Project monitoring and evaluation
- GUIDELINES -
Project monitoring and evaluation
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The way in which projects are planned and carried out follows a sequence, usually known as Project Cycle Management, beginning with an agreed strategy, which leads to an idea for a specific action, oriented towards achieving a set of objectives, which then is formulated, implemented, and evaluated with a view to improving the strategy and further action. The project cycle provides a structure to ensure that stakeholders are consulted and relevant information is available, so that informed decisions can be made at key stages in the life of a project.

The objective of this document is to provide comprehensive information and tools concerning the monitoring of projects, and to highlight the interrelation between the monitoring process and the other elements of the Project Cycle Management. The concept of evaluation and monitoring are often mixed up, therefore the importance of understanding their relationship.

**Monitoring** is the systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making, it therefore represents an exhaustive and regular examination of the resources, outputs and results of a project, it is a continuous process carried out during the execution of a project with the intention of immediately correcting any deviation from operational objectives. Monitoring generates data that can be used in evaluations.

**Evaluation** is a periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination of the background, objectives, results, activities and means deployed, with a view to drawing lessons that may guide future decision-making, it therefore seeks to determine as systematically and objectively as possible the relevance, efficiency and effect of a project in terms of its objectives.

While monitoring is implemented during the entire project’s life cycle, evaluation is only performed in specific moments of this cycle (start, intermediate, final), it is therefore clear that monitoring provides the essential elements of an evaluation. Having this in view, this document will specifically assess “monitoring”, as its objective is to provide support to project managers, and will only refer to “evaluation” in the case of periodic assessments.
The activities of a project represent the backbone of the aims behind any strategy, as a consequence an activity schedule is the central tool of any given project. An activity schedule represents in detail the items to monitor, therefore it can be seen as a monitoring schedule. For more detail on activity schedules see annex 1.
Monitoring projects
1) MONITORING PROJECTS

Projects pursue certain objectives. Objectives are defined as the desired effects of the action. The achievement of project objectives can be measured in terms of: inputs (e.g. financial, human, technical, physical or other resources invested in an action), outputs (that which is accomplished with the inputs), results (initial impact) and outcomes (longer term impact).

Project monitoring is an integral part of day-to-day management. It provides information by which management can identify and solve implementation problems, and assess progress. Project monitoring is closely related to the project cycle management essential elements, therefore the following basic issues need to be regularly monitored:

- Which Activities are underway and what progress has been made (e.g. at weekly intervals)?
- At what rate are means being used and cost incurred in relation to progress in implementation (e.g. monthly)?
- Are the desired results being achieved (e.g. quarterly update)? (efficiency)
- To what extent are these results furthering the project purpose (e.g. half-yearly analysis)? (effectiveness)
- What changes in the project environment occur? Do the assumptions hold true?

Project management checks how the objectives are met, and analyses the changes in the project environment including key stakeholder groups, local strategies and policies. If progress falls short, corrective action has to be taken. Details of any action have to be included in the next progress report.

1.1. Monitoring Criteria

Monitoring must assess in particular the following aspects and answer the respective questions concerning the implementation of the project; the RE-USE criteria are:
# Project monitoring and evaluation

## 1. Monitoring projects

| **Relevance:** |  
|---|---
| The appropriateness of project objectives to the problems that it was supposed to address, and to the physical and policy environment within which it operated, including an assessment of the quality of project preparation and design – i.e. the logic and completeness of the project planning process, and the internal logic and coherence of the project design. | To what extent are the programme’s objectives pertinent to the evolving needs and priorities at both national and EU levels? |

| **Efficiency:** |  
|---|---
| The fact that the Results have been achieved at reasonable cost, i.e. how well inputs/means have been converted into Results, in terms of quality, quantity and time, and the quality of the Results achieved. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted. | How economically have the various inputs been converted into outputs, results and outcomes? |

| **Utility: (impact)** |  
|---|---
| The effect of the project on its wider environment, and its contribution to the wider sectoral objectives summarised in the project’s Overall Objectives, and on the achievement of the overarching policy objectives of the EC. | How do the programme’s results and outcomes compare with the needs of the target population? |

| **Sustainability:** |  
|---|---
| An assessment of the likelihood of benefits produced by the project to continue to flow after external funding has ended, and with particular reference to factors of ownership by beneficiaries, policy support, economic and financial factors, socio-cultural aspects, gender equality, appropriate technology, environmental aspects, and institutional and management capacity. | To what extent can the positive changes be expected to last after the programme has been terminated? |
1.2 Basic Steps of Monitoring

