an external evaluation team to assess the project prior to committing funding to it. To support the Secretary General's co-ordination role and in accordance with the Financial/Administrative Instruction on Extra-Budgetary Contributions (FAI 4), the Conflict Prevention Centre/Programming and Evaluation Support Unit (CPC/PESU) performs an ex-ante evaluation of all XB projects, developed by field operations and the Secretariat. For further information, please refer to the chapter on the Administration of Unified Budget and Extra-Budgetary Projects.

12.3.2 Progress Evaluation

The purpose of progress evaluation is to assess the achievement of project results to that date and identify follow-on recommendations for the remainder of the project. Progress evaluation focuses on the implementation process and assesses the initially expected benefits versus the actual changes that happened.

The evaluator focuses, in particular, on the project strategy and operations. The exercise assesses whether or not the costs, timing, duration of activities, availability of staff, resources, facilities, political commitment were correctly anticipated and gives suggestions to remedy problems. In this sense progress evaluation can be compared to a very rigorous and in-depth monitoring exercise. Progress evaluation can be done either as a self-evaluation exercise or be undertaken by independent evaluators.

Progress evaluation is recommended when:

- The project is complex in scope (i.e. many thematic issues addressed at once).
- The project is a multi-year endeavour.
- The project involves many parallel or interdependent activities.
- The faith of other projects depends on successful progress of the project in question.
- There is a problem with the project that necessitates progress evaluation.
- The donor requests assurance on progress to release further funding.

12.3.3 Final Self-Evaluation

Final self-evaluation takes place within the three months following completion of the project. This phase of the project cycle is organized and led by the Project Manager. Final self-evaluation's main purpose is learning and improvement. It enables the OSCE to:

- Document and analyze project success or failure for institutional memory purposes
- Recommend ways to improve efficiency by better allocation/employment of resources
- Demonstrate accountability and the OSCE's commitment to the host country and key stakeholders
- Incorporate lessons learned into managerial decision-making
- Identify better alternatives and best practices, and
- Improve future projects and programmes.

12.3.4 Impact Evaluation

Impact evaluation is performed by independent external evaluators. It takes place one year or more after the completion of the project. Its main purpose is learning and accountability. It enables the OSCE to:

- Account for the effective and efficient use of the OSCE participating States' taxpayers money
- Demonstrate project results, impact and sustainability to the participating States
- Establish whether or not the wider benefits can be attributed to the OSCE initiative
- Recommend ways to improve efficiency by better allocation/employment of resources
- Incorporate lessons learned into managerial decision-making, and
- Improve future projects and programmes.

An impact evaluation is recommended in case of complex, multi-year, multi-million euro projects or programmes. Donors may also request an impact evaluation. They may provide additional funding or send their evaluation team to carry out this exercise.

12.4 Who Carries Out Evaluation within the OSCE?

12.4.1 Project Self-Evaluation

The Project Manager should carry out a self-evaluation of the project upon completion. The purpose is to analyze the performance of the project and identify lessons learned and best practices to enhance the design of future projects and the UB programme strategy.

12.4.2 Unified Budget Process - Programme Review

Programme review is akin to but not exactly an evaluation. In the OSCE, Fund Managers are required to prepare a Programme Budget Performance Report (PBPR) for UB programmes. This report is a critical review of the extent to which the resources provided in the UB have succeeded in achieving planned objectives. The Fund Managers are required to explain to what extent the planned objectives and outputs described in their fund budget were achieved or not, and at what cost. The PBPR is submitted to the Permanent Council following the closure of accounts. This review is organized and led by the Programme Manager, under the delegated authority of the Fund Manager.

12.4.3 Independent Evaluation

The Office of Internal Oversight (OIO) is an independent appraisal function, established within the OSCE to examine and evaluate its activities as a service to the Organization. The OIO evaluates the quality of performance, including ascertaining whether the results are consistent with established objectives.¹² The OIO carries out independent programmatic, strategic and thematic evaluations with a view to examining the impact and sustainability of projects and programmes. This is an external evaluation organized and led by an independent team and is not an examination of individual performance.

Independent evaluations are submitted to the Secretary General and provide in depth analysis and assessment of overall performance of a programme/project including its relevance to the problems, effectiveness, efficiency, impact as compared to the UB programme objectives. Evaluations also examine sustainability, coherence with other initiatives and the OSCE's added value, against the mandated tasks set out in the decisions of the participating States.

12.5 Characteristics of Good Evaluation

Self-evaluation is by definition a subjective exercise. Due to time and financial constraints, only a very limited number of projects will involve the help of an external consultant or of the CPC/PESU. Project Managers have the responsibility to mitigate subjectivity involved with this exercise and increase the credibility of their *Final Project Self-Evaluation Report* by following the guidance provided in this chapter.

The OECD/DAC underlines the importance of impartiality and independence, credibility, usefulness among the principles for evaluation of development assistance. It is important that OSCE Project Managers abide by these guiding principles. From desk review until the production of the report, the Project Manager should ensure that the self-evaluation is:

Impartial — The Project Manager should objectively evaluate the project. The Project Manager has the responsibility to ensure that the evaluation is free of emotional, political and cultural bias to confirm the success or failure of the initiative; that it refrains from self-censorship intended to avoid criticism, and that facts and evidence are not distorted.

Credible — The Project Manager has to ensure the evaluation takes place in a timely fashion and that the method and tools (e.g. terms of reference for evaluation, consultation with key stakeholders, reliability of data collection and analysis) will lead to the production of a sound report.

Useful and Practical — The findings of the evaluation and especially the conclusions, recommendations and lessons learned should be formulated clearly, so they can be practically applied by decision-makers or future Project Managers.

12.6 Evaluation Criteria

For evaluation purposes, the OSCE methodology uses the five OECD/DAC criteria (relevance, effectiveness, efficiency, impact, sustainability) and two adapted EC criteria (internal coherence within the OSCE and the OSCE's added value). These criteria, which are defined below, address the following questions:

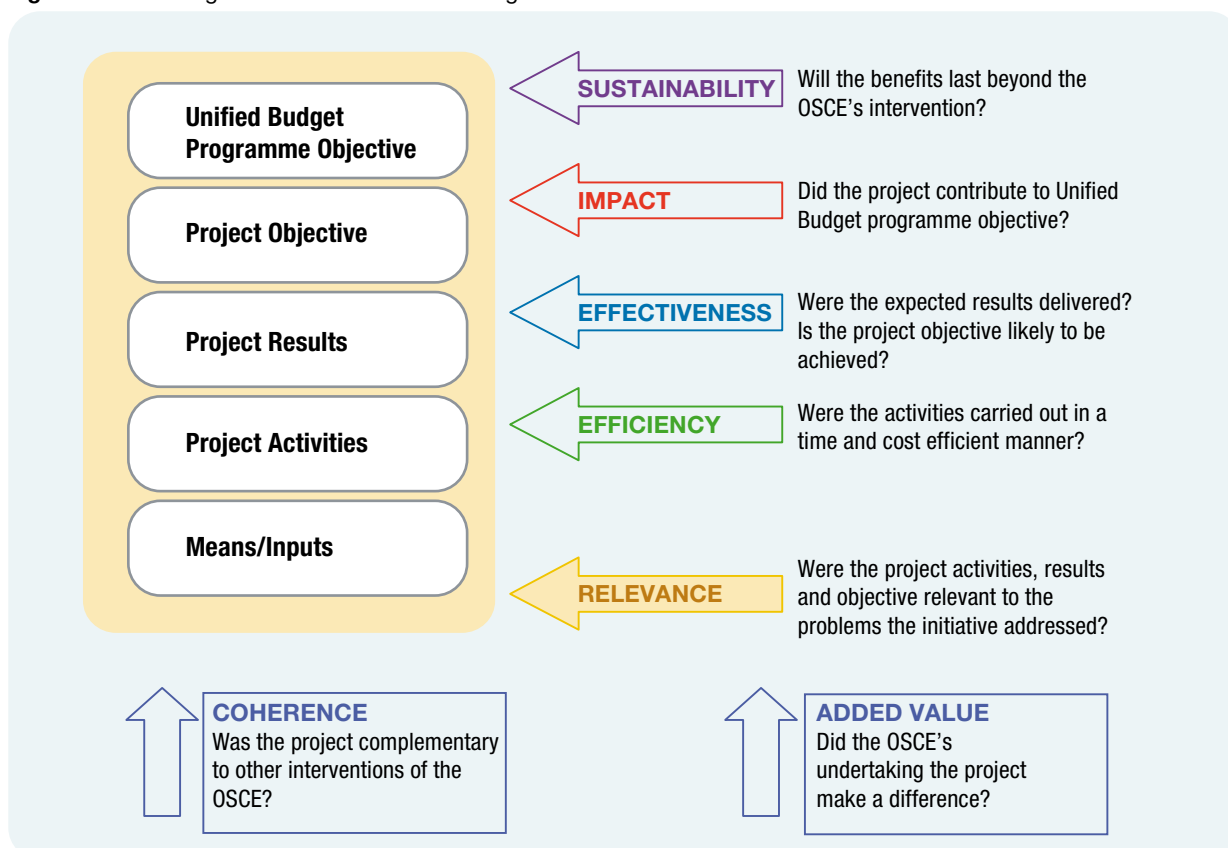
- **Relevance** To what extent were the project results and objective relevant to the problem?
- **Efficiency** Were the results of the project achieved at reasonable cost?
- **Effectiveness** Were the results achieved/are the benefits likely to be realized?
- **Impact** Did the project bring real change and contribute to a specific UB programme objective/outcome?
- **Sustainability** Will the benefits last beyond the OSCE's initiative?
- **Coherence** Was the project complementary to other interventions of the OSCE?
- **Added Value** What difference did the OSCE's undertaking the project make?

Project self-evaluation will attempt to analyze and assess the performance of a project based on the seven (or selected few) criteria outlined above, identify recommendations for future projects and programmes and enable the incorporation of lessons learned into the managerial decision-making processes of the OSCE executive structures and ultimately of the participating States.

12.6.1 Linking Evaluation Criteria to the Logframe

The seven evaluation criteria, which are defined below, are closely linked with the logframe, the plan of operations and the Unified Budget programme, as illustrated in *Figure 12.3*.

Figure 12.3 Linking Evaluation Criteria to the Logframe



Source: Adapted from *PCM Guidelines, Aid Delivery Methods, Volume 1*, EC 2004, p.49

Relevance looks into the entire project strategy (objective-results-activities) and how well it addresses the problems the initiative aspires to solve. Evaluating relevance includes the assessment of the quality of project preparation and design including the logic and completeness of the planning process, feasibility and the coherence of the project strategy.

Efficiency requires evaluators to look into the logframe activities, plan of operations and budget and tries to establish if the project results have been achieved at reasonable cost with minimum waste of effort, time, money and skills.

Effectiveness assesses whether the results outlined in the logframe are delivered and if they are likely to produce the expected objective. Evaluating effectiveness should include assessment of how women and men benefit from the results brought by the project.

Impact assesses the project's contribution to the UB programme objective. The Project Manager should try to assess the likelihood that the project brings real change to the beneficiaries and their wider environment.

Sustainability assesses if the project brought lasting political, institutional, managerial, and technical, change and whether it is likely to produce enduring benefits for the civil society and host country authorities beyond the OSCE's intervention.

Coherence and Added Value criteria explore issues beyond the logframe, plan of operations and budget. **Coherence** evaluates the complementarity of the project with traditional diplomatic work, other projects and initiatives of the field operations, institutions, and the Secretariat. **Added Value** assesses whether the OSCE's carrying out the project made a positive difference which could otherwise not have happened.

12.7 Template of Questions for Self-Evaluation

The final self-evaluation exercise attempts to assess the performance of the project on all seven evaluation criteria and provide a judgment on the overall project performance. Depending on the nature of the project and the individual context in which it was implemented, only a limited number of criteria might be evaluated (e.g. relevance, effectiveness, efficiency).

The OSCE uses a template of questions for self-evaluation relating to the seven criteria, to guide Project Managers in measuring project performance. *Table 12.2* displays this template. The template is designed to provide a comprehensive set of questions; therefore some may not apply to the individual circumstances of each project. However, every time a self-evaluation is undertaken, it is critical to go through the entire set of questions in order to:

1. Mitigate subjectivity
2. Decide whether all or only a few criteria can be reasonably assessed
3. Ensure no relevant question is left unanswered, and
4. Increase the credibility of the *Final Project Self-Evaluation Report*.

Table 12.2 Template of Questions for Self-Evaluation

<p>Relevance</p> <p><i>To what extent is the project strategy relevant to the needs of the beneficiaries and solving the problem?</i></p> <ol style="list-style-type: none"> 1. Were the problems clearly identified? Were the different strategic options analyzed and use of the project strategy justified? Is there a logframe? Does the logframe or project strategy display a coherent set of objective(s), results and activities? 2. Was the project relevant to the mandate and UB Programme? 3. Are the plan of operations, estimate of cost of resources and timelines properly drawn up? Analyze what was projected in the beginning and what happened at the end. Compare the situation in which the project was initiated and the present time. Were the activities, results or the project objective modified? Was the modified strategy relevant to the problems? 4. Were the lessons learned from the past taken on board? 5. Were the risks and assumptions analyzed and necessary controls designed? 6. Did the initiative contribute to improving gender equality? Does the project strategy reflect a gender-sensitive approach? 7. Were the activities, results and the project objective understood and agreed by beneficiaries and implementing partners? 8. Were the co-ordination, implementation modalities, financing and institutional arrangements clearly strengthening local ownership? 9. Did the planned beneficiaries correspond to the ones actually benefiting? 10. Were recommendations made after monitoring visits taken into account to improve the relevance of the project?
<p>Efficiency</p> <p><i>To what extent were project results obtained at reasonable cost?</i></p> <ol style="list-style-type: none"> 1. Were the human, financial, material resources made available on time by all parties involved in the project? (e.g. timely recruitment, procurement)? Has the timeline and plan of operations proven to be realistic? 2. How did the plan of operations change? Were all the activities implemented? Were the activities carried out in time? 3. Did the host country contribute to efficiency (e.g. tax exemptions, VAT exemption, in-kind contribution such as facilities, office, venue, staff, and translators)? 4. Was the budget adequate? Was the spending commensurate with the delivery of activities and achieving results? Was the budget revised? Can you establish why? Was the budget correctly, over- or under-estimated? What were the reasons for exception reports? 5. Were the human, financial, material resources adequate in terms of quality and quantity to achieve the project results? 6. Were the project resources managed in a transparent and accountable manner (e.g. completeness of invoices, bank statements, and inventory records)? 7. Were there any problems with regards to the management of the project team negatively influencing efficiency? 8. To what extent were costs of the project justified by the benefits in comparison with similar projects or known alternative approaches? 9. Is it possible to deliver the same or similar results with different activities at a lower cost? 10. Were recommendations made after monitoring visits taken into account to improve the efficiency of the project?
<p>Effectiveness</p> <p><i>To what extent were project results achieved?</i></p> <ol style="list-style-type: none"> 1. Have all results outlined been delivered? How did the results influence the direct beneficiaries? Did the project bring concrete change for the direct beneficiaries? Can the ensuing benefits of these results be observed? 2. Have SMART indicators set at project results level in logframe been achieved? Were indicators revised, means of verification, assumptions changed? Were the indicators available? Review all means of verification that have been collected to verify indicators have been met. If some indicators cannot be verified, how should the evaluation team collect information? 3. Did results lead to a change in institutional capacity of beneficiaries (positive, negative, or no change)? 4. Did results have an influence on the attitudes, behaviour patterns, responsiveness, institutional arrangements and the characteristics of the beneficiaries? 5. Were the results delivered to all key stakeholders (including men and women) who are affected by the problem? 6. How did the division of tasks between the OSCE and the implementing partners function? Is it recommended to try to identify other ways to achieve the results? 7. Were the host country authorities committed to the project during implementation? Did they create enabling conditions? Which measures should have been taken to influence host country commitment and stakeholder ownership during implementation? 8. Did unforeseen activities impact the project activities and results? Were the assumptions valid? Were the controls introduced to manage risks sufficient? Did any of the identified risks or any unforeseen risks happen? How were these unforeseen risks managed? Did risks lead to significant changes in plans? If yes, how much did these changes cost? Did these risks influence the delivery of results? 9. Were recommendations made after monitoring visits taken into account to improve the effectiveness of the project?

Impact***To what extent will the project contribute to the UB Programme Objective?***

1. To what extent was the project objective achieved? How did the results influence the indirect beneficiaries? What difference did the project make for the indirect beneficiaries? Will there be a differential impact on men and women? Can the impact already be measured? Is the impact likely to be observed in the near future?
2. Did the project concretely contribute to a specific UB programme objective/outcome?
3. Is there a need for follow-up projects to ensure contribution to the UB programme strategy?
4. What are the key programme level conclusions to be reflected in the Programme Budget Performance Report?
5. What were the major factors influencing the achievement or non-achievement of the project objective?
6. Did the project produce unintended effects? Why did these unintended results (positive or negative) happen?
7. What was the influence of external factors (negative, positive, little/no influence) such as changes in policy legislation, general economic and financial conditions?
8. Which recommendations and lessons learned should be taken into consideration when designing the Programme Outline strategy?
9. Were recommendations made after monitoring visits taken into account to improve the wider positive impact of the project?

