How to manage international development (ID) projects successfully. Is the PMD Pro1 Guide going to the right direction?

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Abstract

International Development (ID) projects have turned project failure into a rule rather than an exception. Developed in the 1960's, the Logical Framework Approach (LFA) is the most widespread body of knowledge for managing ID projects. However, LFA has proved to have several liabilities. This paper aims to provide a list of the critical success factors (CSFs) for ID projects. Then, the paper assesses how the LFA and the newly developed PMD Pro1 deal with those CSFs. Results confirm that the LFA presents several drawbacks while the PMD Pro1 appears as a more efficient tool for managing ID projects successfully.
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1. Introduction

International development (ID) projects are the most common instrument used by policy makers to deliver international aid. These ID projects are delivered by donor countries under diverse forms of funding and collaboration, for example, using bilateral agreements with recipient governments or through a "middlemen" – frequently a non-governmental organization (NGO) (Crawford and Bryce, 2003; Zetland, 2010). Speaking in numbers and according to the United Nations Development Programme (UNDP) Human Development Report 2010, total official development assistance (ODA) in 2009 meant $136 billion (Klugman and United Nations Development Programme, 2010). From the recipient countries' perspective, low human development index (HDI) countries received ODA approaching 15 percent of their Gross National Income (GNI) in 2007.

Until the 1960's there was no specific approach within the project management (PM) field for managing ID projects. However, at the end of the 1960's the logical framework approach (LFA) was developed for the United States Agency for International Development (USAID), and has since been applied by many international aid donors as the methodology to manage ID projects (NORAD, 1999). In words of one of its designers, "the LFA is a set of interlocking concepts which must be used together in a dynamic fashion to develop a well-designed, objectively-described and evaluable project" (Rosenberg and Posner, 1979). Therefore, the LFA is a methodology designed to ease and guide ID projects' design and evaluation all over the world.

Despite its widespread use, the LFA has proved to be an inefficient and very limited body of knowledge for managing ID projects, especially in the monitoring and evaluation phase of the project life cycle (Crawford and Bryce, 2003). In fact, poor performance of ID projects and the disappointment of beneficiaries seem to be the rule (Ika et al., 2012). According to Crawford and Bryce (2003) the problems with LFA stem from four main issues: (1) the absence of a time dimension; (2) the inappropriateness of

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assigning efficiency-level objectively verifiable indicators; (3) the inadequacy of the means of verification; and (4) the static nature of the logframe.

Poor performance has turned the international aid literature to focus on an aid effectiveness debate (Easterly, 2009). On the one hand, and from a macro-level perspective, most results have found zero effects of international aid on recipients' economic growth (Boone, 1996; Burnside and Dollar, 2000); or have linked international aid's effectiveness to the quality of the recipient institutions (Burnside and Dollar, 2000). On the other hand, from an emerging micro-level perspective some studies have found some ID projects to be cost-effective and to have positive effects for the recipients (Duflo and Hanna, 2005; Duflo and Kremer, 2003).

Surprisingly, PM literature has focused little attention on ID projects and consequently, it has not joined in the aid effectiveness debate (Ika et al., 2012). In particular, very little has been written on the way project managers should manage ID projects nor on ID projects success, and the critical factors for achieving that success[1] (Diallo and Thuillier, 2004, 2005; Ika et al., 2012; Khang and Moe, 2008).

Taking a wider perspective about how to manage ID projects, a possible solution to solve LFA limitations and improving ID projects performance can be the direct application of well-known PM standards such as the Project Management Body of Knowledge (PMBOK®) or the International Project Management Association Competence Baseline (ICB®). However, standardized PM tools and methods appear to be not suitable to manage ID projects due to the special features these projects have (Khang and Moe, 2008). Aid industry and ID projects in particular are recognized to be unique within PM environments (Crawford and Bryce, 2003). Firstly, project goals are complex and intangible since they are concerned with poverty alleviation or social transformation; therefore the usual profit motive is missing. Secondly, ID projects have a social and political nature which attracts a complex web of stakeholders. Thirdly, the operating environment is unique since it is surrounded by socio-political instability, geographic and cultural separation among actors, etc. Finally, knowledge transfer to beneficiaries is a priority during each and every phase of the project (Crawford and Bryce, 2003; Khang and Moe, 2008; PM4NGOs, 2010; Youker, 2003).

Keeping in mind the special features of ID projects, we identified three alternatives as plausible solutions to increase ID projects' poor performance. On the one hand, it looks pretty clear that traditional PM standards cannot be applied to ID projects without a proper adaptation (Khang and Moe, 2008). Therefore, one line of research could take care of that necessary and also very complicated adaptation. On the other hand, instead of trying to adapt to already existing bodies of knowledge, a completely new framework specifically created to manage ID projects could be developed (Landoni and Corti, 2011). Finally, a third solution

could be the modification of LFA in a way that solves the already mentioned drawbacks that this approach has.

Regarding the last alternative, international agencies have worked recently in possible improvements of the LFA (Landoni and Corti, 2011). The Australian Agency for International Development (AusAID) uses a modified version of the logframe with four columns and five rows. On the other hand, USAID has "abandoned" the LFA and nowadays its ID projects are managed through a results framework. However, the resultant framework essentially possesses the same scope as the LFA and so it shares the same drawbacks (Landoni and Corti, 2011).

Another alternative is represented by the Project Management for Development Professionals (PMD Pro1) that has been recently developed by the Project Management for Non-Governmental Organizations (PM4NGOs) international group. PMD Pro1 is an interesting initiative straddling between the first and second alternatives previously advanced because although based on the already developed PM standards, it constitutes a new specific framework for managing ID projects. This new body of knowledge provides main guidelines to project management within the context of the international development sector and is based on two main assumptions: (1) project managers in the international aid industry share many fundamental challenges; (2) project managers in the international aid industry can learn from their colleagues working on other sectors. The guide is organized in two parts. Section one talks about the roles, responsibilities, competencies and skills required for project managers, and also it explains the relationships between managing projects, programs and portfolios. Finally, this first section introduces the concept of project life cycle. On the other hand, section two discusses individually each of the six phases of project life cycle (identification and design; initiation; planning; implementation; monitoring, evaluation and control; end of project transition). This second section provides project managers with the main tools and methodologies for performing the activities associated to each phase.

This study aims to assess the most suitable alternative to manage ID projects successfully. To achieve this objective we first identify the critical success factors (CSFs) for ID projects and then, we evaluate two different PM standards (LFA and PMD Pro1) based on the way they deal with each of the previously advanced CSFs. Thus, this study provides a first evaluation of the young PMD Pro1 as the new framework to manage ID projects, appointing to the main differences this new framework has with the hitherto used LFA.

The remainder of the paper is structured as follows. Section 2 provides a literature review on CSFs both in broad terms and for the international aid sector, and concludes with an explanation of the ID projects CSF we selected. Then, Section 3 shows the methodology used both for identifying the CSFs specific to ID projects and for performing the comparison of the LFA against the PMD Pro1. Section 4 evaluates the two ID focused bodies of knowledge by assessing how each of them deals with the selected CSFs. Finally, the study concludes with a discussion on the study findings about the efficiency of PMD Pro1 as a new framework for managing ID projects and the implications for the international aid industry.

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[1] We consider that *Critical Success Factors* are those aspects that must go well to ensure project success, and, therefore, they have to be given special and continual attention (Boynton and Zmud, 1984).