Monitoring creates the information base required for steering and decision taking during implementation. Since monitoring is not only done within a project but also by the different levels within the funding process, decisions must be taken on what information is required to control the project implementation process and how it is to be obtained, collected, analysed, dispatched. Therefore, monitoring will usually involve the following steps:

<table>
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| Collecting data, (facts, observation and measurement) and documenting them | • Indicators for objectives at all levels of the logical framework  
• Quality and appropriateness of activities and use of resources (performance)  
• Project environment (indicators for assumptions)  
• Project impact  
• Cooperation with target groups and partners |
| Analysing and drawing conclusions. (Interpretation) | • Comparison of planned and actual achievements (planned and unforeseen), and identification of deviations (review) and conclusions  
• Changes in project environment and consequences for project; drawing conclusions  
• Comparison of planned and actual mechanisms and procedures of project organisation and cooperation with target groups; identification of deviations and conclusions |
### 1.3 Implementation and Monitoring

Usually, projects are implemented over several years. Project management is responsible for implementation, the latter generally being composed of the following periods:

- Inception period
- Main implementation period
- Final period

Throughout the implementation of the project and depending on the modalities foreseen in the contract/financing agreements, three major principles apply:

1. **Planning and re-planning.**
   - The initially prepared implementation plan, activity and resource schedules are regularly reviewed, refined, and updated accordingly.

2. **Monitoring.**
   - Project management has the task of establishing sufficient controls over the project to ensure that it stays on track towards the achievement of its objectives. This is done by monitoring (internal) which is the systematic and continuous collection, analysis and use of information for management control and decision-making. Implementation is a continuous learning process where experience gathered is analysed and fed back into planning and updated implementation approaches.

3. **Reporting.**
   - The project management must provide reports on progress. The aim of these reports is to provide sufficiently detailed information to check the state of advance of the project in light of its objectives, the hoped for results and the activities to be carried out. These reports cover also details of budget implementation, and include the details of the future budgetary provisions for the following reporting period. Progress reports are most likely to be submitted on a quarterly basis. These principles are reflected in the approach to documentation to be followed during implementation.
Concerning overall implementation it is important to define an implementation schedule. It is an administrative planning and monitoring document covering administrative milestones and sequencing from the preparatory phases to project completion and evaluation. It provides an idea on how these milestones are met, and whether delays occur.

During Implementation, this can indicate the need for re-planning, given the fact that e.g. the remaining period may not be sufficient to undertake certain works, studies, etc. As all other planning documents, the implementation schedule has to be updated by the project management, and should be included in the progress reports. Conclusions with regard to deviations should be made there. While work plans are objective-oriented and include resource scheduling related to these objectives, the implementation schedule emphasizes resource categories that may require budgetary commitments and / or tendering, as well as other administrative milestones like reporting that may also lead to disbursements.

The expected outcomes of Implementation are:

- A successful project meeting its purpose and contributing to its overall objectives.
- Evidence that means allocated have been used in an efficient, effective and transparent way.

## 1.4 Objectives and indicators

As mentioned before, projects pursue certain objectives. Objectives are defined as the desired effects of the action. The achievement of programme objectives can be measured in terms of: inputs (e.g. financial, human technical, physical or other resources invested in an action), outputs (that which is accomplished with the inputs), results (initial impact) and outcomes (longer term impact).

Corresponding to the distinction between outputs, results and outcomes there are four types of objectives:

- **input objectives** expressed in term of inputs.
- **operational objectives** expressed in terms of outputs.
- **specific objectives** expressed in terms of results.
- **general objectives** expressed in terms of outcomes.

To know if a project has met its objectives we need to rely on indicators. An indicator is a measurement of the objective to be achieved. Indicators pro-
duce information in terms of inputs, outputs, results and outcomes.