Sustainability***To what extent are the benefits of the project likely to continue after the OSCE's support has ended?***

1. Are the results likely to be sustained in the future?
2. Did national/regional/local authorities, civil society take ownership of the results of the project? Did they assume economic/financial responsibilities to ensure the results are sustained?
3. Is/are the host government/local authorities committed to the maintenance of equipment, update of technology as necessary and continuation of operations initiated by the project?
4. Is it possible to objectively confirm that the project contributed to lasting institutional capacity (adequate and trained staff, sufficient budget and equipment, technical, financial, managerial capacity to sustain the benefits)?
5. Are changes in attitudes, behaviour patterns and institutional arrangements likely to last once the project is closed?
6. Are the benefits sustainable both for men and women? What is the likelihood of increased gender equality beyond the project end?
7. To what extent do the national policy and legislative priorities and changes affect the project? Will these changes impact the longevity of the project results?
8. Is sustainability jeopardized in the absence of follow-up projects? What follow-up is required?
9. What are the recommendations and lessons learned that should be reflected in the Programme Outline?

Coherence***To what extent is the project coherent with the interventions of other OSCE field operations, institutions, and the Secretariat?***

1. Was the project complementary to the diplomatic priorities set and efforts made by the OSCE Chairperson-in-Office, Secretary General, Head of Mission and Programme Manager?
2. Was the project coherent with the traditional diplomatic work of the Fund Manager, early warning signals produced by political officers who monitor and report on political developments?
3. Was the project coherent with the interventions of other OSCE field operations, institutions, and the Secretariat?
4. Did other OSCE field operations, institutions or the Secretariat Thematic Units contribute to the planning, development, implementation or monitoring of the project? What were their concrete contributions to the project? Is there information/evidence (e.g. key correspondence, minutes of meetings, duty trip reports) that the initiative was co-ordinated with other parts of the OSCE?

Added Value***To what extent does this project add value to other interventions made by the host country or international organizations working on the same/similar issue?***

1. Did the OSCE assume a clear role beyond provision of funding? What concrete difference did the OSCE's involvement in the project make?
2. Did the project contribute to the OSCE's political access, acceptance by host country authorities and public visibility?
3. Has gender equality been an essential part of the politico-military, economic, environmental, social or cultural transformation the project tried to achieve?
4. Could the intervention be made by any other organization?
5. Has the project been co-ordinated with international organizations working on the same/similar issue prior to its implementation? Is there synergy between the OSCE and the interventions of other international organizations? Is there evidence that the project was co-ordinated with other international organizations (e.g. key correspondence, minutes of meetings, duty trip report)?
6. Were there similar initiatives running in parallel to this project? What types of duplications happened? Were any changes made during implementation to avoid inefficiency and duplication of efforts?

12.7.1 Gender Mainstreaming and Self-Evaluation

Evaluation should include questions aimed at understanding the differential effect the project may have had on men and women. To this end, the template of questions for self-evaluation includes references to:

- Relevance of the initiative in furthering gender equality
- Effect of key activities and results on women and men
- Impact of the project objective on women and men
- Sustainability of change for beneficiaries, in particular women, and
- Overall performance of the project pertaining to gender equality. Whether or not gender equality was made an essential part of the politico-military, economic, environmental, social or cultural transformation the project tried to achieve.

12.7.2 Rating Performance

The answers to the questions measuring project performance will also help to give a rating on how well the project did on each criterion (see *Table 12.3*). Each evaluation criterion has to be rated separately.

Table 12.3 Rating Each Criterion

Rating Scale	Weight	Definition
Highly Satisfactory	75% to 100%	The criterion is fully met. Positive evaluation findings entirely or overwhelmingly outweigh negative ones.
Satisfactory	50% to 75%	On balance the criterion has been met. The positive evaluation findings outweigh negative ones.
Not Satisfactory	25% to 50%	The criterion is only partially met. Negative findings outweigh few positive ones.
Very Unsatisfactory	0 to 25%	The criterion has not been met. A seriously deficient evaluation result with very few or no positive findings.

The OSCE uses a simple rating scale to judge how well the project did regarding each criterion. The rating scale ranges from “Highly Satisfactory” to “Very Unsatisfactory” depending on the extent to which the project met each evaluation criterion. For instance, if the findings related to questions evaluating sustainability are overwhelmingly positive, then the performance of the project regarding sustainability can be rated as highly satisfactory.

Using a rating scale to measure performance is optional and left at the discretion of the Project Manager. Its use is highly recommended for multi-year, high-budget and complex projects. In case a donor requests a quantitative evaluation of project performance, *Table 12.3* provides an easy way of quantifying performance.

12.8 Data Collection, Analysis and Interpretation

It is essential the project evaluation team is acquainted with the basics of data collection methods, analysis and interpretation, in order to respond to the template of questions for self-evaluation. The data collection methods to be used will vary according to the type of evaluation, the accessibility and precision of the information needed, time constraints, availability of financial resources, expertise and research methodology skills of the team members. Data collection, analysis and interpretation starts during desk review and continues until the drafting of the *Final Project Self-Evaluation Report*.

12.8.1 SMART Indicators

In answering the template of questions for self-evaluation, the primary reference point is the means of verification in the logframe. The means of verification indicate which sources and data collection methods will be used to verify the SMART indicators have been met. However, sometimes the project may not have a logframe, the means of verification may not be well planned or there might be a need to use other sources and data collection methods to credibly respond to the questions for self-evaluation. In this case, the team will decide which sources need to be accessed and specific methods to be used to collect answers.

12.8.2 Secondary and Primary Data Collection

In order to collect data, the project team is expected to rely on a combination of secondary sources and primary data collection. Secondary data refers to information collected and analyzed by outside experts or organizations other than the project evaluation team. These may be national statistics, reports produced by the local, regional, national authorities or other international organizations.

The use of secondary data is cost efficient if it is accessible and free of charge. Time, financial, and human resources needed to collect similar data can be saved or channelled elsewhere. However, the evaluation team should also question whether or not the secondary data is valid, credible and provide meaningful information to measure project effectiveness, impact and sustainability. Secondary data will usually be used in combination with primary data collection methods.

Primary data collection refers to information collected and analyzed or commissioned from a professional company by the evaluation team. Until the *Final Project Self-Evaluation Report* is published and disseminated no one else will have access to primary data. These may be information obtained from using data collection methods such as project site observation, focus groups, case studies and surveys. The team needs to keep in mind that use of primary data collection methods is essential to self-evaluation. Some primary data collection methods are less costly and require less time and research methodology expertise than others.

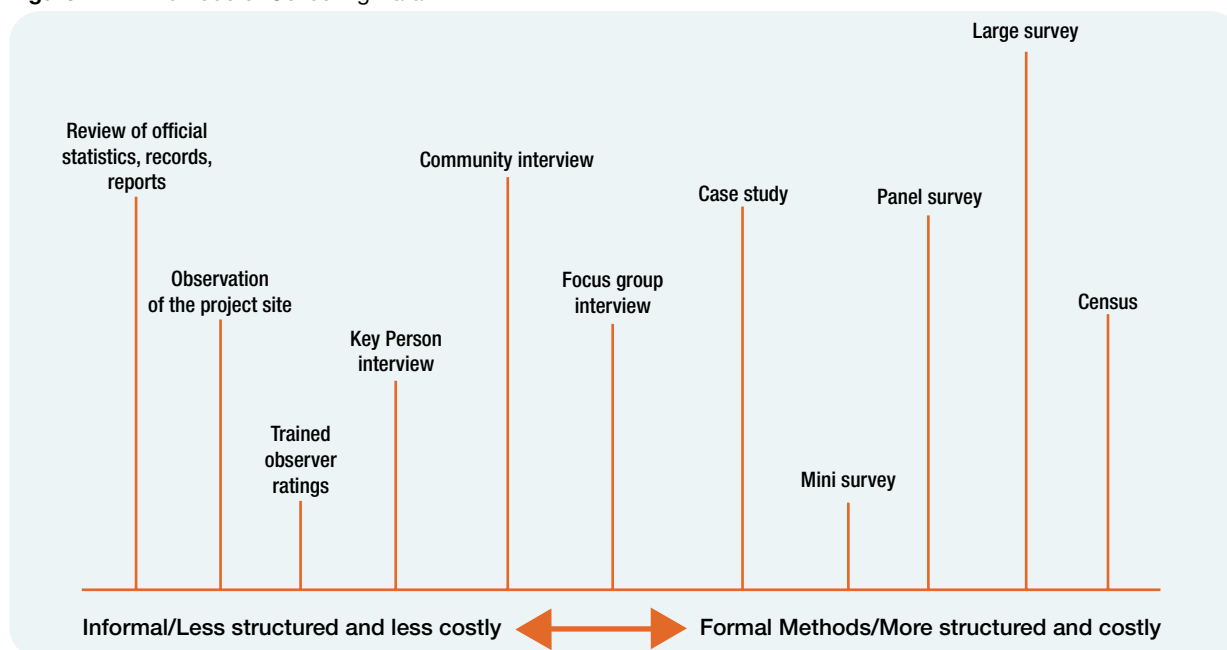
12.8.3 Overview of Data Collection Methods

Data collection methods may vary from reviewing official statistics and reports of the national authorities or international organizations to surveys. *Figure 12.4* shows the variety of methods for collecting data to verify indicators have been met.

The cost of collecting and analyzing data increases as the evaluation team moves from informal towards more structured or formal methods of data collection. Review of official records, project site observations, key person interviews, community interviews or focus group discussions are the most frequently methods used by the OSCE field operations, institutions and the Secretariat. These less structured methods are typically low-cost and require no research methodology expertise.

However, when a project is particularly complex and has a high budget the evaluation team is recommended to also consider more structured data collection tools, such as mini-surveys. It is important to remember that these exercises should be carried out by professional researchers. The cost of outsourcing any data collection and analysis will need to be included in project budget.

Figure 12.4 Methods of Collecting Data



Source: Adapted from *Ten Steps to a Results-Based Monitoring and Evaluation System*, IBRD/WB 2004, p.85

In the event that a survey is to be outsourced to a company, the tender and procurement activities should occur well in advance to reduce delays in the evaluation process. The Fund Administration Unit (FAU) should also be informed of the anticipated procurement activities well in advance to minimize delays.

12.8.4 Triangulation

There is no scientific formula to decide on an optimum set of data collection methods. The evaluation team has to decide to what extent existing information from secondary sources and project documents need to be further substantiated with primary data collection.

The OECD/DAC and other international organizations such as the International Fund for Agricultural Development (IFAD), and the United Nations Population Fund (UNFPA), recommend collection of data and analysis using different sources and methods. This technique is called triangulation¹³. Triangulation involves the use of three or more sources, methods of data collection, type of information or type of analysis to verify an assessment. This helps the evaluation team to overcome biases, problematic generalizations and subjective judgments which usually come from a single source or method. It also enhances the credibility of self-evaluation. Triangulation in self-evaluation is optional and left to the discretion of the Project Manager. Its use is highly recommended for multi-year, high-budget and complex projects.

Table 12.4 provides brief descriptions of the most commonly used data collection methods in evaluation. It also includes remarks and recommendations regarding under which circumstances each data collection method should ideally be used. It is the prerogative of the Project Manager to decide which specific data collection method, or combination of methods, should be used to produce a credible, impartial and useful *Final Project Self-Evaluation Report*. He or she will also need to take into consideration the constraints regarding time, financing and access to information or key people.

When using interviews or statistical surveys, data should be gathered from a representative sample composed of at least 50 per cent women. Equally, the data should be analyzed and disaggregated by sex.

Table 12.4 Data Collection Methods

Data Collection Methods	Description	Remarks and Recommendations
Review of Official Records	Relevant secondary data for evaluation may be drawn from reports produced by the OSCE field operations, institutions and the Secretariat (e.g. ODIHR Election Report, ENVSEC Reports), statistics, censuses, reports published by national authorities or international organizations.	⇒ <i>Performed by the evaluation team.</i> ⇒ Recommended for all evaluations. The team should check the availability of secondary data first before opting for primary data collection methods. The quality, validity and credibility of secondary data should also be questioned.
Observation of Project Site	Evaluation team will observe the project sites, institutional, operational, management practices, physical or living conditions of beneficiaries. They will try to verify if SMART indicators in the logframe have been met. In the absence of a logframe, the evaluation team will need to agree on a checklist of items they wish to verify. Direct observation may involve anything from observing how minorities are integrated in a school classroom to the way municipalities process property claims of internally displaced persons.	⇒ <i>Performed by the evaluation team.</i> ⇒ Recommended for most evaluations. It is especially useful when interview methods cannot reveal information needed because respondents do not know the answer or are reluctant to say. It can also be a source of unexpected findings. Low cost approach and requires little training. However, it is important that the team avoids making generalizations. It can also be difficult to categorize or interpret the observed behaviour. The presence of an observer may also adversely affect direct observation.

Trained Observer Ratings	Systematic and expert grading of physical results (e.g. TNT is smelted or <i>Melange</i> is destroyed using environmentally friendly practices) or organizational features (e.g. storage of Conventional Ammunition respects standard operational procedures) based on preset parameters and international standards.	<p>⇒ <i>Performed by experts recruited to assist the evaluation team.</i></p> <p>⇒ Recommended for technical politico-military or economic and environmental projects which involve standard interventions or when the details of an activity's process need to be assessed. Photos, land, aerial pictures can be used to further substantiate the findings,</p> <p>⇒ The approach is costly due to expert fees.</p>
INTERVIEWS		
Key Person Interview	Individual interviews with knowledgeable persons who can provide pertinent and reliable information. These can be a community leader, an influential politician, a police chief, an environmental specialist. This is a form of in depth interview. A number of selected topics are discussed according to the template of questions. The interview questions are open-ended and meant to stimulate discussion.	<p>⇒ <i>Performed by the evaluation team.</i></p> <p>⇒ Recommended for most evaluations. It is especially useful for discussing sensitive issues that would not be normally discussed in public. Low-cost approach, requires some training and moderate amount of time to perform.</p> <p>⇒ The claims and information gathered from one key person should usually be verified from other sources.</p>
Community Interviews/ Group Discussions	Interview where concerned individuals from the community express their experiences, feelings, attitude towards the project. Depending on culture and context, women and men could be interviewed separately to ensure that the information reflects the reality. The team will base the discussion on an agreed set of interview questions. Group discussions with beneficiaries can be organized to establish whether they are benefiting from the results of the project.	<p>⇒ <i>Performed by the evaluation team.</i></p> <p>⇒ Recommended for most evaluations. It is useful when confidentiality is not a concern and the team is interested in quickly gathering community members' opinions. Quick and low cost approach.</p> <p>⇒ The analysis of responses may be difficult to summarize.</p>
Focus Group Interviews	A group of 6 to 10 people who share common characteristics (e.g. experts working on same issue, position in the work hierarchy, same age, social background etc) are asked about their attitude, feelings, and experiences towards certain topics (e.g. treatment of victims of trafficking in region X). Questions are asked in an interactive group, where the facilitator uses probing questions to animate discussion. The group tries to agree on a number of preferences or conclusions.	<p>⇒ <i>Performed by the evaluation team.</i></p> <p>⇒ <i>External expertise should be sought if the team has no prior experience.</i></p> <p>⇒ Recommended for understanding interactions and areas of disagreement. This quick and low cost approach requires some training to properly prepare and moderate the discussion.</p> <p>⇒ It is essential that the group shares common characteristics such as their place in the hierarchy. For instance, if employees of a municipality come with their mayor, they may be reluctant to speak openly.</p>
Memory Recall/ Historical Narration	Interviews with beneficiaries and other stakeholders, individually or in groups, who reconstruct their situation before the project. In historical narration participants may be asked to remember significant stories pertaining to the project.	<p>⇒ <i>Performed by the evaluation team.</i></p> <p>⇒ Necessary generally in all evaluations, especially when baseline data is not available. Low cost, requires little training and moderate amount of time to perform it. The team should be wary of rich but subjective insights and avoid generalizations.</p>
Case Studies	In-depth assessment of a very limited number of observations (e.g. case studies in two different municipalities where decentralization efforts succeeded in one and failed in the other). The community interviews, focus groups, memory recall techniques may be used to make case studies.	<p>⇒ <i>Performed by the evaluation team.</i></p> <p>⇒ <i>External expertise should be sought if the team has no prior experience.</i></p> <p>⇒ Recommended especially for thematic evaluations covering various countries or regions (e.g. ODIHR projects) in a particular geographic region. The criteria for the selection of cases matters. Options include selecting best cases, worst cases or a mix of good-, medium- and low-performing cases to be able to establish what went wrong and how it can be addressed.</p>

Feedback Questionnaire	A tool used to obtain information from a significant number of stakeholders to learn about their attitudes, opinions, perceptions, beliefs with regards to the project.	<p>⇒ <i>Performed by the evaluation team.</i></p> <p>⇒ <i>External expertise should be sought if the team has no prior experience with questionnaire design.</i></p> <p>⇒ Recommended for gathering descriptive data on a large number of topics at low cost. Anonymity of respondents may help to get honest answers and gain a general understanding of the situation but the analysis may not be thorough.</p>
Expert Panel	A method akin to peer evaluation. An assessment of the project performance by experts working in the same field within the OSCE or in other international organizations.	<p>⇒ <i>Performed by external experts and staff/mission members from other executive structures working in the same field.</i></p> <p>⇒ Expert Panel will add credibility to the evaluation. Its use is recommended especially in the evaluation of large multi-year programmes or projects.</p> <p>⇒ It should be used in conjunction with other methods of collecting data.</p>
STATISTICAL SURVEYS		
Mini-Survey	A sample of the project population (100 -200 respondents) is extracted. Interviews are conducted on the basis of a written questionnaire. Entries are recorded and analysed using computer software on the basis of standard descriptive, inferential and econometric techniques.	<p>⇒ <i>Performed by professional specialists or companies to be hired by the evaluation team.</i></p> <p>⇒ Recommended for large-scale projects or programme evaluation (e.g. decentralization or good governance programme). Trained specialists are required for survey design planning and data analysis. Needs to be separately budgeted in advance, tendered and procured.</p>
Panel Survey	A panel is a selected group of people who share common characteristics within a defined period (e.g. exposed to same policy, same age, same social background, same sex, same ethnic minority) is chosen. Then the impact of a certain policy (e.g. education) on the panel group is surveyed and compared with another group not exposed to that policy. A causal link between the policy and its impact on the panel is studied for a set period of time and differences between two groups noted.	<p>⇒ <i>Performed by professional specialists or companies to be hired by the evaluation team.</i></p> <p>⇒ Recommended only for multi-year, large-scale programme evaluation (e.g. education, decentralization). It will usually not be required for project self-evaluation. Needs to be separately budgeted in advance, tendered and procured.</p>
Large Survey	A sample of the project population (over 400 respondents) is extracted. Interviews are conducted on the basis of a written questionnaire. Entries are recorded and analysed using computer software on the basis of standard descriptive and econometric techniques.	<p>⇒ <i>Performed by professional specialists or companies to be hired by the evaluation team.</i></p> <p>⇒ Recommended for multi-year, large-scale programme evaluation (e.g. education, decentralization or good governance programme). It will not be required for project self-evaluation. Needs to be separately budgeted in advance, tendered and procured.</p>
Census	Procedure of acquiring information about every member of a given population.	<p>⇒ Not recommended for OSCE projects or programmes unless expressly requested by the Permanent Council or donors of XB projects. Needs to be separately budgeted in advance, tendered and procured.</p>

Source: Adapted from Evaluation Manual, Methodology and Processes, IFAD 2009, pp.17-19

12.8.5 How to Carry Out Successful Interviews

It is essential to prepare in advance for the interviews and decide what you want to learn from the interviewee. *Table 12.5* provides an overview of the types of questions that can be employed during an interview.

Table 12.5 Formulating Interview Questions

Type of Question	Definition	Example
Closed Question	Seeks a definite and clear response. They can usually be answered with only one word. A limited number of answers are provided for the interviewee. They are useful in obtaining factual information.	⇒ <i>Did you hear about</i> the awareness-raising campaign? Please just answer yes or no. ⇒ <i>Do you agree to</i> the changes made to history books? Please just answer yes, no or I do not know.
Clarifying Question	Seeks to find simple facts. The interviewee is not given any answers but is expected to give simple and factual answers.	⇒ How much money did your community invest in the awareness-raising campaign? ⇒ How many teachers participated in reviewing the history books?
Open Question	Seeks to get the interviewee to elaborate on his or her thoughts on a topic.	⇒ How can the awareness-raising campaign better reach vulnerable minorities? ⇒ What type of changes should be introduced to the history books?
Attitude Question	Seeks to understand the attitude or opinion of the interviewee to a given situation. It can be formulated as a closed or open question.	⇒ Which one word best describes the awareness-raising campaign? a. Effective, b. Ineffective, c. Unnoticed ⇒ How much do you agree with the following statement: "The changes to the history books came too late?"
Probing Questions	Seeks more detail to better understand the opinions of an interviewee. The project team cannot prepare the probing questions in advance. They will have to follow the key person's statements or the focus group discussion to formulate the probing questions.	⇒ <i>What did you mean by,</i> "God knows what the awareness campaign did"? ⇒ <i>Why did you say,</i> "Changes to history books proved useless"? ⇒ <i>What did you think when you said</i> "New changes have to be made to the history books"? ⇒ <i>Could you give us an example of a change that should be introduced to the history books?</i>

In order to carry out effective interviews it is also important to consider the following hints:

- Be objective.
- Do not manipulate the interview to get confirmation that the project was successful.
- Do not let one's cultural background, political convictions or empathy for the interviewee cloud one's judgment.
- Strive to interview both women and men.
- Separate interviews for men and for women when needed.
- Have a team member fluent in the local language and English.
- Reformulate the same question and compare answers when translations are not clear.
- Mix positive and negative questions during the interview.
- Propose to keep the identities confidential if interviewees are reluctant to give genuine answers.
- Focus on facts and evidence.

The evaluation team has a responsibility not only towards the Organization, but also towards groups and individuals involved with or affected by the evaluation. Keep in mind the importance of ethical behaviour in collecting data:

- Evaluators should ensure that they are familiar with and respectful of interviewees' beliefs, manners and customs.
- Interviewers must respect people's right to provide information in confidence, and ensure that sensitive data cannot be traced to its source.

- The evaluation team should minimise demands on interviewees' time.
- Evaluations sometimes uncover evidence of wrongdoing. How, to whom and what should be reported will be decided by the Programme Manager.

12.9 How to Carry Out a Comprehensive Self-Evaluation

This section explains how a comprehensive self-evaluation is undertaken. The purpose is to get the OSCE Project Managers acquainted with all the key concepts and processes involved with a comprehensive self-evaluation.

Once key concepts and processes are established, the Project Manager can use those aspects of self-evaluation which are most pertinent to the individual circumstances of his or her project. At the end of this chapter are recommendations on how a tiered approach to the self-evaluation can be applied depending on the characteristics of the project and the resources available to the Project Manager.

A project is completed when the last activity is carried out and all transactions in Oracle are finalized. The Project Manager is responsible for making a self-evaluation of the project within three months of completion. Self-evaluation is prepared and carried out in the following way:

1. Set up the self-evaluation team.
2. Set the terms of reference.
3. Do a desk review.
4. Collect data from key stakeholders.
5. Analyze findings.
6. Draft the report.
7. Disseminate the report.

12.9.1 Set up the Evaluation Team

a. Project Manager

The Project Manager will set up the evaluation team and manage the entire process. He or she will:

- Ensure that the self-evaluation takes place on time, according to the standards set by the OSCE
- Take full responsibility for the terms of reference of the evaluation
- Supervise the evaluation team, which should be gender-balanced and possess at least one member with knowledge on gender issues
- Ensure the evaluation report is disseminated to key decision-makers in management, and
- Follow up with self-evaluation recommendations.

The Project Manager has to keep in mind that self-evaluation is meant ultimately to contribute to the review of the Unified Budget Programme. Self-evaluation conclusions will clarify how the project contributed to the achievement of outputs and progress towards outcomes in the Programme Budget Performance Report.

During the preparation of the Programme Outline, the Project Manager will remind the Programme Manager of the lessons learned from the project and advise on how to fine-tune or make changes to the programme strategy.

b. Evaluation Team

The evaluation team will consist at the very least of one project monitor and the Project Manager. For technical projects (e.g. construction, stockpile management, borders), an expert should be hired to assist the evaluation team. To the extent that the project budget allows for it, local consultants can be involved to benefit from their knowledge of the region.

In exceptional cases, if an implementing partner has played a substantial role in the execution of the project, a representative can also be asked to join the team. Instead of hiring translators for the interviews, it is recommended to use the OSCE's mission members to the extent their time and commitments allow it.

Self-evaluation is an introspective process. Because the team members are involved with the content of the evaluation and have some stake in the project, sensitivities can be strong. A clear definition of the roles and of the process at the outset can help ease tensions.

Some team members will have a deeper understanding of the project and its issues; others will be able to provide comparative data from their experience in other contexts; and some will be more skilled in the self-evaluation process. All of these skills and knowledge will be useful to the self-evaluation.

c. Peer Evaluator

It is recommended to invite an OSCE staff/mission member from another department/programme to provide a second pair of objective eyes to evaluate the project. This method is called peer evaluation. It is important that the invitee participates - to the extent that his or her time and commitments allow it - in the analysis of key documents during desk review, collecting of the data from key stakeholders and drafting of the self-evaluation report.

It is also recommended to invite colleagues from other departments who are engaged in different but complementary areas of work. For instance, Rule of Law and Police Assistance departments could mutually exchange staff/mission members for self-evaluation purposes. This interaction would enhance the analytical capacity of the evaluation team and spread lessons learned to another department that looks at the same issue from a different angle.

In case of multi-year, high-budget and complex projects and programmes, expert assistance of the CPC/PESU may be requested.

12.9.2 Set the Terms of Reference

Once the evaluation team is established, the Project Manager will convene a brief meeting to agree on the terms of reference for self-evaluation. The terms of reference will explain by whom, when, and how the self-evaluation will be undertaken. This includes agreeing on the main objective of the self-evaluation, its key phases, roles and responsibilities of team members and a tentative schedule within which the process should be completed. Furthermore, it documents which data collection methods will need to be used to credibly assess performance. The terms of reference will be updated after the desk review. The following "trigger" questions may be useful to kick-start a self-evaluation brainstorming meeting:

- What would you like to learn in this self-evaluation?
- What issues do you think should be addressed in this self-evaluation?
- Which questions should be answered by the self-evaluation?

The Project Manager will also make sure that the team members are aware of the OSCE self-evaluation method and tools, have basic evaluation skills and can formulate their judgments in a coherent manner. *Table 12.6* displays an outline for the terms of reference. Its use is optional and particularly recommended for the self-evaluation of large, complex, multi-year projects.

Table 12.6 Terms of Reference for Self-Evaluation

Project Title and IRMA Number	Indicate the project title and IRMA Number.
Project Manager	Indicate name and title of the Project Manager.
Evaluation Team Leader	The Project Manager and evaluation team leader are usually the same person. If this is not the case, explain briefly why and indicate name and title of the evaluation team leader.

Evaluation Team Members	Indicate name and title of each team member.	Indicate which role each team member will assume.
Duration	Desk review (dd/mm/year – dd/mm/year). Data collection from key stakeholders (dd/mm/year – dd/mm/year). Drafting of the <i>Final Project Self-Evaluation Report</i> (dd/mm/year – dd/mm/year).	
Agenda and Timetable	Provide a detailed overview of the data collection phase. Give information in particular when, how, who will be interviewed, whether or not the project site will be observed or visited. Indicate any other relevant information.	
Introduction	Indicate the main problems relating to the subject that your project addressed the main stakeholders. Recall the project's UB programme objective and its relation to the mandate. Recall briefly the project objective, desired results and activities. Describe briefly the operational context in which the project took place from the start date until completion date.	
Purpose of Evaluation	Indicate the type and purpose of evaluation.	
Evaluation Criteria	Indicate whether the self-evaluation assesses the performance of the project on all seven evaluation criteria or on a limited number of criteria. Justify the reasons.	
Methods of Collecting Data	Indicate which methods of collecting data will be used. Justify the reasons.	
Dissemination	Indicate who will be the immediate recipients of the <i>Final Project Self-Evaluation Report</i> and how it will be further disseminated.	

12.9.3 Do a Desk Review

A desk review consists of an in-depth analysis of all project-related documents produced until self-evaluation. The process is led by the Project Manager. All the key project documents will be reviewed using the questions for self-evaluation in *Table 12.2*. An in-depth desk review is essential to prepare a sound self-evaluation report.

a. Collection of Key Documents

Desk review starts with collecting key documents. Team members will assist the Project Manager in collecting key project documents and secondary data (e.g. reports of other international organizations) needed to complete the desk review. Once all key information is collected the evaluation team will read and analyze the following documents:

- Project Proposal
- Project Progress Report
- IRMA Budget and Expenditure Report
- Final Project Self-Evaluation Reports of similar projects
- Monitoring reports
- Initial logframe and final logframe
- Situation analysis
- Means of verification for indicators
- Plan of operations
- Forecast budget
- Exception reports
- Risk log, both initial and final
- Unified Budget programme
- Summaries of current or recently implemented complementary OSCE projects
- Information on co-ordination with other parts of the OSCE (e.g. key correspondence), and
- Information on the initiatives of other national entities and international organizations (e.g. summaries of similar initiatives, key correspondence).

b. Reconstructing the Project Strategy

Due to high staff turnover some Project Managers may have to evaluate the projects that were implemented by their predecessors. In this case lack of a logframe may be problematic. To solve this problem, the evaluation team can reconstruct the project strategy.¹⁴ The reconstruction will help to better

evaluate whether or not the needs and problems justified the intervention, assess the coherence of the project strategy and crystallize both the project objective and results and their expected effect on the problems. The project strategy can be reconstructed the following way:

- ➔ Collect and analyze documents establishing the project rationale and allowing allocation of resources (e.g. *Project Proposal*, PSD, key correspondence).
- ➔ Identify main activities and results based on what the project has promised to deliver.
- ➔ Identify the main objective of the project and try to link the project to a UB Programme.
- ➔ Check cause and effect links are logical.

c. Analysis of Key Documents

The information collected and analyzed during desk review will help to answer an important part of the questions for self-evaluation. For instance if the monitoring reports indicate that the workflow pertaining to human resources, procurement, budgetary spending have been uneventful and as foreseen in the plan of operations and that the necessary in-kind support and tax exemptions have been obtained, then a significant part of the efficiency related questions will be covered. This however does not relieve the evaluation team of their responsibility to cross-check and verify the information collected at desk review stage using other sources and different methods of data collection. Once the desk review is completed, the evaluation team will revisit the questions to decide which ones need to be further investigated and/or verified. Focusing the remainder of the self-evaluation process this way will help to save time and money.

If the senior management requests it, the self-evaluation can also focus on horizontal issues such as the wider effect of the project on the environment, minorities, vulnerable communities etc. In this case the team may need to add new questions to the template to accurately measure the performance of the project regarding these horizontal issues.

d. First Draft of Evaluation Findings

Before collecting data from key stakeholders and project site, it is recommended the evaluation team drafts a working document summarizing the desk review findings. *Table 12.7* shows a simple working tool which can be used to summarize findings and identify gaps which need to be further addressed. An excel spreadsheet can be used to work on this matrix.

Table 12.7 Data Collection Matrix

Evaluation Criterion	Key Questions	Indicators	Sources of Data	Data Collection Methods	Main Findings
Relevance					
Efficiency					
Effectiveness					
Impact					
Sustainability					
Coherence					
Added Value					

It is recommended this document is updated regularly each time that new findings pour in (e.g. after an interview with a key person). This will prevent being overwhelmed by the amount of data collected.

12.9.4 Collect Data from Key Stakeholders

Self-evaluation requires collecting data from implementing partners, beneficiaries and other relevant stakeholders. To this end, some OSCE executive structures may need to carry out field visits. Once the methods to collect data are agreed upon, the team should clarify who will be met where, when and how to get access to data. Finally a timetable and agenda is drawn up and once all preparations are in place, data collection can start.

a. Review the Terms of Reference

Optimal time management and access to relevant sources of information are critical to successful data collection. It is recommended the evaluation team reviews the terms of reference especially before the field visit, by specifying the data collection methods and sources, and updating the timetable and agenda.

b. Collecting Data from the Field

For field operations collecting data may require little travel as the key stakeholders and project sites are usually based in the capital or where an OSCE regional centre, field office is located. However, depending on the location of the project site, field operations may also need to send the evaluation team to the provinces/regions of the host country. The OSCE institutions and Secretariat will need to set aside a reasonable amount of budget for the self-evaluation phase of the project to cover field visit costs.

Parallel to the intellectual preparation for the field visit, the evaluation team will need to make the logistical arrangements. Ideally, all evaluation team members should participate in the field visit. To this end transport, accommodation, and meeting room arrangements may need to be made.

c. Planning for a Successful Field Visit

In order to carry out a cost-efficient and effective field visit, the evaluation team should pay attention to the following:

- Inform (if there is one) the OSCE Field Office of the evaluation team's dates of visit, itinerary, and names of the team members.
- Try to secure support from the OSCE Field Office for logistical and translation related arrangements.
- Try to rely on existing data sources as much as possible such as reports of other organizations.
- Confirm availability of evaluation experts well in advance of the visit.
- Get confirmation or approval to access the project site (e.g. military warehouse).
- Plan in advance and confirm the availability of interviewees.
- Prepare in advance the precise list of questions for the interview.
- Update the list of interview questions if new information emerges prior to the interview.