- **input indicators** measure the actual use of resources
- **output indicators** measure what is accomplished with inputs
- **result indicators** measure the direct and immediate impact
- **outcome indicators** measure the indirect and longer term impact

The information provided by an indicator can either be of a quantitative nature, therefore both verifiable and measurable, or of a qualitative nature, therefore only verifiable. This information should help the project management monitor actions and progress against objectives.

Usually indicators consist of ratios defining a relationship between two values, values used in a ratio usually represent the inputs, outputs, results and outcomes. Each project should have a specific set of indicators according to its nature, herewith some examples:

- **input indicators**: man-days / staff costs, equipment costs / direct costs.
- **output indicators**: dissemination costs / total costs.
- **result indicators**: number of persons trained / total cost.
- **outcome indicators**: number of persons aware of the project / total cost.

It is difficult to define what value is optimal for an indicator, as it depends on the nature of the project, what is really important is to analyse the evolution of these indicators in such a way as to determine if the objectives are being reached. The real importance of using indicators is that they must be analysed and interpreted with the view of taking the appropriate management decisions, and not merely calculate them and put them in a report.

### 1.4.1 Identifying Indicators

Indicators (Objectively Verifiable Indicators) describe the project’s objectives in operationally measurable terms (quantity, quality, target group(s), time, place). Specifying OVIs helps checking the viability of objectives and forms the basis of the project monitoring system. OVIs should be measurable in a consistent way and at an acceptable cost. Sources of Verification (SOV) are documents, reports and other sources providing information that makes it possible to check the indicators.

A good OVI should be SMART:

- Specific: measure what it is supposed to measure
- Measurable and
• Achievable at an acceptable cost
• Relevant with regard to the objective concerned
• Time-bound

In addition, indicators should be independent of each other, each one relating to only one objective, i.e. to one of the overall objectives, to the project purpose or to one result. Indicators at the level of the results should not be a summary of what has been stated at the activity level, but should describe the consequences. Often, it is necessary to establish several indicators for one objective, if the single indicator does not provide a full picture of the change expected. Together, these will provide reliable information on the achievement of objectives. At the same time, the trap of including too many indicators should be avoided.

Also, the measurement and interpretation of OVIs should be identical if determined by different persons, i.e. that different persons using the indicator would obtain the same measurements. This is more easily done for quantitative measures than for those that aim at measuring qualitative change.

OVIs should already be defined during identification and appraisal, but they often need to be specified in greater detail during implementation when additional information is available and the demands for monitoring become apparent. Care should be taken to ensure that the OVIs for the project purpose - the project’s “centre of gravity” - do in practice incorporate the notion of “sustainable benefits for the target group”.

In fact, the role of Indicators is not limited to project monitoring and evaluation. They also play a vital role in all phases of the project cycle. When indicators are formulated, the source of verification should be specified at the same time. This will help to test whether or not the indicators can be realistically measured at the expense of a reasonable amount of time, money and effort. The SOV should specify:

• the format in which the information should be made available (e.g. progress reports, project accounts, project records, official statistics etc.)
• how regularly it should be provided. (e.g. monthly, quarterly, annually, etc.)

Sources outside the project should be assessed for accessibility, reliability and relevance. The work and cost of collecting information to be produced by the project itself should also be estimated and adequate means provi-
There is often a direct relationship between the complexity of the SOV (i.e. ease of data collection and analysis) and its cost. If an OVI is found too expensive or complicated to collect, it should be replaced by a simpler, cheaper and often indirect OVI. For more information see annex II.

### 1.5 Reporting on Progress

During the inception period of a project, mechanisms for communication have to be established to ensure that the necessary information is generated and utilized in a timely and effective manner. In this context:

- **Progress review** meetings are useful to review progress against the plan. This may be also an opportunity for written reports to be presented and discussed, or simply for a rapid oral assessment of current issues and problems.

- **Project progress** reports provide periodic summaries of project progress incorporating key information from the physical and financial indicators included in the activity schedule and resource schedule.