12.9.5 Analyze Findings

The evaluation team will collect a variety of documents and data. These will range from the minutes of meetings and interviews to notes/photos/recordings made during project site observation. Analysis of findings is the lengthiest and intellectually consuming part of self-evaluation. A good analysis will increase the quality, credibility and usefulness of the *Final Project Self-Evaluation Report*. If analysis of self-evaluation findings is properly done, then the report is quickly written. The analysis of self-evaluation findings is carried out in the following way:

- a. Concentrate on a limited set of useful information.
- b. Categorize the information according to the seven OSCE evaluation criteria.
- c. Cross check the validity of information before establishing facts.
- d. Agree on the external factors which may have influenced the project.
- e. Discuss whether the project had unintended effects.
- f. Analyze the cause and effect relationship between the project and any observed change(s).

a. Concentrate on a Limited Set of Useful Information

The evaluation team will decide which documents should be analyzed. There will be a variety of documents that have been collected but are not useful to the exercise and these can be eliminated at this point. The remaining useful documents are set aside for further analysis.

b. Categorize the Information

The useful documents will contain a strain of data pertaining to almost all the criteria ranging from relevance to added value. For instance the interview with beneficiaries will contain information on whether the beneficiaries view the project as relevant to their needs, the results as effective and so on. Therefore, the information in the documents needs to be organized according to the seven criteria. To this end the data collection matrix shown in *Table 12.7* can be further expanded. This approach will considerably reduce the task of analyzing an overwhelming amount of data.

c. Cross-Check Information before Establishing Facts

Once the findings are categorized according to the seven criteria, the team should cross-check the validity of findings by comparing what was obtained from different sources. For instance the beneficiaries may have opined that the project was effective but if none of the logframe result level indicators are met it is hard to establish this opinion as a fact.

d. Agree on the External Factors

The field visit will also provide a good overview of the external factors that have influenced the project. These external factors may range from political, legislative, economic, financial, environmental, social issues to geographical conflicts. The team should discuss each member's opinion regarding the extent to which these factors have been influential on the project. The team members should base their opinions on facts gathered during the desk review and the data collected from key stakeholders and the project site.

e. Discuss Unintended Effects

The self-evaluation may reveal that the project has had unintended positive or negative effects on the stakeholders. The evaluation team should discuss these unintended effects and agree whether they should be included in the report.

f. Analyze the Cause and Effect Relationship

Review, analyze and summarize all findings a team. The evaluation team can use the Analysis Matrix shown in *Table 12.8* to summarize their findings and conclusions, recommendations, lessons learned and best practices prior to the drafting of the self-evaluation report. Discuss whether a cause and effect relationship can be established between the OSCE's intervention and the changes that have been observed by the team, reported by key stakeholders or reflected in reports and statistics. The evaluation team should decide whether or not the project has genuinely contributed to the improvement of the situation that was depicted at the planning phase of the project.

Table 12.8 Analysis Matrix

Evaluation Criterion	Key Questions	Findings and Conclusions	Recommendations	Lessons Learned and Best Practices
Relevance				
Efficiency				
Effectiveness				
Impact				
Sustainability				
Coherence				
Added Value				
Overall Performance				

12.9.6 Draft the Report

Based on the analysis of findings, the Project Manager will draft the key sections of the evaluation report first. The key sections contain evaluation findings and conclusions, recommendations, lessons learned and best practices. Gender relevant findings should be reflected in reporting. *Table 12.9* describes the information that should be presented in the key sections of the evaluation report. Once

the key sections are drafted the evaluation team should review it and make sure the conclusions are sound, credible and supported with facts useful for managerial decision-making purposes.

Table 12.9 Key Sections of the Evaluation Report

Findings and Conclusions	Findings are the summary of the facts and evidence gathered during desk review and collection of data from relevant stakeholders. Conclusions have to be logically based on the findings and they will summarize how well the project did on each evaluation criterion.
Recommendations	Based on conclusions, the recommendations provide suggestions on how the ongoing project or future projects and programmes can be improved. The recommendations involve actions. They have to be concrete and practical such as optimizing/altering resource allocation, implementing alternative options, expanding the scope/scale of projects, redesigning or terminating certain interventions.
Lessons Learned/ Best Practices	Lessons learned is the broad knowledge that can be transferred to follow-up interventions or other projects and programmes. These have to be concrete and practical such as lessons on improving co-ordination and co-operation with host country authorities or strengthening ownership and commitment of beneficiaries. Best practices are model activities and projects that the OSCE can learn from, implement or replicate elsewhere.
Overall Performance	Assessment of the team on the overall performance of the project based on the seven (or selected) criteria.

12.10 Final Project Self-Evaluation Report

The Project Manager is required to produce a *Final Project Self-Evaluation Report* for all XB and UB projects upon the completion of the initiative. The *Final Project Self-Evaluation Report* template can be found in the Appendices.

Additionally for XB projects, the Project Manager will annex to the narrative, the relevant IRMA financial reports for the consumption of donor(s). For every narrative report submitted to donors, two sets of financial reports need to be sent out:

1. *Project Budget and Expenditure Report* (without details), which will depict the overall financial situation of the project. For further information a fictional *Project Budget and Expenditure Report* can be found in the Appendices.
2. *Pledge Budget and Expenditure Report* (with details) to each respective donor who contributed to the related project. For further information a fictional *Pledge Budget and Expenditure Report* can be found in the Appendices.

12.10.1 Disseminate the Report

The *Final Project Self-Evaluation Report* should always be submitted to the Programme Manager and the Project Co-ordination Unit/Cell of the OSCE executive structure. Depending on the prominence, scale and scope of the project a copy can also be submitted to the Head and Deputy Head of Mission, Institution or the Thematic Unit of the Secretariat and the Senior Evaluator in the Office of Internal Oversight.

12.10.2 Storing Evaluation Reports in Docln

Project team members are responsible for storing the evaluation report in Docln to keep an electronic record of this key project document. Programme and Project Managers share the responsibility to proactively disseminate and learn from evaluation reports. It is their duty to ensure new initiatives capitalize on the findings of evaluations. This includes improving project and the UB programme strategies, optimizing resource allocation based on best practices and lessons learned from evaluations.

12.10.3 Formal and Informal Means of Dissemination

Key conclusions, recommendations and lessons learned from evaluations can be reported in the official annual reports of the Head of Mission to the Permanent Council. The official OSCE Meetings such as the ODIHR's Human Dimension Implementation Meeting or the OCEEA's Economic Forum can be used to disseminate lessons learned and best practices. Informal gatherings, such as gender focal point meetings, and annual meetings of Democratization Programme Managers, could also provide a venue to share and disseminate lessons learned.

Evaluation findings and lessons learned can also be shared informally, such as a brief presentation of the report during a lunch meeting with colleagues!

12.11 A Tiered Approach to Self-Evaluation

The OSCE Project Managers operate with limited human and financial resources and under significant time constraints. Often several UB and XB projects need to be evaluated in a parallel fashion. Furthermore not every initiative requires a comprehensive self-evaluation. It is therefore recommended to apply a tiered approach to project self-evaluation (see *Table 12.10*).

Table 12.10 OSCE's Tiered Approach to Self-Evaluation

Criteria	Step by Step
For projects with a total budget equal to or less than €50,000 or a single activity project: a simplified self-evaluation approach.	<p>1. Do a brief desk review. The Project Manager alone or, where available, with his or her assistant, will conduct a brief desk review. He or she will concentrate in particular on the monitoring and the IRMA Budget and Expenditure reports. He or she will go through the template of questions for self-evaluation to see which ones were already answered. The self-evaluation can be limited to the assessment of the relevance, effectiveness and efficiency criteria.</p> <p>2. Collect data from implementing partners and beneficiaries. The Project Manager will meet with the implementing partner (IP) and raise the questions from the template that are relevant to the project. He or she will also collect data from beneficiaries to check the validity of the findings. For saving time and money it is recommended to use a maximum of two of the less-structured methods of collecting data.</p> <p>3. Draft the report. The Project Manager drafts a report on the needs which the project sought to address, what was achieved and how funding was used in implementation. The report should include the positive and negative effects of the initiative, key issues affecting implementation, the extent of local participation and local capacity to sustain the results, as well as lessons learned and what the Project Manager would change, given the opportunity to carry out a similar project in the future.</p> <p>4. Disseminate the report.</p>
For projects with a total budget greater than € 50,000 but less than €200,000: potentially varying levels of effort to be decided by the Project Manager.	<p>1. Do an in-depth desk review. The Project Manager with his or her assistant will do an in-depth desk review. Depending on the nature of the project the support of a member of the FAU may be required. When available a colleague from other departments can also be invited. The Project Manager can limit the self-evaluation to the assessment of the relevance, effectiveness, efficiency, sustainability and added value criteria. Where applicable and feasible all seven criteria can be assessed.</p> <p>2. Collect data from implementing partners and beneficiaries. The Project Manager will meet with the IP and raise the questions from the template that are relevant to the project. He or she will also collect data from beneficiaries to check the validity of the findings. It is recommended to use of at least three sources and methods of collecting data. When appropriate the Project Manager will combine less structured and more structured ways of collecting data.</p> <p>3. Analyze findings. The Project Manager will categorize the information according to the OSCE evaluation criteria, cross check validity of information before establishing facts, agree on the external factors which may have influenced the project, discuss whether the project had any unintended effects, analyze the cause and effect relationship between the project and observed change(s).</p> <p>4. Draft the report. The Project Manager will assess the performance of the project and identify best practices and lessons learned.</p> <p>5. Disseminate the report.</p>

A comprehensive method for:

1. Larger, complex, multi-year projects with a total budget greater than €200,000
2. Several small projects concerning the same issue over the course of several years that have exceeded €200,000 (e.g. raising human rights awareness, civil society capacity-building)
3. When requested by senior management due to the high political profile or complexity of the project, regardless of the budget.

1. Set up the evaluation team.

2. Set the terms of reference.

3. Do an in-depth desk review.

4. Collect data from stakeholders.

5. Analyze findings.

6. Draft the report.

7. Disseminate the report.

The step-by-step approach on how to carry out a comprehensive self-evaluation has been explained at length in this chapter.

PROGRAMME REVIEW

13.1 Unified Budget Process and Project Self-Evaluation

The Unified Budget (UB) process and project management are closely intertwined: lessons learned from project self-evaluations lead to better planned and implemented programmes. The quality of the key UB documents depends on how effectively project self-evaluations contribute to their formulation.

Project self-evaluation constitutes the basis of programme review. Its contribution to the UB process is two-fold:

1. Projects are the most concrete, measurable activities that contribute towards the outputs and outcomes of the programmes. Self-evaluation conclusions feed into the review of programmes in order to be able to prepare an accountable, credible and useful Programme Budget Performance Report (PBPR).
2. Evaluation recommendations and the lessons learned are concrete, practical and feasible solutions to improve programme strategies. They enable better prioritization of objectives, outcomes, outputs and optimal resource allocation. This allows for enhanced strategic choices made in the Programme Outline (PO) and optimized resource allocation in the Unified Budget Proposal (UBP).

13.2 Programme and Project Milestones in a Calendar Year

Table 13.1 displays the interaction between the production of key UB documents and project monitoring and self-evaluation over a calendar year. The monitoring and self-evaluation of both Unified Budget (UB) and extra-budgetary (XB) projects are expected to impact the production of key UB documents the in following way:

At the beginning of January, the Programme Budget Performance Report (PBPR) guidelines are issued by the Secretariat. Each programme (unit, department) is expected to review how well it delivered the outputs outlined in the UBP and how much progress was made towards the outcomes.

Project self-evaluations provide concrete evidence on what was achieved and how much progress was made. Each programme will organize internal meetings to review its performance and agree on how project self-evaluation conclusions will be fed into the PBPR. The PBPR will then be drafted and submitted to the Secretariat for the consumption of the participating States.

In the middle of March, the Programme Outline (PO) guidelines are issued by the Secretariat. Each programme will revise or update its medium- to long-term strategies. The concrete recommendations (e.g. change in programme priorities, implementation of alternative strategies, expanding the scope/scale of programme, limiting or terminating certain interventions) and lessons learned from self-evaluations will help managers to design more effective programmes.

At the end of July, the Unified Budget Proposal (UBP) guidelines are issued by the Secretariat. Each programme will revisit the strategies, decide on the concrete outputs to be delivered in the coming year, and budget for the resources needed to implement them. The recommendations and lessons learned from projects will help to optimize resource allocation and to better plan for the human, financial and material resources needed to deliver the outputs.

13.3 Programme Budget Performance Report

Within the OSCE, the review of programmes at the completion of the calendar year is mandatory. Programme Managers are required to report on their performance in the Programme Budget Performance Report (PBPR). The review of programmes is organized and led by the Programme Manager, under the delegated authority of the Fund Manager. The PBPR will report on the performance of the programme by demonstrating how well the outputs were delivered and how much progress was made toward the outcomes.

13.3.1 Reviewing Outputs

Outputs are defined as the specific products or services resulting from several OSCE activities over one UB process. These activities include traditional diplomatic work, political monitoring and reporting, and projects. The review includes the analysis of project self-evaluations and an assessment of how traditional diplomatic work and reporting activities influence the delivery of outputs.

The review of outputs is done as follows:

1. Read and discuss the strategic plan from the PO, the objectives, outcomes and outputs from the UBP.
2. Collect and analyze the conclusions of the UB and XB project self-evaluations relevant to the programme.
3. List the key traditional diplomatic activities undertaken in the past year. Traditional diplomatic work includes diplomatic negotiations, policy advice, policy dialogue, advocacy of the OSCE commitments, leading co-ordination with donors and meeting with the relevant host country authorities outside of the established projects. Assess to what extent these efforts were in the same direction, synchronized with and strengthened the impact of project work. Question in which concrete ways they contributed to achieve outputs (e.g. create momentum or make a real difference, such as policy or legislative changes).
4. List key political monitoring and reporting activities in the past year. These are the reporting activities which were critical to remain relevant to the needs and problems of the host country and responsive to the issues in a specific area. Evaluate to what extent the traditional diplomatic and project work was responsive to the political developments on the ground. How did political developments that were reported impact the progress towards the output?
5. Analyze results by asking, "Have the combined activities led to the achievement of the output?"
6. Summarize the review of the output. Remain factual, concentrate on what was achieved, how it was done, with whom and where.

13.3.1 Reviewing Progress towards Outcomes

Since 2008, all Programmes have been required to report on progress towards Outcomes. Whereas the output section informs the participating States on what activities were conducted by the OSCE, the outcome section highlights the impact of those activities on the issue that the OSCE is attempting to address. This will often be beyond the sole control of the OSCE, and any impact that does occur may be attributable to the actions of a number of actors, rather than just the OSCE.

For comprehensive guidance on reviewing outcomes, please refer to the *Guide to Using Performance Indicators in the OSCE* which can be found in Doctl.

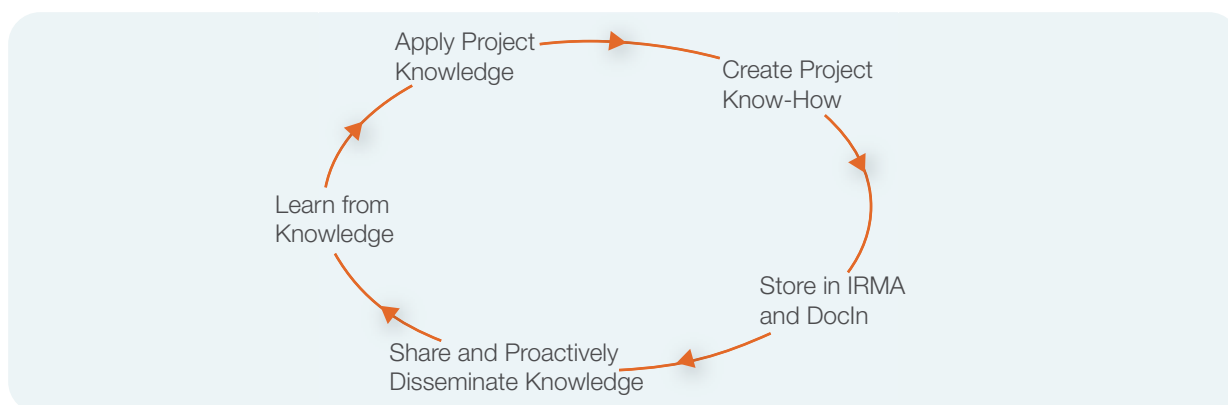
PROJECT KNOWLEDGE MANAGEMENT

14.1 OSCE and Knowledge Management

Knowledge management comprises a set of software applications, processes and techniques the OSCE uses to achieve its objectives by creating, storing, sharing, disseminating, learning from and applying project knowledge. This approach to project knowledge management is supported in the OSCE by IRMA/Oracle and DocIn.

The key functions of knowledge management are learning and continuous improvement from the wealth of knowledge that is created every time a project is developed, implemented, monitored and evaluated. The know-how created in the process of managing the life-cycle of a project is stored in DocIn. For the approach to function, it is essential that this knowledge is shared and proactively disseminated. The managers who develop new projects and programmes have to tap into this knowledge base, learn from recommendations, lessons and best practices. They then have to apply the know-how to improve the future initiatives of the OSCE. *Figure 14.1* depicts this knowledge management cycle.

Figure 14.1 The Knowledge Management Cycle



14.2 Oracle and DocIn and Knowledge Management

The OSCE staff/mission members who are involved with project work are required to be familiar with how project knowledge is managed in the OSCE and the support functions of Oracle and DocIn. Depending on the roles and responsibilities they assume in a project, the OSCE staff/mission members will be required to:

- Use Oracle to create and store project finance and accounting data
- Use Oracle to store signed copy of the Project Summary Document (PSD), contracts, procurement, as well as HR information
- Use DocIn to store all substantive project documents
- Use DocIn and other opportunities (e.g. formal meetings of the Permanent Council and Forum for Security Co-operation, informal OSCE meetings, field visits, workshops, training courses, expert networks) to share and proactively disseminate project knowledge

- Learn from key project documents, in particular, self-evaluations, and
- Apply lessons learned to improve the design, budgeting and implementation of the future projects.

14.2.1 IRMA/Oracle

Oracle is the key tool for managing the financial, human and material resources used by Unified Budget (UB) and extra-budgetary (XB) projects. Through various systems, IRMA ensures that procedures are in line with accepted best business practices. These systems, in finance, budget, procurement and human resources, are supported by modern technology based on the Oracle Enterprise Resource Planning (ERP) modules.