Progress reports are to be written in a standard format allowing for comparison between reports over time. The purpose of progress reports is to provide updates on achievements against indicators and milestones, using the following framework:

- Data about intended achievements, is compared with actual achievements.

- Data on actual achievements should identify significant deviations from plan and serve as a basis for identification of problems and opportunities, and capable to identify corrective action and alternatives.

### 1.6 The Monitoring Report

The monitoring or evaluation report should mirror the above-mentioned criteria, taking into account the nature of the project, the stage at which the monitoring is carried out, and the users for whom the report is prepared. It should be kept in mind that information requirements vary widely between the different types of users.

When drafting Terms of Reference it is necessary to decide the relative importance of each of the monitoring criteria for a given project: usually, a mid-term evaluation will rather focus on questions of efficiency (while impact issues will not be of highest importance); ex post evaluations may
rather focus on questions of impact and sustainability. In any case, conclu-
sions need to be based on the analysis, and the link between recommen-
dations and conclusions needs to be clear. Recommendations should either
come the project in question or similar projects in the future, depending
on the type of evaluation.

Several standard formats for monitoring and evaluation exist, however, the
structure of a given report should be determined primarily by its intended
main purpose and its target groups/users. In general, the main sections of
an evaluation/monitoring report should be as follows:

<table>
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<tr>
<th>Executive Summary</th>
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| With a tightly drafted style, able to be
  used as a freestanding document. It
  should be short. It should focus on the
  main analytical points, indicate the
  main conclusions, lessons learned and
  specific recommendations. Cross-
  references should be made to the cor-
  respondent page or paragraph num-
  bers in the main text that follows. |

<table>
<thead>
<tr>
<th>Main Text</th>
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| The main text should start with an
  introduction describing, first, the
  project or programme to be evalu-
  ated and, second, the evaluation
  objectives. The body of the report
  should follow the five evaluation cri-
  teria, describing the facts and inter-
  preting or analysing them in accor-
  dance with the key questions perti-
  nent to each criteria. |
1.7 Monitoring the Elements of a Project

1.7.1 Monitoring Activities and Resources

The monitoring of activities compares the time planned for and finally required to carry out an individual activity. Thus, it can be judged whether the work plan can be adhered to. The major tool is the work plan that should be sufficiently detailed to allow for such a judgement. Deadlines are defined as the point time until which a specific activity has to be completed; while milestones are key events in the implementation of activities that provide a measure of progress and a target for the project team to aim at. The simplest possible milestones are deadlines.

Both milestones and deadlines provide the basis on which project implementation is monitored and managed. Whenever individual activities deviate from the schedule, the consequences on other activities and resources must be considered. Causes of these deviations need to be analysed and timing may have to be adjusted. If deadlines for activities that are not being met or influence the timing of other activities, project management should react by adjusting plans, shifting resources, etc.
Resources need to be available at the time required in sufficient quantities and quality. The time required for making them available is often underestimated. This concerns both human resources and physical resources. To ensure the project’s liquidity, availability of funds for the future must always be monitored, including situation of the budget, exchange rates, etc. If target groups contribute to financing project activities, it must be assured that they can meet the requirements. Purchase of equipment, contracting for works and supplies will have to follow the applicable rules. Project management has to ensure that planning of activities reflects the time required to mobilise the resources.

The utilisation of the required resources is monitored on the basis of activity and resource schedules. Monitoring the use of resources mainly concerns analysing the resources used as to the results they achieved. This will allow estimates of project efficiency. Properly managing the use of resources means identifying deviations from the scheduling, and taking corrective action if required. The control of funds requires regular budget reviews and possibly subsequent updates of the budget. Major modifications in the budget will require amendments to contracts or financing agreements.

1.7.2 Monitoring Assumptions

While activities and results are very often regularly monitored, adequate monitoring of assumptions and risks is rather rarely done. As for results, assumptions can also be tagged with indicators and sources of verification. Monitoring assumptions should provide an overview of the achievement (or progress towards) the assumptions, and relevant remarks and suggested corrective action. Project management is asked to react as immediately as possible if assumptions do not hold true and jeopardise project success, e.g. through adjusting planning, convening meetings with concerned parties and partners.