The Project Summary Document (PSD) and the Forecast Budget are the elements of a project that are uploaded in Oracle. In order to upload the projects into Oracle, the Project Manager needs the support of a designated project handler in the Fund Administration Unit (FAU) of his or her executive structure, and that of the Department of Management and Finance (DMF) in the Secretariat.

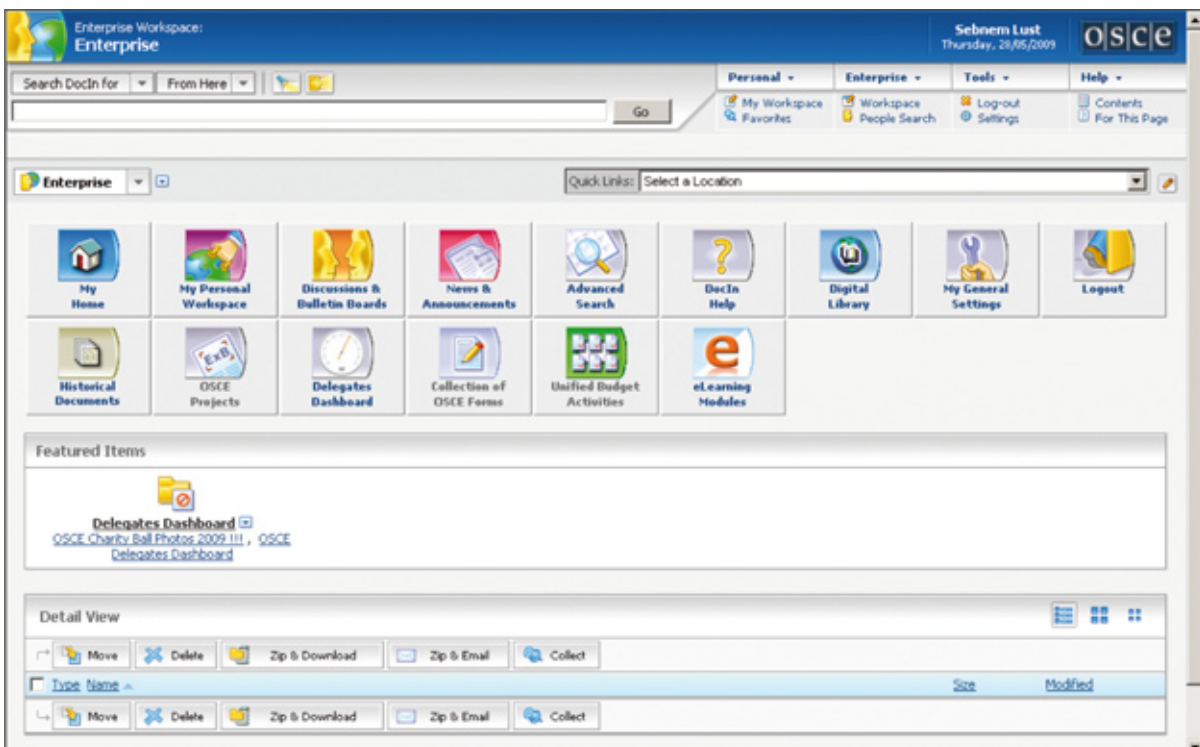
The UB projects require the FAU or DMF to allot the necessary budget to the relevant project and the implementation can begin. In case of XB projects, and in accordance with the Financial/Administrative Instruction 4 on Extra-Budgetary Contributions (FAI 4), the allotment is processed only once the income related to the pledge has been received. For further reading, please refer to the chapter on the Administration of Unified Budget and Extra-Budgetary Projects.

The DMF, in co-operation with the Training Section, organizes regular IRMA/Oracle training courses designated for Programme and Project Managers. Any Project or Programme Manager who wishes to strengthen his or her knowledge on IRMA/Oracle can participate in these courses.

14.2.3 DocIn

DocIn is the OSCE's Electronic Document and Record Management System, which has been in operation since January 2006. DocIn (see *Figure 14.2*) is a web-based application for the storing, sharing, and distributing of information. It provides a collaborative work environment that helps the OSCE staff/mission members to manage documents, improve business processes and share information.

Figure 14.2 A Screenshot from DocIn



DocIn is very easy to access with an Internet browser. The OSCE staff/mission members with the necessary username and password can access the system from the OSCE Intranet or from anywhere within the OSCE Virtual Private Network by entering the following address in the Internet browser: <http://docin.osce.org>

Structured in parallel with IRMA, DocIn provides and maintains a common database containing a comprehensive and diverse collection of substantive, programmatic, managerial and administrative information including that of UB and XB projects.

DocIn is, therefore, the custodian of the OSCE's institutional memory. The effective use of DocIn is critical to store, share, disseminate, learn from and capitalize on project knowledge accumulated in the OSCE field operations, institutions and the Secretariat.

DocIn enables the OSCE staff/mission members working on a project to:

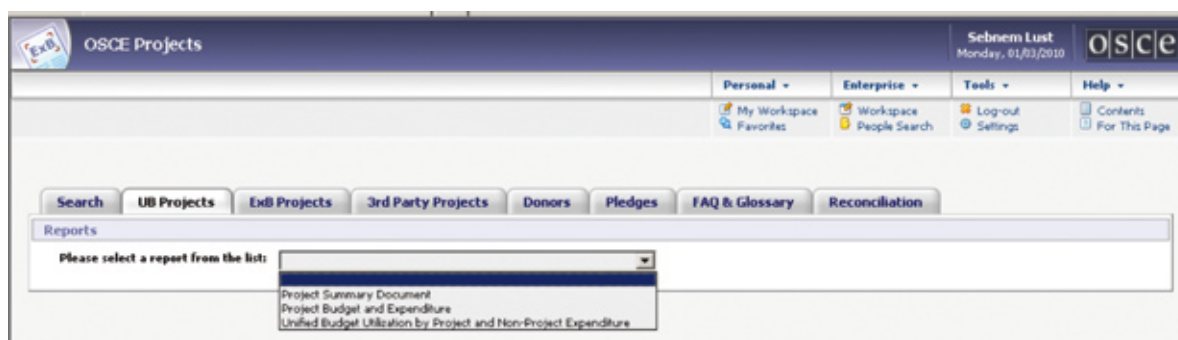
- ➔ Store and organize project documents in a central, permission-controlled location
- ➔ Revise key project documents in a version-controlled environment
- ➔ Find and keep track of project information
- ➔ Share and disseminate project knowledge, and
- ➔ Collaborate with other OSCE staff/mission members.

The DMF, in co-operation with the Training Section, organizes regular DocIn courses designated for the Programme and Project Managers in the OSCE executive structures. A Project or Programme Manager who wishes to strengthen his or her knowledge on DocIn can participate in these courses or read *DocIn: A Quick Guide* prepared by the DMF/Information Management Unit.

14.2.3 Unified Budget Project Reports in DocIn

The UB projects that are uploaded in Oracle can be viewed in DocIn (see *Figure 14.3*). Each executive structure has access only to its own UB projects data. The PSD, *IRMA Project Budget and Expenditure Report* and UB Utilization by Project and Non-Project Expenditure can all be viewed in DocIn as shown below. The PSD can be viewed by all staff/mission members of a specific location who have access to DocIn. The two other reports can be viewed only by staff/mission members who have access to the detailed reporting.

Figure 14.3 Unified Budget Projects in DocIn

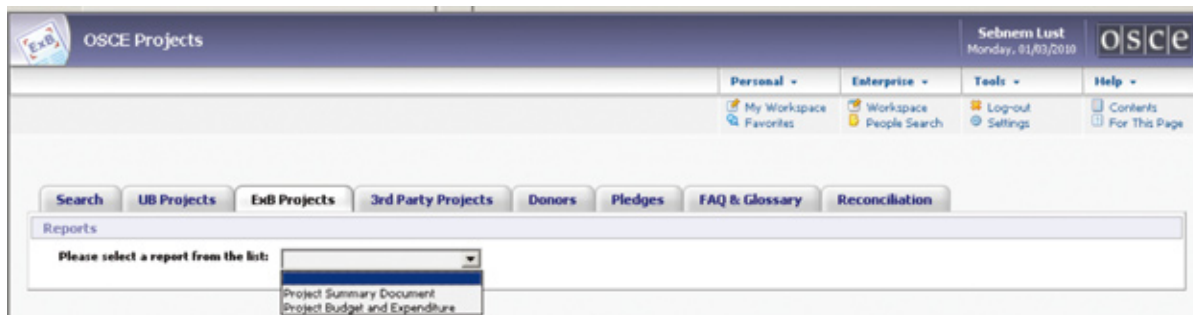


The Project Manager needs to ensure that the UB PSD is properly drafted and provides sufficient information on the project background and justifications, objective and results. The financial progress of the project can be monitored from the *Project Budget and Expenditure Report* which is automatically updated with information from the IRMA/Oracle modules, as transactions are accrued and recorded.

14.2.4 Extra-Budgetary Project Reports in Docln

The XB projects that are uploaded in Oracle can be viewed in Docln (see *Figure 14.4*). The PSD and the *Project Budget and Expenditure Report* (without details) can be viewed by all executive structures as well as by Delegations. The *Project Budget and Expenditure Report* (with details) can be viewed only by those staff/mission members of a particular executive structure who have specific access to the detailed reporting.

Figure 14.4 Extra-Budgetary Projects in Docln



The financial progress of the project can be monitored from the *Project Budget and Expenditure Report*, which is automatically updated with information from the IRMA/Oracle modules as transactions are accrued and recorded.

The *Project Budget and Expenditure Report* (without details) will be attached to *Project Progress* and *Final Project Self-Evaluation Reports*. The *Pledge Budget and Expenditure Report* (with details) can also be sent to each respective donor. Before sharing financial reports with the donor, the Project Manager should make sure that the Chief of Fund Administration approves the report.

Delegates of the OSCE participating States can view the PSDs of all XB projects through the Delegates Website (DelWeb). The Project Manager needs to take due care that the XB PSD is properly drafted and provides sufficient information on the project background and justifications, objective and results. This is a key tool for advertising OSCE XB projects and attracting attention from potential donors.

14.2.5 Safeguarding Key Project Documents in Docln

In the main Docln page of each executive structure, there is a folder entitled "Project Documents". Every time a UB or an XB project is created in Oracle, corresponding project folders are automatically created in Docln. For XB projects there are four folders, as shown in *Figure 14.5*. For UB projects there are three folders, as shown in *Figure 14.6*.

Figure 14.5 Safeguarding Extra-Budgetary Project Documents

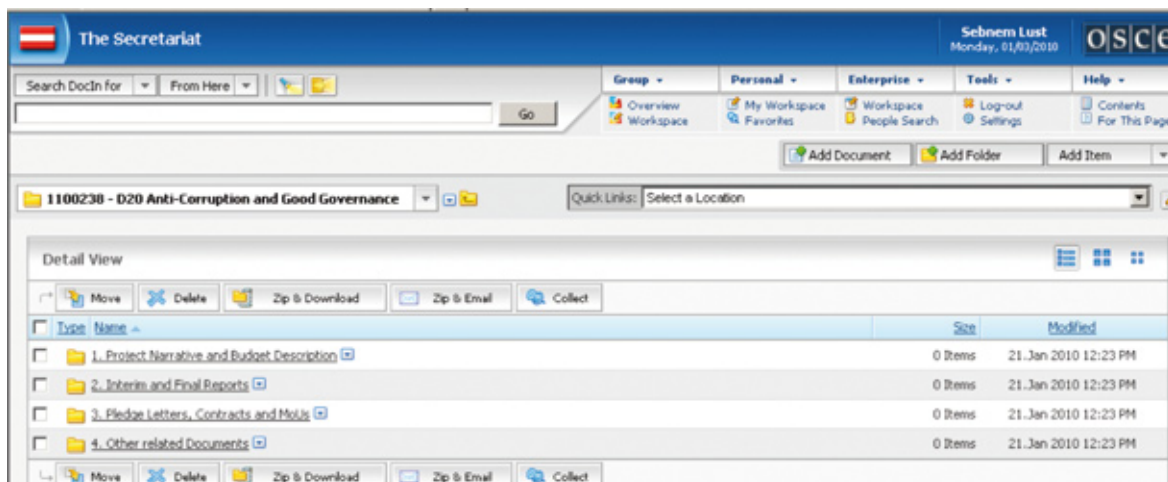
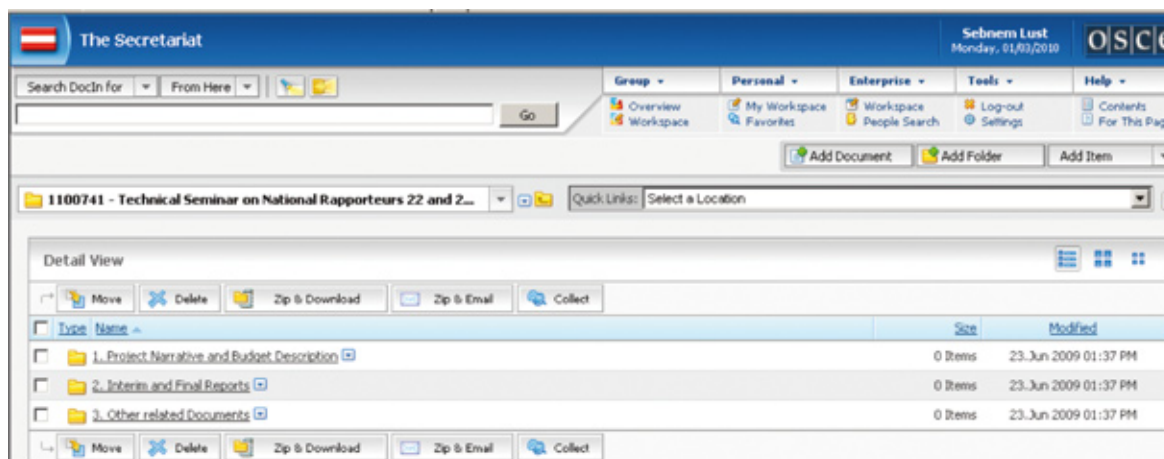


Figure 14.6 Safeguarding Unified Budget Project Documents



These allow the project team to upload the *Project Proposal*, the *Project Progress Report* and the *Final Project Self-Evaluation Report*, as well as other key documents such as pledge letters, agreements with donors, and with implementing partners in DoCln in an organized fashion.

It is critical to upload all key project documents into DoCln. Given the high staff turnover, DoCln is instrumental in building the OSCE's project related institutional memory. The project team's contributions are essential to ensure that, as time passes by, a useful tool is created to search for project related lessons learned and best practices.

14.3 Project Team and Knowledge Management

The Project Manager is responsible for ensuring that project records are safeguarded. He or she will decide who will manage project knowledge. Depending on the size and capacity of the executive structure, the Project Manager will have three options:

- Appoint from the project team a Project Records Manager who will be responsible to store and share project documents in DoCln.
- Get the agreement of the Project Co-ordination Unit of the field operation/ institution who will assume the Project Records Manager function. In this case every time a key document is produced the creator of the document will have the responsibility to electronically pass it on to the Project Co-ordination Unit.
- Assume himself or herself the role of Project Records Manager, in the absence of a Project Co-ordination Unit or in case of small projects.

14.3.1 Project Records Manager

Project team members are responsible for sending all key project documents to the Project Records Manager, who will use DoCln to store all key project documents. The Project Records Manager is responsible for providing the "final version" of all key project documents, when requested at different phases of the project cycle.

14.3.2 Key Documents to Store in DoCln

A variety of documents will be produced during the project life cycle. The Project Records Manager will be responsible for ensuring the following are stored in DoCln:

- PSD (signed by the Fund Manager)
- Project Proposal (final and previous versions including the logframe, plan of operations and risk log)
- Monitoring and Progress Reports
- Final Project Self-Evaluation Report
- Project Budget Spreadsheet
- IRMA Budget and Expenditure Report (with details)
- Support for Pledge Acceptance Form (for XB only)

- Certified Financial Reports
- Pledge Letters, Pledge Contracts, Memorandum of Understanding
- Implementing Partner Agreements and other significant contacts with suppliers, and
- Any other key correspondence (e.g. Terms of Reference for Experts, Letter of Intent, Interoffice Memorandum, Certificate of Exemption from Tax).

14.3.3 Programme and Project Manager

The Programme and Project Managers have the responsibility to proactively disseminate, learn from and apply project knowledge. It is their duty to ensure new projects and programmes capitalize on the existing project knowledge base and to improve the future initiatives of the OSCE.

Appendices

Methodical Problem Analysis

1. Brainstorming

A methodical approach to problem analysis starts with brainstorming. The Project Manager should explain how the project idea was initiated and the findings of the situation and stakeholder analyses. He or she should then invite the project team to share their thoughts about the problems related to the project idea. Representatives of beneficiaries or other external actors may be invited, as necessary. The project team will discuss the situation and point out to specific problems. At this phase of the exercise, no ideas should be blocked or dismissed. All participants should be encouraged to engage the right/creative side of their brain.

2. Putting Negative Statements on a Flipchart

The participants are asked to express the problems in terms of negative statements and write these on post-its or cards. These should be current problems faced by potential beneficiaries of the project, and not future or expected problems. Statements should adequately describe the negative situation without pointing to a specific solution. It is recommended to use a flipchart or a blank wall as background, as shown in *Figure 1*.

Figure 1 Problem Analysis: Posting Problems on a Flipchart

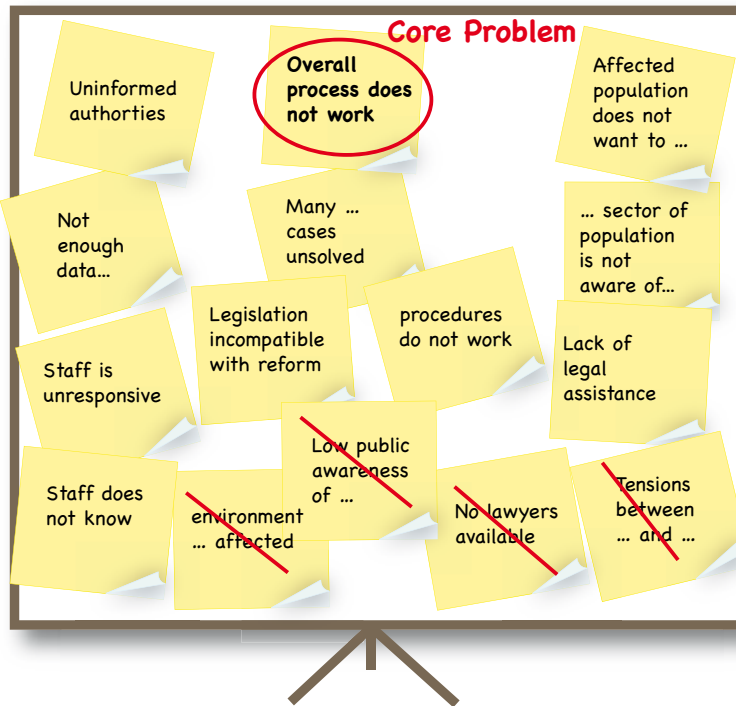


3. Organizing Problems into Groups

The major problems will then be grouped according to their common traits, such as the stakeholders they relate to, geographical proximity, thematic category, etc. The next phase is to determine within each cluster, which problem is a *cause* problem and which one is an *effect* problem.

At this phase, the project team should eliminate problems which appear to be secondary issues or duplications and choose between statements that reflect a negative situation more correctly. Finally, a single core problem is selected, as shown in *Figure 2*, and is placed at the top of the flipchart.

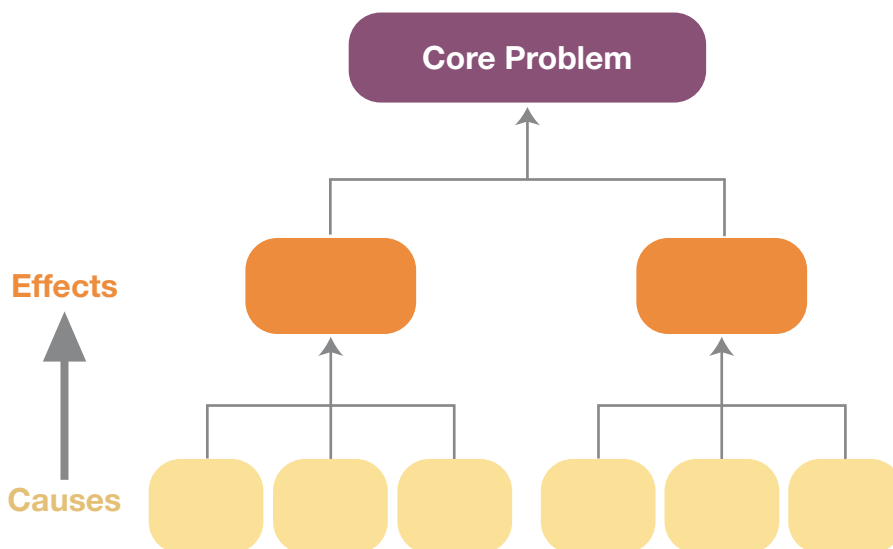
Figure 2 Organizing Problems into Groups and Identifying the Core Problem



4. Problem Tree

A problem tree is a visual representation not only of the problems identified but also of the causal links between them, as shown in *Figure 3*. The problem tree will “grow” by establishing the hierarchy of cause and effect, which will lead up to the core problem. Highlighting the cause-effect relationships helps to assemble a more complete and coherent picture of the problematic situation.

Figure 3 Problem Tree



To do this, the project team will rearrange the problems to reflect the cause and effect relationships, where each group of problems will become a branch and each branch will feed into the core problem. The core problem will thus both reflect and be a result of all the other problems stated along the branches.

The Project Manager has a duty to gender mainstream the problem tree with his or her team. To this end, the team should answer the following questions:

- How do the different roles of men and women influence different levels of the problem tree?

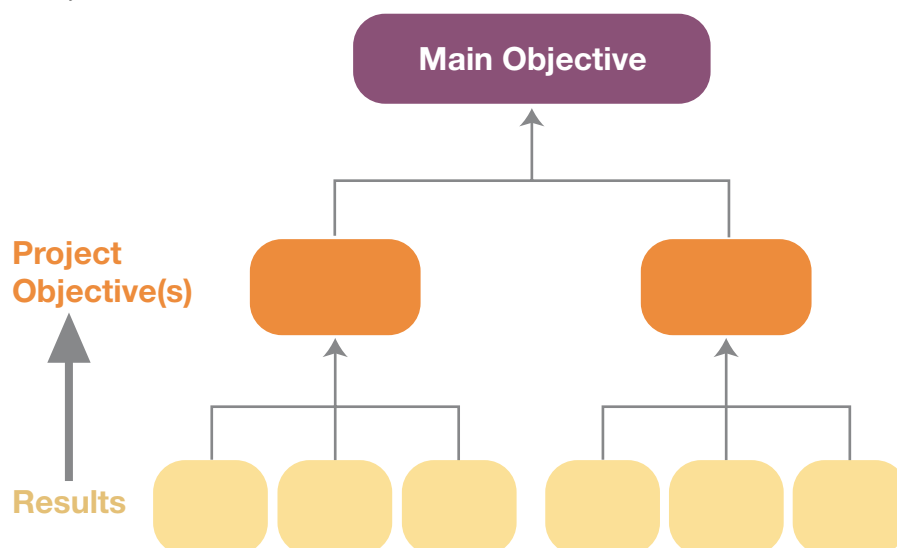
- Do we need to reflect in the tree whether men and women have a different role in the creation of the problem?
- Do they contribute differently to the lingering negative situation we aspire to remedy?

5. Objectives Tree

The final phase is to convert the problem tree into an objectives tree. An objectives tree is a visual representation of the hierarchy of objectives. To convert the problem tree into an objectives tree, the problems have to be reformulated as objectives. This exercise can be done the following way:

- The core problem is converted to the main objective, which should directly reflect, or contribute to, the achievement of a specific programme objective, as stated in the Unified Budget Proposal (UBP). During this exercise, the team has to keep in mind the medium- to long-term UB programme objectives, outcomes and outputs.
- All negative statements are reformulated as positive situations which are desirable, realistic and achievable. It is also useful to recall the situation and stakeholder analyses to assess whether an objective is realistic and achievable.
- The objectives are reviewed and, if necessary, revised to better reflect a future desirable situation. The team can also add new objectives to strengthen the project strategy or remove some objectives that will not bring a significant improvement to the situation.

Figure 4 Objectives Tree



The Project Manager has a duty to gender mainstream the objectives tree. The objectives should express the positive impact the project is expected to have on gender equality. To this end, the team should consider the following questions:

1. Will the objectives impact men and women differently? How can the strategy ensure that both genders benefit equally and in a sustainable fashion from the project?
2. Is there a risk that the objectives contribute to aggravating an already existing gender inequality situation?
3. How can we ensure that the goal of gender equality is a part of the political/institutional transformation we seek to achieve?

6. Strategy Analysis

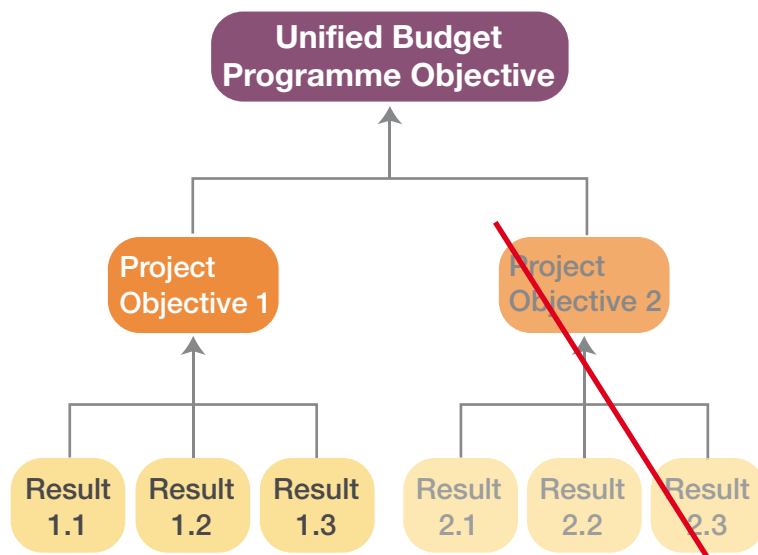
Strategy analysis is the final step before starting to work on the Logical Framework Matrix (logframe). It is about selecting a particular branch, or branches, of objectives which would be best suited to remedy a problem.

Strategy analysis also means comparing options available to the OSCE to effectively address a problem. In this respect, strategy analysis starts already at the point when the team is revising the objectives

tree (e.g. adding more suitable objectives, removing less relevant ones). The Project Manager is the key decision-maker. He or she will make the final decision if the project team comes to an impasse and cannot agree on a particular strategy.

Figure 5 shows that the project team agreed on concentrating solely on project objective 1 and achievement of results number 1.1, 1.2 and 1.3, dropping objective 2. In many cases, the objectives tree and resulting strategy analysis will be more complicated than Figure 5.

Figure 5 Strategy Analysis



Next, the project team will select the strategy and verify that it is complete, coherent, realistic and achievable. This verification will be carried out in the light of the questions outlined in the chapter on Project Identification, *Table 5.4 Critical Review of the Project Strategy*.

7. From Strategy Analysis to Logframe

The project team has completed the needs assessment and agreed on a specific project strategy. To draw up the logframe, the project strategy will be transposed into the matrix as shown in *Table 1*. The project team will need to develop a concrete set of activities that will lead to the delivery of the project results. Once the concrete set of activities have been developed, indicators and means of verification and assumptions are agreed on, the work on the plan of operations can start.

Table 1 Drawing up the Logframe after Strategy Analysis

Project Strategy	Narrative Summary	Indicators	Means of Verification	Assumptions
Programme Objective	UB Programme Objective			
Project Objective	Project Objective 1	Set SMART indicators.	Specify MoV.	Agree on assumptions.
Project Results	Results 1.1 - 1.3	Set SMART indicators.	Specify MoV.	Agree on assumptions.
Project Activities	Outline the concrete actions.	Set SMART indicators.	Specify MoV.	Agree on assumptions.
				Specify Preconditions.



Checklist for Reviewing Project Ideas

Name of the Unified Budget Programme

Title of Project Idea:

Executive Summary

The executive summary will be written by the Project Manager. He or she will outline here a summary of the project idea for the attention of the Programme Manager. The executive summary should not exceed half a page and should contain the following information:

- ➔ How the project idea was generated
- ➔ Project objective
- ➔ Project results
- ➔ OSCE's added value, and
- ➔ Estimate total cost.

Checklist

The checklist contains the key criteria the Programme and Project Manager will discuss during the review. The executive summary does not need to justify that the criteria outlined in the checklist are all met. A Project Manager may not have the managerial overview of, for instance "other forms of OSCE intervention" or "current diplomatic work" of the executive structure. It will be up to the Programme Manager to decide whether the project idea is likely to meet all the criteria listed below. Where projects are of prominent size and/or scope, it is advisable that the Fund Manager or his or her Deputy join the review meeting.

CHECKLIST	Yes	No
The project idea complies with the Mandate and is in line with a specific Unified Budget programme objective/outcome/output of the executive structure.		
The project is complementary to other forms of OSCE Intervention.		
The project strategy is coherent, logical and feasible.		
The project is likely to ensure the commitment and ownership of the beneficiary.		
The project will foster the traditional diplomatic efforts.		
There is a balance between technical assistance and capacity-building.		
The OSCE's involvement brings added value to the project.		
The OSCE has the technical and administrative capacity to manage the project.		
Decision of the Review Board:		
a) Project idea accepted.		
b) Project idea accepted subject to changes.		
c) Project idea not accepted.		
Signed by: Name and Title		



Project Proposal Template

Name of the Executive Structure

Project Title:

General Information

<p>Project No.:</p> <p>Programme Name:</p> <p>Geographical Area:</p> <p>Thematic Category:</p> <p>Starting Date:</p> <p>Ending Date:</p> <p>Total Financial Requirements (in euro):</p> <p>Implementing Partner: Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Beneficiaries:</p>	<p>PROJECT MANAGER</p> <p>Name:</p> <p>Title:</p> <p>E-mail:</p> <p>Telephone:</p>
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Please delete instructions when filling out the report

1. Executive Summary

- Outline here a summary of your project including a concise overview of the project objective, the desired results as well as the activities (in half a page).
- Complete this section once you have finished all the other sections in this template, in order to ensure that all the *key points* you would like to communicate to your interlocutors are reflected in the executive summary.

2. Background and Justifications

- Describe briefly the context in which the project will take place.
Use the information from the situation analysis.
- Outline and analyse the main problems relating to the subject that your project addresses. Underline to the extent that is applicable what the different implications for women and men are. *Use the information from the problem analysis.*
- State the project objective, in particular its relevance to the OSCE commitments, the mandate and a specific Unified Budget programme objective/outcome/output. Indicate the added value brought by the OSCE's involvement.
- Describe the main stakeholders (beneficiaries, implementing partners, etc.) in this project. How does the project objective contribute to improving any gender inequality issue? *Use the information from the problem analysis.*
- Include any existing or planned complementary activity by the OSCE, the host government, international organizations, and non-governmental organizations/civil

society organizations (NGOs/CSOs). Indicate how co-operation and co-ordination will be ensured. *Use the information from the situation and stakeholder analyses.*

3. Project Objective

- Outline and explain the objective that the project aims to achieve. *Ideally a project should have one objective. However if justified, it is possible to indicate more than one objective at this level. The number is usually limited to a maximum of three. Having a limited number of project objectives helps maintain focus.*
- State how the project objective is expected to impact women's and men's concerns and needs.

4. Project Results

- Results describe the concrete goods and services that the project will deliver. Results are the products of the activities that will be undertaken. The combination of results will help to achieve the project objective. *Use the information in your logframe.*
- For each result include SMART indicators and what evidence will be used as a means of verification. *Use the information in your logframe.*
- The activities define the way the project team intends to carry out the project. They are composed of a set of actions to deliver concrete results. It is important to agree on what actions are necessary – and in what sequence – to achieve each result. Use the information in your plan of operations. The plan of operations should be detailed enough so that it is clear and understandable for all parties involved in implementation.

Result 1 Describe the concrete product that this project will deliver.

Describe which SMART indicators and means of verification will be used to verify progress and/or achievement of results.

Activity 1.1 Describe the planned activities and inputs necessary to achieve the Result 1.

Describe which SMART indicators and means of verification will be used to verify the execution of activities.

Sub-activity 1.1.1 Describe the specific actions that you need to carry out to achieve activity 1.1.

Sub-activity 1.1.2 Describe the specific actions that you need to carry out to achieve activity 1.1.

Essential inputs to accomplish Activity 1.1	EUR
Internationally contracted consultant (duration of service, suggested fee)	
Locally contracted mission/staff member (duration of service, salary)	
Travel	
Training Material	
Office Furniture/ IT Equipment	
Vehicle costs	

Result 2 Describe the concrete product that this project will deliver.

Describe which SMART indicators and means of verification will be used to verify progress and/or achievement of results.

Activity 2.1 Describe the planned activities and inputs necessary to achieve the Result 2.

Describe which SMART indicators and means of verification will be used to verify the execution of activities.

Sub-activity 2.1.1 Describe the specific actions that you need to carry out to achieve activity 2.1.

Sub-activity 2.1.2 Describe the specific actions that you need to carry out to achieve activity 2.1.

Essential inputs to accomplish Activity 2.1	EUR
Internationally contracted consultant (duration of service, suggested fee)	
Locally contracted mission/staff member (duration of service, salary)	
Travel	
Training Material	
Office Furniture/ IT Equipment	
Vehicle costs	

You can add as many results, activities and sub-activities as your logframe and plan of operations foresees.

5. Risk Management

Provide an outline of the major (significant) risks associated with the project and the proposed management responses.

Risk	Impact	Probability	Response/Control Measures
	Critical High Medium Low Very Low	Remote Not Likely Likely Highly Likely Near Certainty	

Where applicable attach the risk log to the Project Proposal.

6. Horizontal Issues

Where applicable, highlight here cross-cutting issues such as:

- Ownership or involvement by its beneficiaries
- Government support
- Environmental sustainability
- Socio-cultural suitability
- Effects on vulnerable groups (e.g. youth, elderly, minorities), and
- Impact on gender relations and/or involvement of women (if not dealt with earlier in the proposal).

7. Implementation Modalities

7.1 Timeline

- Indicate a timetable for the implementation of the activities/sub-activities of the project. Having defined the schedule of the project, it is also possible to produce a Gantt chart.