1.7.3 Monitoring Results

The monitoring of results is based on the indicators for the results. The Indicators represent the desired situation at a specific time or at the end of the project period. However, this may not be sufficient for managing the project, since very often decisions have to be taken at shorter intervals to control implementation. Therefore, results may have to be broken down in interim results and described by additional Indicators that cover the relevant planning period.
Progress is assessed by comparing an initial situation with the current situation. When establishing the initial situation (which should have been done during project preparation, and updated during the inception period), it should be kept in mind that a wide range of data collection methods exist, and that the simplest and clearest methods certainly are the most useful.

1.7.4 Monitoring Impacts

Impact monitoring specifically analyses the following elements:

- Project effectiveness (doing the right things) and beyond, i.e. the positive and intended impacts.
- The side effects not included in the log frame.
- The negative impacts.

These effects and impacts may become evident during the course of a project or only later. Impact monitoring should be set up during the course of a project. Apart from the project level, the analysis becomes most important for evaluation, strategic future project identification and formulation.

The monitoring of effects and impacts is different from other kinds of monitoring because of:

- The long-term period of observation, i.e. there may be a considerable time gap between the achievement of the results and the emergence of benefits and impacts. In such cases it may be helpful to work with process-oriented indicators, i.e. indicators that are likely to show first and subsequent signs of the intended impact. They should at least give a good indication of whether the project is on the right track. Usually the assessment will involve direct feedback from and assessment by the target groups;
- A close connection between changes due directly to a project or programme, and its environment and context, i.e. that it is often difficult to distinguish between changes occurring directly due to the project and changes that would already have taken place without the project (incremental benefits).

The procedure and instruments for impact monitoring are the same as for monitoring of results: collecting information in the form of tables and time sequences, etc.
1.7.5 Monitoring Quality

- **Objectives**: Degree to which the proposal addresses the priority theme(s) and whether the implementation of the project and its outputs and results are likely to make a useful contribution to improving the theme mainstream operations and its further development.

- **Target groups**: Clarity of who (persons, companies, others) directly and indirectly (through dissemination activities/mainstreaming efforts) benefit from the project.

- **Innovative aspects**: Extent to which the innovative activities/approaches are clearly innovative and do not simply replicate work that is already being done. Are they innovative/new to the organisations involved, the target groups or sectors concerned, or in the regional/national context?

- **Outcomes and results**: Degree to which the expected outputs and results of the project meet the actual situation (publications, conferences, web-sites). Are the outputs and results in relation to the budget, timetable and activities to be performed? Is the degree of transferability of the results as expected, and are they relevant for the objectives and not too closely tied to a specific sector or area?

- **Work programme**: Are the activities performed relevant to and coherent with the objectives and activities planned, is the project being "thrown together". Is the work programme still feasible and in relation with the planned duration, is it possible to carry out all of the activities proposed?

- **Implementation timetable**: Do the activities performed match with the initial proposal as well as the initial cost in the budget?

- **Partnership**: Do the partners continue to be consistent with the objectives and priorities of the project and the priority theme(s) it addresses? Is each partner active; the project is not too dominated by one single partner?

- **Transnationality**: Does the exchange of information and expertise take place within a structured and comparative process? Are the existing approaches and instruments able to transfer to situations in other Member States? Does the joint development of new approaches and products respond to demands and needs in different Member States?
the project perform as one coherent, transnational effort or does it look like a set of isolated projects running in parallel in different Member States?

- **Dissemination and visibility of the project**: Is the dissemination/publicity strategy responding to the objectives? Are the target audience and the methods of dissemination consistent with the timetable, work programme and budget estimate?

- **Monitoring and evaluation**: Does the monitoring and evaluation strategies effectively measure the results actually obtained. Does the measurability and verifiability of achievement indicators take place, do they address issues such as the performance of external experts or assistance? Will the strategy continue to evaluate beyond the immediate duration of the project and is the evaluation methodology applied coherently? Do the pre-defined operational objectives and the achievement (quantitative and qualitative) indicators allow the effective measure of the results actually obtained?

- **Subsequent actions**: Does the work programme and activities actually commit to capitalise on the results of the project far beyond the duration of the project?