	MARCH				APRIL				MAY				JUNE				JULY				AUGUST				SEPTEMBER				OCTOBER			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Sub-activity 1.1																																
Sub-activity 1.2																																
Sub-activity 1.3																																
Sub-activity 2.1																																
Sub-activity 2.2																																

7.2 Monitoring and Evaluation

- Once implementation begins, the execution of activities needs to be regularly overseen and the progress against the results and time targets, and the use of resources monitored. An efficient monitoring system must be established to allow information to be collected, analysed and fed back into the decision-making process. Indicate how and with which frequency the OSCE will monitor the project.
- Indicate briefly by whom, how and when the self-evaluation will be conducted.
- Indicate whether or not external evaluation is needed.
- Indicate the procedures applicable to the reporting on the project.

7.3 Partnership Framework

- Elaborate on the legal modalities of the project: is a Memorandum of Understanding (MoU) with the relevant local or national authorities foreseen? Mention any agreement with the implementing partners and/or with donors.
- Describe the roles and responsibilities of all relevant stakeholders (i.e. division of activities between the OSCE and implementing partners). Highlight in particular, project elements that will be outsourced, showing the scope of responsibilities and roles delegated to the other actors.

7.4 Personnel Arrangements

- Indicate the specific requirements regarding the hire of project staff. Personnel required for the implementation of project activities may be either:
 - Consultants delivering specific expertise (for conditions such as length of service, fee rates, recruitment procedure etc, please refer to *Staff Instruction no. 23/2006 Special Service Agreements*); or
 - Longer-term project staff that carry out regular duties such as project managers, assistants, etc. (for conditions of service, remunerations levels and recruitment procedures etc please refer to the *Uniform Guidelines on the Administration of Project Personnel paid from Extra-Budgetary Funds*).

7.5 Procurement Modalities

- Indicate whether any equipment will be purchased.
- Mention the method of procurement (e.g request for price quotation, competitive tendering, window contract, sole-source contracting).

7.6 Sustainability and Exit Strategy

- Describe how the project will achieve sustainability of results after its completion and/or external financial support ends. Outline any possible long-term financial implications.
- List the handover and follow-up arrangements, indicating who will be responsible for each activity foreseen.

7.7 Visibility

- Whenever possible, the project and its results should be given adequate publicity. This should be done in accordance with the guidelines provided in the *OSCE Visual Identity Manual* (available in DocIn).
- With the donor's approval, reference should be made in an appropriate way to the source of the extra-budgetary contribution.
- Consideration should be given to the possible costs associated with the visibility actions. The cost of visibility actions should be included in the budget.

8. Budget

Provide detailed information on the funding requested, including a breakdown per cost category according to the examples indicated in the tables below.

Project Financial Resource Requirements (EUR)	
TASK Main Cost Category Cost Category	Total Forecast Project Budget
01 TASK: TYPE TITLE HERE	
Staff Costs	
Add Staff Costs Category here	Type EUR figure here
Total for Staff Costs	Type EUR figure here
Operational Costs	
Add Operational Costs Category here	Type EUR figure here
Total for Staff Costs	Type EUR figure here
Assets / Equipment	
Add Assets / Equipment Costs Category here	Type EUR figure here
Total for Asset/Equipment Costs	Type EUR figure here
Office Costs	
Add Office Costs Category here	Type EUR figure here
Total for Office Costs	Type EUR figure here
Total for 01 Task	Type EUR figure here
GRAND TOTAL	Type EUR figure here

To add a task, select a task table from above and paste above this line.



Logical Framework Matrix

Project Strategy	Narrative Summary	Indicators	Means of verification	Assumptions
Unified Budget Programme Objective				
Project Objective				
Project Results				
Activities				
				Preconditions

The Logical Framework Matrix above is a planning tool that presents the main components of the project, their relationships and structure. Please draft your *Project Proposal* after having gone through the thinking process that is required to establish a coherent and consistent strategy. Completing the logframe will facilitate the drafting of your *Project Proposal*.



Project Progress Report

Name of the Executive Structure

Project Title:

General Information

<p>Project No:</p> <p>Programme Name:</p> <p>Geographical Area:</p> <p>Thematic Category:</p> <p>Monitoring Period:</p> <p>Budget Status (in euro):</p> <p>Implementing Partners:</p> <p>Beneficiaries:</p>	<p style="text-align: center;">MONITOR (Monitor has to be an OSCE staff/mission member)</p> <p>Name:</p> <p>Title:</p> <p>E-mail:</p> <p>Telephone:</p>
---	--

Please delete instructions when filling out the report

1. Executive Summary

Please summarize in maximum 15 lines the following:

- Which activities have been completed?
- How much progress has been made towards the relevant results?
- Is the project on schedule, is expenditure within the estimates in its budget?
- Highlight any issues or changes which necessitate a senior management approval/decision.

2. Purpose of the Progress Report

Specify the purpose of the report.

- a. The progress report might be produced as a result of a regular monitoring activity set up at a regular frequency during the planning phase of the project. Explain which issues the monitoring exercise has focused on (e.g. monitoring engagement and use of equipment and/or progress towards results).
- b. The monitoring activity may be *ad hoc* and happened as a result of warnings or alerts that came from the project team, implementing partners, beneficiaries or other sources.

3. Progress Status

3.1 Implementation of planned activities

In the sections below, comment on the achievement of results as stated in the approved *Project Proposal*. Describe also actions taken to address these issues and to adapt to changes.

Results

Answer the following questions for each relevant result:

- Indicate which activities took place during the period covered by the monitoring activity.
- Comment on progress towards the planned results, including means of verification for the project indicators.

- Are there any follow-up issues from the previous progress report? Were these issues addressed?
- Comment on any variation in planned activities, in terms of the use of financial, time and staff resources.
- Highlight particular successes or problems encountered.
- If relevant, refer to risks mentioned in the *Project Proposal*.
- Are there any follow-up activities required?

3.2. Horizontal Issues

If applicable, highlight any problems, issues, threats, opportunities or enabling factors that have happened during the period covered by this report, affecting the following:

- Participation and ownership by direct and indirect beneficiaries
- Government support
- Added value of the OSCE's involvement (in relation to other actors), and
- Impact on gender relations and involvement of women.

3.3. Implementation Modalities

- Do the stakeholders co-operate actively and engage their own resources?
- Outline any possible long-term financial implications.
- In terms of sustainability, comment on discussions about handover and follow-up arrangements.

4. Administration

Outline any issue relevant to the smooth/difficult implementation of the project (procurement, tendering procedures, availability of qualified staff, etc.).

5. Conclusions

- Draw main conclusions from the current status of the project implementation, including critical issues and implementation problems.
- Indicate when the next monitoring visit should take place and on which key issues it should focus.

6. Recommendations and Lessons Learned

- Give clear, concise, practical and realistic recommendations (e.g. changing activities, personnel, reallocating budget).
- Note any lessons learned or best practices that can be used in other projects and programmes. These may be issues or practices that are important to be learned from the project in a more generalized context - not only for this specific project in this specific time-frame.

7. Financial report

Attach and refer to the IRMA financial report(s).

8. Annexes

All additional information and documentation to validate the assessment made in the *Project Progress Report* should be attached including, where applicable or relevant:

- Time plans (original and revised, for comparison)
- Minutes of meetings
- Risk log
- Map of the project area, and
- Press releases and publications
- Pictures or footage.
- Lists of participants
- Training evaluation sheets
- Monitoring visit checklists
- Expert reports

Project Assets

Task No.	Status	Pledge No.	Asset No.	Asset Description	Date Placed in Service	Purchase Value	Net Book Value
SPM-PR/PO Process							
	ACTIVE	12857	166239	RADIO CORE EQUIPMENT	23-FEB-10	400.00	400.00
Subtotal SPM-PR/PO Process						400.00	400.00
Total:						400.00	400.00

Open Prepayments

Task No.	PO No.	Pledge No.	Voucher No.	Description	Vendor	Invoice Date	Amount
SPM-Direct Payments							
	UNMATCHED	12857	11056969	XB PROJECT RELATED OPERATIONAL ADVANCE TO COVER TRAINING EXPENDITURES.	DIMITROVA, MS. JENI PLAMENOVA (15135)	22-FEB-10	250.00
Subtotal SPM-Direct Payments						250.00	250.00
Total:						250.00	250.00

NOTE:

Please contact Secretariat Budget Unit for questions related to Pledges and Income. For any other details please contact the Project Manager directly. Access to on-line reports is restricted to Internal Use only. User IDs and passwords have been distributed to authorised Users. On-line reports contain data subject to periodical review and adjustment. Data on this report may not reconcile to the relevant financial statement figures due to timing of income recognition. * Expenditure includes Commitments (PRs), Obligations (PO's) and Actuals (Invoices)

PARAMETERS:

Period To : Feb-10
 Project : 1100923 - XB-VIE-PM-Walkthrough-10
 Task : ALL
 Show Tasks : Y
 Show Details : Y

A fictional *Project Budget and Expenditure Report* (with details) is depicted above. This is the key document with which to monitor the financial progress of the project. A version of this report without details is also available to all OSCE participating States through the Delegates Website (DelWeb). The purpose of this fictional report is to teach the project team to read this document for monitoring purposes. Brief explanations regarding the key sections of the report are outlined below.

All OSCE financial reports are recorded and accounted for in euro, as indicated at the top. Online reports are refreshed everyday at 18.00 hours (Vienna time).

Section: Project Funding Overview

This section of the report gives an overview of the project budget and its funding. It reflects the project budget and the respective pledge amount approved against each task. It also indicates if there is any outstanding advance authorization and the funding gap situation (funding gap = project budget – pledge amount).

- ➡ Total Project Budget is €50,000. It is composed of three tasks. These are:
 1. SPM-Direct Payment - €500
 2. SPM-PR/PO Process - €48,500
 3. SPM-PR/PO FIN - €1,000
- ➡ The donor has pledged a total of €35,000 (€25,000 of which it has already paid into the OSCE's bank account), which results in a funding gap of €15,000.
- ➡ It has paid for tasks 1 and 3 (€1,500 together) in full but for the second task, labelled SPM-PR/PO Process and budgeted at €48,500, the donor has specifically pledged €33,500. Out of this pledged amount, €23,500 has been received by the OSCE. This means the donor is expected to send another €10,000 to fulfil its pledge to this task. Accordingly, the funding gap between the forecast budget for this task (€48,500) and the pledged amount (€33,500) is €15,000. In relation to the unpaid pledge amount, a request for advance authorization was approved for an amount of €5,000 against the task, SPM-PR/PO Process.

Section: Pledge Amount and Income by Donor

This section indicates the same information as the above but listed per donor and showing the remaining unpaid pledge amount. In this fictional report there is only one donor, the United States. The Project Manager can see how many donors his or her project has attracted and whether or not the donors have sent the money they have pledged to the OSCE's bank account. He or she can also check if

the FAU or the Secretariat's Department of Management and Finance (DMF) has acknowledged the arrival of the money by receiving the income in Oracle.

This section in the example above shows there is a remaining Unpaid Pledge Amount of €10,000 (pledge amount – income received).

Section: Budget Allotment and Expenditure by Cost Category and Changes to Fund Balances

The purpose of this section is to provide a general financial overview of the project. The following indicators are at the disposal of the Project Manager:

Budget Allotment = Income Received + Advance Authorization

Total amount of Expenditure = Commitments + Obligations + Actuals

Available Budget Allotment = Budget Allotment – Expenditures – Refund

Refund to donor(s)

- For the second task, a budget of €28,500 has been allotted for operational costs. As of 10th February 2010 operational expenditures totalling €6,490 and assets and equipment expenditures totalling €1,113 have been made. Under operational costs €5,660 worth of obligations (POs = Purchase Orders) have accrued and €830 worth of invoices have been paid. The total available budget left for the second task is €20,897.

Section: Detailed Actuals (Invoices) by Cost Category

This section outlines the invoices that have already been paid. In addition it gives the detailed cost category name of these expenses (e.g. SSA) and their description (e.g. tickets Vienna – Monaco – Vienna for project participants).

Section: Detailed Obligations (POs) by Cost Category

This section outlines the obligations that are not yet paid. In addition, it gives the detailed cost category name of these expenses (e.g. SSA) and a description (e.g. SSA for Mr. John Tierney, lump sum for the period 23-30 March 2010).

Section: Project Assets

This section outlines the equipment that has been purchased and recorded as assets of the project. For example, Radio Core Equipment is recorded as a project asset. Depending on the nature of the agreement between the OSCE and the beneficiary, this asset may be handed over to the beneficiary, once the project is completed.

Section: Open Prepayments

This section outlines all the open prepayments.

Detailed Obligations (POs) by Cost Category

Project No.	Task No.	Cost Category	PO No.	Description	Vendor	PO Line	Reference Date	Document No.	Amount
1100923 SPM-PR/PO Proc:									
Operational Costs									
	SSA		189329	Tickets Vienna-Monaco-Vienna for the participants of the Project	CARLSON WAGONLIT TRAVEL CWT		23-FEB-10	PR#195423	1,000.00
	SSA		189328	SSA for Mr. John Tierny, lump sum for the period 23-30 March 2010.	TIERNEY, MR. JOHN		23-FEB-10	PR#195422	4,000.00
Subtotal Operational Costs									5,000.00
Subtotal Task SPM-PR/PO Process									5,660.00
Total:									5,660.00
TOTAL:									5,660.00

Project Assets

Project No.	Task No.	Status	Asset No.	Asset Description	Date Placed in Service	Purchase Value	Net Book Value
1100923 SPM-PR/PO Proc							
		ACTIVE	168239	RADIO CORE EQUIPMENT	23-FEB-10	400.00	400.00
Subtotal Task SPM-PR/PO Process						400.00	400.00
Total:						400.00	400.00
TOTAL:						400.00	400.00

NOTE:
 *Totals vary according to TASK and PERIOD Parameters selected. * All Values above relate to the Donor Pledge Amount and not the entire Project Budget. Please contact Secretariat Budget Unit for questions related to Pledges and Income. For any other details please contact the Project Manager directly. Access to on-line reports is restricted to Internal Use only. User IDs and passwords have been distributed to authorized Users. On-line reports contain data subject to periodical review and adjustment. Data on this report may not reconcile to the relevant financial statement figures due to timing of income recognition. * Expenditure includes Commitments (PR's), Obligations (PO's) and Actuals (Invoices)

PARAMETERS:
 Period Ending : Mar-10
 Pledge : 12857 - USA-1100923
 Project : 1100923 - XB-VIE-PM-Walkthrough-10
 Show details : Y
 Show tasks : Y
 Task : ALL
 Project Category : ALL

A fictional Pledge Budget and Expenditure Report (with details) is depicted above. This report contains all the financial information related to one contribution. In the example above, all the expenditure linked to Pledge Number 12857, made by the United States, is outlined.

The OSCE financial data is recorded and accounted for in euro, as indicated at the top of the report. Online reports contain data subject to periodical review and adjustment. The date on top indicates for which period the report is valid. For instance, this report contains data that was recorded in Oracle up until 10th March 2010.

Section: Income Instalments Details by Donor

This section indicates the amount of each instalment and when the income has been received.

Section: Pledge Amount and Income by Project

The purpose of this section is to provide all necessary information related to one contribution in relation to one and/or several projects. It indicates the total amount of the approved pledge to each project; the income each has received so far, current outstanding advance authorization, the current budget allotment, amounts spent and still available, with the prospective refund to the donor.

Sections: Detailed Actuals, Obligations by Cost Category

These sections list, per project and per task, each single transaction which has been recorded.

Section: Project Assets

This section lists all the fixed assets which have been purchased against a contribution. This information is very important for the many donors who demand a list of all the assets bought against their own contribution.



Final Project Self-Evaluation Report

Name of the Executive Structure

Project Title:

General Information

<p>Project No:</p> <p>Programme Name:</p> <p>Geographical Area:</p> <p>Thematic Category:</p> <p>Starting Date:</p> <p>Ending Date:</p> <p>Total Financial Requirements (in euro):</p> <p>Implementing Partners:</p> <p>Beneficiaries:</p>	<p>PROJECT MANAGER (Monitor has to be an OSCE staff/mission member)</p> <p>Name:</p> <p>Title:</p> <p>E-mail:</p> <p>Telephone:</p>
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Please delete instructions when filling out the report

1. Executive Summary

Maximum half a page

- Recall the main problems your project addressed, the main stakeholders (beneficiaries, implementing partners, etc.) in this project.
- Recall the project's UB programme objective. Indicate the project's relationship to the mandate and programmatic priorities of the OSCE in this area. Recall briefly the project objective, the desired results and activities.
- Describe briefly the operational context in which the project took place (i.e. from the start date until completion date). Include references to complementary activities by the OSCE, the host government, international organizations, non-governmental organizations/civil society organizations (NGOs/CSOs). Indicate how co-operation and co-ordination was ensured.
- Summarize the project performance, focusing on the main achievement and main conclusion.
- Highlight here any issue you want to bring to the attention of the senior management or donor.

2. Results and Performance

In the sections below, use the self-evaluation findings and conclusions to substantiate your assessment of achievements.

In case of smaller projects you might wish to merge the sub-sections below and provide a concise account of the relevance, efficiency and effectiveness of the project.

2.1 Relevance of the Project Strategy

Describe to what extent the project strategy was relevant to the needs of the beneficiaries and solving the problem:

- Was the project relevant to the mandate and UB Programme?