- **Quality**: Does everybody do what they should be doing and are these activities linked to attaining the objectives? Do the partners show an understanding of the issues and objectives and do they go about achieving them? To what extent is the project still suitable for funding?
Monitoring the budget
2) MONITORING THE BUDGET

The Financial Regulation of the Communities establishes the basic principles for the Community financial contribution to indirect actions. This contribution is usually made by means of a call for proposals. There are differences relating to the amount and nature of the financial contribution, grants are limited to a contribution to certain costs (or in special cases a lump sum payment) incurred by the beneficiary. Grants forbid any profit and may cover only a position of the total costs. The most common contribution is the reimbursement of eligible costs (Grant to Budget).

2.1 Principles

The Community financial contribution to grants which reimburse eligible costs must conform to the principles and rules established by the Financial Regulation. These principles must be followed at the level of the project itself:

- The principle of non-profit
- The principle of co-financing
- The principle of additionality.

Eligible costs should be “actual, economic and necessary”:

- Actual: Costs must be actually incurred (real costs). That is they must be real and not estimated, budgeted or imputed. They must be recorded in the accounts or tax documents and be identifiable and controllable. This rule ensures that fictitious costs are avoided such as internal invoices, subjective estimations or opportunity costs. To be actual, costs must be incurred during the lifetime of the project. Costs will not be eligible if they are incurred before the beginning or after the end of the duration of the project, except for the costs incurred in drawing up the final reports which may be incurred during the period of up to 45 days after the end of the project or the date of termination whichever is earlier.
- Economic: refers to the standard of “good housekeeping” in spending public money effectively. Economy can be understood as minimising the costs of resources used for an activity (input), having regard to the appropriate quality and can be linked to efficiency, which is the rela-
2. Monitoring the budget

The relationship between the outputs, in terms of resources used to produce them. Effectiveness is concerned with measuring the extent to which the objectives have been achieved and the relationship between the intended impact and the actual impact of an activity. Cost–effectiveness means the relationship between project costs and outcomes, expressed as costs per unit of outcome achieved. Costs must be reasonable and comply with the principles of sound financial management, with the objectives of the project and with the formal aspects of reporting of these expenditures, including the follow-up of the budget in terms of budget allocation and schedule of the cost. Finally, costs must be in relation with the normal behaviour of the participant.

- Necessary: the costs must be necessary for carrying out the project and directly linked to the subject matter and scope foreseen in it. The cost must be coherent with the terms of reference and also must be present in the budget included in the contract or in the description of activities (usually Annex I) annexed to the contract.

2.2 Eligible Costs

Each partner must apply the same cost reporting model established under the terms of reference of the funding agreement. Usually these models are made available by the funding agency, which also provides details concerning the costs structure, which is generally composed of the following costs:

- Direct costs: Are eligible costs that are associated directly to the project, and are determined by the contractor in accordance with its usual accounting practices.

- Direct additional costs: are eligible costs additional to the normal recurring costs of the contractor that are associated directly to the project and are not covered by any other sources of funding. Direct additional costs of personnel can include.

- Indirect cost: are for those working on the full cost model, all eligible costs determined by the contractor, in accordance with its usual accounting practices, which are not directly attributable to the project but are incurred in relation to the direct costs of the project.

2.3 Receipts

Usually the general rules of accounting apply as far as giving evidence of costs is concerned, three kinds of receipts must be taken into consideration:
2. Monitoring the budget

- Financial transfers or their equivalent to the contractor from third parties;
- Contributions in kind from third parties;
- Income generated by the project.

In the first two cases (financial transfers or contributions in kind), these endowments are considered as receipts of the project if the third party has provided them specifically to be used in the project. However, if the use of these contributions is at the discretion of the contractor they may be considered as eligible costs to the project but are not considered to be receipts.

When contributions from third parties are used by the contractor in the project, the latter is required to inform the third party of this use, in accordance with the national legislation or practice in force. In the case of income generated by the project itself, including the sale of assets bought for the project (limited to the initial cost of purchase) are considered as income to the project (e.g. admission fee to a conference carried out by the consortium; sale of the proceedings of such a conference; sale of equipment bought for the project etc.)