- Briefly describe how the project strategy was designed (e.g. use of lessons learned, best practices, logframe, analysis of different strategic options).
- Were the risks analyzed and necessary management responses/control measures designed?
- Did the initiative contribute to improving gender equality? Did the project strategy reflect a gender-sensitive approach?
- Were the project objective, results and activities understood and agreed by beneficiaries and implementing partners?
- Were co-ordination, implementation modalities, financing and institutional arrangements clearly strengthening local ownership?
- Did planned beneficiaries correspond to the ones actually benefiting?

2.2 Effectiveness of the Project Results

Describe to what extent the project results were achieved? Provide an overview of the concrete results delivered by the project including providing measurable indicators in the following way:

- Have all results been delivered?
- How did the results influence the direct beneficiaries? Did the project bring concrete change for direct beneficiaries? Can the ensuing benefits of these results be observed?
- Did results lead to a change in the institutional capacity of direct beneficiaries (positive, negative, or no change)? Were the results delivered to all key stakeholders (including men and women) who are affected by the problem?
- How did the division of tasks between the OSCE and implementing partners function? Is it recommended to try to identify other ways to achieve the results?
- Were the host country authorities committed to the project during implementation? Did they create enabling conditions? Which measures should have been taken to influence host country commitment and stakeholder ownership during implementation?
- Did unforeseen issues impact the project activities and results? Were the controls introduced to manage risks sufficient? Did any of the identified risks or any unforeseen risks happen? How were these unforeseen risks managed? Did these risks influence the delivery of results?

2.3 Efficiency of Operations

Describe to what extent the project results were obtained at reasonable cost with minimum waste of effort, time, money and skills, by answering the following questions.

- Were human, financial, material resources made available on time by all parties involved in the project? (e.g. timely recruitment, procurement, smooth logistics and delivery)? Has the timeline and plan of operations proven to be realistic?
- Did the host country contribute to efficiency (e.g. tax exemptions, VAT exemption, in-kind contribution such as facilities, office, venue, staff, and translators)?
- Was the budget adequate? Was the spending commensurate with the delivery of activities and achieving results?
- Were the human, financial, material resources been adequate in terms of quality and quantity to achieve project results?
- Is it possible to deliver the same or similar results with different activities at a lower cost?

2.4 Impact

Describe to what extent the project objective was achieved by answering the following questions:

- To what extent was the project objective achieved? How did the results influence the indirect beneficiaries? What difference did the project make for the indirect beneficiaries? Will there be a differential impact on men and women? Can the impact already be measured? Is the impact likely to be observed in the near future?

- To what extent was the project objective coherent with and complementary to the UB programme objective? Did the project concretely contribute to a specific UB programme objective/outcome/output?
- What were the major factors influencing the achievement or non-achievement of the project objective? What is the influence of external factors (negative, positive, little/no influence) such as changes in policy legislation, general economic and financial conditions?
- Did the project produce unintended effects? Why did these unintended results (positive or negative) happen?

2.5 Sustainability

Describe to what extent the benefits of the project are likely to continue after the OSCE's support has ended by answering the following questions:

- Are the results likely to be sustained in the future? Did national/regional/local authorities, civil society take ownership of the results of the project? Did they assume economic, financial responsibilities to ensure results are sustained?
- Is it possible to objectively confirm that the project contributed to lasting institutional capacity (adequate and trained staff, sufficient budget and equipment, technical, financial, managerial capacity to sustain the benefits)?
- Are the benefits sustainable both for men and women? What is the likelihood of increased gender equality beyond the project end?

2.6 Coherence

Describe to what extent the project was coherent with the initiatives of other OSCE field operations, institutions, and the Secretariat.

2.7 Added Value

- What concrete difference did the OSCE's involvement in the project make?
- Did the OSCE assume a clear role beyond provision of funding?
- Did the project contribute to the OSCE's political access, acceptance by host country authorities and public visibility?
- Could the intervention have been made by any other organization? Was the project co-ordinated with international organizations working on the same/similar issue prior to its implementation?

3. Horizontal issues

If applicable, highlight here the project's contribution to cross-cutting issues which had an impact on the project or would be of relevance to any follow-up such as:

- Participation and ownership by beneficiaries
- Government support
- Environmental sustainability
- Socio-cultural suitability
- Impact on gender relations and/or involvement of women
- Effects on vulnerable groups (e.g. youth, the elderly, minorities), and
- Donor visibility.

4. Overall Project Performance

- Draw your main conclusions regarding overall project performance and its implementation. Try to briefly answer if the right project strategy was implemented, if it was implemented in the right way, and whether or not there are better ways to solve the same problems.
- Describe the immediate follow-up (handover), including identification of persons responsible for each follow-up activity.
- Mention the exit strategy if applicable.

5. Recommendations and Lessons Learned

- Outline your concrete recommendations for follow-up projects or needs. Elaborate on any recommendations for the future enhancement or modification of the project strategy and plan of operations. What recommendations do you have for future co-operation with implementing partners?
- Outline the positive and negative lessons learned (what went well, what went badly, what was lacking)? Are substantive revisions of similar projects necessary? State the justification.
- Outline whether the long-term UB programme strategy should be reviewed.

6. Financial and Administrative Report

- Summarize resources used, staffing (attach resource schedule, if available). Attach and refer to IRMA financial reports.
- Provide information on the status of assets (handover to implementing partner, local authorities, beneficiaries, etc.)

7. Annexes

All additional information and documentation relevant and validating the assessment made above should be linked or attached.

Project Reviewer's Checklist



The Project Reviewer's Checklist provides guidance to Project and Programme Managers and Programme/Project Co-ordinators on how to review OSCE Projects before they are approved by the Head of Mission and uploaded into Oracle.

SUBSTANTIVE/CONTENT ASSESSMENT

- Relevance of the project objective to the mandate of the executive structure
- Relevance to the specific Unified Budget programme objective/outcome/output
- Relevance to the specific conditions of the country/region and to the problems that need to be addressed
- Commitment of host country authorities
- Added value provided by the OSCE's involvement
- Coherence and logic of the project's strategy and document
- Project Manager's capacity to manage the project (planning, implementation, administration, monitoring, evaluation)
- Gender mainstreaming of the project strategy
- Incorporation of lessons learned and achievements if there were similar projects or a precedent/phase 1 to the project
- Complementarity of the project with other activities undertaken by the OSCE field operations, institutions and Secretariat
- Complementarity with other international organizations in the field
- Sustainability of project results, and
- Commitment and ownership of beneficiaries.

FINANCIAL AND ADMINISTRATIVE ASSESSMENT

- Compliance with the Common Regulatory Management System
- Capacity of the Fund Administration Unit to support the project
- Detailed project budget breakdown
- Compliance of the budget with the OSCE Chart of Accounts
- Realistic timeframe (e.g. feasibility of activities such as procurement and recruitment), and
- Justification for the choice of Implementing Partners.

RISK ASSESSMENT

- Legal and financial liabilities.

Checklist for Gender Mainstreaming Project Documents



The checklist for gender mainstreaming in project documents provides guidance to Project Managers and Programme Managers and Programme/Project Co-ordinators on how to gender mainstream key project documents.

BACKGROUND AND JUSTIFICATION:

- Have men and women been consulted during the situation analysis?
- Who is doing what? Who has access to and control over resources?
- Have all background statistics been disaggregated by age, sex, and ethnic origin?
- How does the core problem affect men and women respectively?
- Did you analyze the positive and/or unintentionally negative implications the project could have on men and on women?

PROJECT STRATEGY:

- Does the project directly benefit men and women to the same extent?
- Who else benefits from the project apart from the direct beneficiaries?
- Does the project objective reflect the needs/concerns of both men and women?
- How does the project seek to correct gender inequality?
- Do men and women have equal opportunities to participate in the project activities? Are both men and women foreseen to participate to the project activities?
- Do men and women derive equal benefit from project results?
- Did the implementing partners receive gender mainstreaming training or have worked on gender issues before?

RISKS:

- Is the wider context of gender roles and relations within society a potential risk (i.e. could stereotypes or obstacles prevent equal participation of women or men)? Do you propose countermeasures to remedy this problem?

MONITORING AND EVALUATION:

- Does your monitoring and evaluation strategy consider men and women separately?
- Does the evaluation of the efficiency and effectiveness of the project take into consideration the different roles and contributions of men and women?
- Have indicators been developed to measure how men and women have been impacted by the activities and results? Are indicators disaggregated by sex?
- Can you explain how you measure the wider changes the project achieved in relation to women and men?

BUDGET:

- Have you budgeted for gender mainstreaming inputs or expert assistance?
- Do some activities require additional resources to ensure gender sensitive implementation? Have you budgeted for them?
- What percentage of the budget is dedicated to gender specific issues? Have you highlighted this in the Project Proposal?

ANNEXES AND REFERENCES:

- Has all relevant information (e.g. Ministerial Council Decisions, legal references, research papers) that supports you on promoting gender equality been attached in the annexes or referenced in footnotes?



Terms of Reference for SSA

SSA No.	to be obtained from the DHR
Title:	
Location:	
Start of assignment:	dd/mm/year
End of assignment:	dd/mm/year
Brief description:	To prepare a report on the <i>[indicate the issue]</i> situation in country XXX.
Background:	

Tasks and responsibilities:

In light of recent events in XXX, the *[name of the OSCE executive structure]* would like to engage the services of a renowned expert to prepare an independent report on the situation. More specifically, the expert will be expected to:

- Travel to the country
- Contact key stakeholders
- Collect data
- Analyse findings, and
- Prepare and submit a detailed report to the Senior Adviser, *[name of the OSCE executive structure]*.

Expected Outputs/Deliverables:

- An independent report on the *[indicate the issue]* situation in XXX including recommendations and a Plan for Action.

Necessary Qualifications:

- Minimum *[indicate the number]* years of professional experience at national and/or international level.
- Formal qualifications in *[indicate the name of relevant secondary or higher education]*.
- Excellent knowledge of English including excellent communication and drafting skills; knowledge of another OSCE language would be an asset.
- Experience in *[indicate the issue]* as well as previous experience with international organizations.
- Computer literate.

Suggested expert: Mr. or Ms. *[name of the expert]*.

Justification:

On the basis of:

- CVs submitted by DHR, OSCE Secretariat/CFA
- Applications received after issuing of vacancy notice and a selection panel involving the participation of the HR representative/CFA
- CVs of recommended experts received from *[name of the person/entity]*.

Mr. or Ms. *[Name of the expert]* was selected because of *[justify the reasons for selecting this expert]*.

Mr. or Ms. *[Name of the expert]* were not suitable because *[elaborate on the reasons why these experts were not found suitable]*.

Suggested fee:

€XXX based on an estimate of approximately XXX working days. This lump sum should be consistent with the fee paid for a similar assignment.

€XXX per day to be carried out over a one-month period.

In addition, travel costs from XXX/Vienna/Duty station/XXX

Plus DSA in [name of the country] will be covered by the OSCE.



IRMA Project Summary Document

Extra-budgetary Contributions
Type the date of submission here

Type Fund Here

Project Title:

STATUS INDICATOR
PROJECT IDEA

General Information

<p>Project No.:</p> <p>Programme Name:</p> <p>Programme Dimension:</p> <p>Geographical Area:</p> <p>Thematic Category:</p> <p>Starting Date:</p> <p>Ending Date:</p> <p>Total Financial Requirements (in euro):</p> <p>Implementing Partner:</p> <p>Beneficiaries:</p>	<p>PROJECT MANAGER</p> <p>Name:</p> <p>Title:</p> <p>E-mail:</p> <p>Telephone:</p>
--	---

Project Objective: (max. 3 lines)

Project Results/Outputs: (max. 10 lines)

Background and Justifications: (max. 20 lines)

Project Financial Resource Requirements (EUR)	
TASK Main Cost Category Cost Category	Total Forecast Project Budget
01 TASK: TYPE TITLE HERE	
Staff Costs	
Add Staff Costs Category here	Type EUR figure here
Total for Staff Costs	Type EUR figure here
Operational Costs	
Add Operational Costs Category here	Type EUR figure here
Total for Staff Costs	Type EUR figure here
Assets / Equipment	
Add Assets / Equipment Costs Category here	Type EUR figure here
Total for Asset/Equipment Costs	Type EUR figure here
Office Costs	
Add Office Costs Category here	Type EUR figure here
Total for Office Costs	Type EUR figure here
Total for 01 Task	Type EUR figure here
GRAND TOTAL	Type EUR figure here

To add a task, select a task table from above and paste above this line.

OSCE Risk Log

Filled in by (Name and Department):		Date:																																																
Institution / Field Operation:																																																		
Category and Administrative process:																																																		
Risk Description: Provide full description including likely impact																																																		
Include risk timing																																																		
Risk Owner: Please provide the first name and surname of the person responsible for the risk																																																		
Risk type:																																																		
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Support For Pledge Acceptance

The OSCE [*Name of Executive Structure*] has developed a project/programme entitled [*Name of Project*] with a budget of [*Amount of Approved Project Budget*] for which it would like to pursue extra-budgetary funding.

As Fund Manager, I confirm the following:

- I have reviewed and approved the project document.
- In my opinion, the project/programme satisfies the six main criteria stipulated in the Financial/Administrative Instruction 04 on Extra-Budgetary Contributions specifically:
 - The project/programme is consistent with the OSCE objectives and with the Fund's mandate.
 - The project/programme complies with the laws and regulations of the host country.
 - The project/programme is not suitable to be funded through Unified Budget resources.
 - The project/programme does not duplicate the work conducted by other OSCE structures.
 - The Fund has the necessary technical and administrative capacity to implement the proposed project/programme successfully.
 - There is nothing in the project/programme document which directly or indirectly involves an immediate or ultimate significant financial liability for the OSCE, which according to Regulation 9.01(b) of the OSCE Financial Regulations would require Permanent Council approval prior to accepting any related extra-budgetary contributions.

I hereby authorize the Chief of Fund Administration to upload the project in IRMA, which will make it visible to OSCE participating States on the Delegates Website (DelWeb).

Head of Institution/Mission, Name and Signature

Date

CC: Chief of Fund Administration
DMF Contributions Officer
CPC/PESU

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End Notes

- 1 Many international/multilateral organizations and bilateral aid agencies (e.g. European Commission (EC), United Nations Development Programme (UNDP), United States Agency for International Development (USAID)) use the Project Cycle Management method in conjunction with the Logical Framework Approach as a method to plan for and manage their projects.
- 2 For further reading please see *the Guidelines for the application of the OSCE Financial Regulation 9.01 and Financial/Administrative Instruction 04 on Extra-Budgetary Contributions from Non-Governmental Sources*.
- 3 The OSCE uses the OECD/DAC criteria to evaluate projects and programmes. For further reading please see OECD/DAC's *Principles for Evaluation of Development Assistance*.
- 4 The administrative responsibilities of the Secretary General as Chief of Fund Administration of the OSCE are outlined in the OSCE Financial Regulations, Article III, Regulation III/04: Fund Manager. The programmatic responsibilities of the Secretary General are derived from MC.DEC/17/05 and MC.DEC/18/06. MC.DEC/17/05 called for strengthening the effectiveness of the Organization. Among several issues to be reviewed, the participating States highlighted the need to strengthen the efficiency, effectiveness and transparency of the Organization's activities, including their budgetary and extra-budgetary financing, and their evaluation and assessment as well as to further improve the programme planning, to better reflect the Organization's priorities. MC.DEC/18/06 reaffirmed the co-ordinating role of the Secretary General under the Unified Budget process along with his or her responsibility to assist the Fund Managers in implementing the mandates and policy guidance received from the participating States.
- 5 Paragraphs 14 and 15 Gender Action Plan.
- 6 The OECD/DAC describes an indicator as: "A quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect changes connected to an intervention, or to help assess the performance of a development actor". USAID describes an indicator as: "A variable, [whose] purpose it is to measure change in a phenomena or process". The EC describes an indicator as: "A description of the project's objectives in terms of quantity, quality, target group(s), time and place".
- 7 <http://genderbase.osce.org>
- 8 For further reading please see the EC's *Aid Delivery Methods, Volume 1, Project Cycle Management Guidelines*.
- 9 Key terminology and criteria are based on those employed by the OECD/DAC and the EC. For further reading please see the EC's *Evaluation Methods for the European Union's External Assistance, Methodological Bases for Evaluation, Volumes 1 and 3* and the OECD/DAC's *Principles for Evaluation of Development Assistance*.
- 10 The OSCE uses the OECD Development Assistance Committee's formal definition and criteria of evaluation. These are widely used in the international development sector by organizations such as the UNDP and the EC.
- 11 Due to high staff turnover in particular in the field, some Project Managers may have to evaluate the projects that were implemented by their predecessors. These evaluations are also classified as self-evaluation and require the use of the method outlined in this chapter. Likewise the institutions or the Secretariat thematic units may get involved in the assessment of the field operations' projects that they have helped to develop and/or initiate, these are also called self-evaluation.
- 12 PC.DEC/399, 14 December 2000, Annex 6.
- 13 For further reading please see the International Fund for Agricultural Development's (IFAD), *Evaluation Manual, Methodology and Processes*.

- 14 The concept of reconstruction of the project strategy is adapted from the EC's *Evaluation Methods for the European Union's External Assistance, Methodological Bases for Evaluation, Volumes 1 and 3*.