2.4 Financial Reporting

Financial statements or reports should possess the following qualities that render the information useful to any reader, including the external auditor and the auditors of the funding agency. Therefore, they must be:

- Understandable: excessive detail and overly complex reporting formats should be avoided. Information should be presented fully, but clearly and precisely.
- Relevant: relevant information is timely and covers the full nature and extent of the financial activities presented. Information is relevant if it helps those who use it to carry out their activities.
- Reliable: reliable information represents what it purports to represent. It is accurate, free from bias, complete and verifiable.
- Timely: information should reflect the most recent information available and cover the period in question.
- Consistent: financial reporting should be presented on the same accounting basis, to the extent possible. If the basis of accounting and presentation has changed from one accounting period to the next because, for example, a more appropriate accounting policy or standard has been
2. Monitoring the budget

adopted, this fact and the effects on the financial report resulting there from should be highlighted and explained clearly.

• Comparable: the basis for accounting and presentation, and the effect of any changes from one period to the next, should be highlighted and clearly explained.

• Material: insignificant events may be disregarded, but there must be a full disclosure of all important information. Therefore an item is material if its disclosure is likely to lead the user of accounting information to act differently.

2.5 Audit Certificates

An audit certificate is usually required from each contractor at some point during the life of the project to certify the costs claimed. It is provided by the contractor’s own external auditor (or in the case of public body it may be provided by a competent public officer). The costs are reimbursed via the management activity of the project (usually 100% funding). The submission of an audit certificate does not waive the right of the Commission to carry out its own audits, which may be launched at any time and up to 5 five years after the end of the project.
Self-evaluation
3) SELF - EVALUATION

A project manager should use a methodical collection of data to determine whether the material and financial resources are sufficient, whether the people in charge have the necessary technical and personal qualifications, whether activities conform to work plans, and whether the work plan has been achieved and has produced the original objectives. Determining whether, and to what extent, the measures, processes, directives, and organisational procedures of the project conform to norms and criteria set out in advance by the donor organisation. The following checklist can provide these elements:

- Does the project enhance quality?
- Does the project promote innovation?
- Are the activities relevant?
- What is the short, medium and long term Impact?
- Is the project pooling transnational expertise efficiently?
- Is the project producing a EU added value?
- Are the objectives being met?
- Is the consistency of the project being met?
- Is the management efficient?
- Are monitoring and evaluation performed as expected?
- Is the dissemination of results taking place and what is the multiplier effect?
- Are new technologies used pertinently and are they performing efficiently?
Benchmarks - From monitoring to evaluation
4) BENCHMARKS – FROM MONITORING TO EVALUATION

Evaluation is about revealing the value of a project. This involves making value judgements on the degree to which a project’s performance has been good or bad. Predetermined and transparent benchmarks are needed to ensure that value judgements do not become arbitrary.

What are the criteria by which to rate the observed effects of a programme? What standards should be used to pronounce on the proper functioning or success of a programme? An obvious place to start would be the programme’s objectives as expressed by expected outputs, results, and outcomes. However, setting benchmarks may prove difficult for a number of reasons:

- objectives can sometimes be expressed in very vague terms.
- a single project may have multiple objectives, either in terms of results or outcomes, some of which may carry relatively more weight, or even be incompatible with others.
- objectives may also evolve over time, as the project’s environment evolves. There is, however, more to benchmarking than simply reconstructing, clarifying and ordering objectives. Benchmarks should ideally allow us to compare the project’s performance with that of other projects in the same field of action or in a related one. This is important because if a project falls short of achieving its objectives, its performance may not necessarily be unsatisfactory. It may compare favourably with results achieved by similar projects executed in the past, or by national or local governments, or countries outside the Union. A comparative perspective may suggest that the ambitions for the project were unrealistically high, rather than that the project itself has failed.

In principle, there are three different parameters on which benchmarks can be established:

- Time: benchmarks that compare the same project over time (to what extent are the project’s objectives being met this year compared to last year?).
• Space: benchmarks that compare the same project in different areas (to what extent are the project’s objectives being met in one area compared to another?).

• Time and space: benchmarks that compare the project with other projects that are roughly similar.

When judging project performance by means of benchmarks, the fundamental caveat needs to be kept in mind that benchmarks may have been reached by virtue of developments that are not attributable to the project. An evaluation should try to separate out these developments, in order to identify the net effect of a project on the achievement of its objectives. Data on the respect of benchmarks have to be interpreted carefully. This is particularly true of objectives that can be influenced by a whole range of exogenous factors.
Other issues
5) OTHER ISSUES

■ 5.1 The Regulatory Approach
Funds are made available from a legal instrument (Regulation). The regulatory approach is a monitoring and evaluation approach that seeks to fit the project into the legal terms of any EU instrument. It is clear that if the project meets (down stream) the aims, objectives and guidelines of the instrument (up stream), the process of evaluating and monitoring optimises and ensures in this way an optimal project cycle.

■ 5.2 Integrating the Gender Dimension in Projects
The European policy of equal opportunities between women and men is enshrined in the Treaty on European Union. Articles 2 and 3 establish equality between women and men as a specific task of the Community, as well as a horizontal objective affecting all Community tasks. The Treaty seeks not only to eliminate inequalities, but also to promote equality. The Commission has adopted a gender mainstreaming strategy by which each policy area must contribute to promoting gender equality.

The promotion of equality between women and men in relation to their access to social and economic infrastructures and services and to the benefits of development is vital. The objective is reduced disparities between women and men, including in health and education, in employment and economic activity, and in decision-making at all levels. All programmes and projects should actively contribute to reducing gender disparities in their area of intervention.

EU policy on gender mainstreaming requires the integration of gender analysis at macro, meso and micro levels, throughout the project cycle. A gender analysis allows the identification and integration of the dynamics of change in a given situation, as well as the monitoring of their evolution, particularly in relation to the disparities between women and men. A gender analysis includes attention to: the different roles (productive, reproductive, decision-making) of women and men; their differential access to and use of resources and their specific needs, interests and problems; and the barriers to the full and equitable participation of women and men in project Activities and to equity between women and men in the benefits obtained.

Promoting women does not mean treating them in the same way as men.
Men’s characteristics, situations and needs are often taken as the norm, and – to have the same opportunities - women are expected to behave like them. Ensuring gender equality means giving equal consideration to the life patterns, needs and interests of both women and men. Gender mainstreaming thus includes also changing the working culture.

We need to go a step further by questioning systematically whether, and in what sense, sex and gender are relevant in the objectives and in the methodology of projects. Many projects include humans as subjects. There is no such thing as a universally neutral person. Because sex and gender differences are fundamental organising features of life and society, recognising these differences has important implications in knowledge.
Conclusion
Monitoring is a core component of strategies. It needs to cover processes (such as the quality and coverage of participation and information systems), outcomes, and the changing baseline. Monitoring is not a separate exercise. On the contrary, process and outcome indicators need to be considered on a regular basis by stakeholders at the same time as vision and objectives.

A review of experience shows that successful approaches share certain characteristics. They set priorities and establish a long-term vision; seek to promote convergence between already existing planning frameworks; promote efficiency; can demonstrate commitment; and are built on appropriate participation. Lower levels of success can be attributed to strategies that over-emphasise an issue, take the form of one-off, separate initiatives, and are exclusively top-down. Strategies that have been presented as new concepts, have undermined existing processes and wasted scarce resources by starting new processes from scratch. In addition, many strategies have failed to address the deep economic, social and institutional changes needed for achieving any major aim.

An effective strategy for projects brings together the aspirations and capacities of the stakeholders to create a vision for the future, and to work tactically and progressively towards it. It identifies and builds on “what works”, improves integration between approaches, and provides a framework for making choices where integration is not possible.
Annexes
ANNEX I

Checklist for Preparing an Activity Schedule

An activity schedule represents in detail the items to monitor, therefore it can be seen as a monitoring schedule.

■ Step 1 – List main activities

The main activities defined in the aims are a summary of what the project must do in order to achieve project objectives. These can now be used as the basis for preparation of the activity schedule that will specify Activities in operational detail.

■ Step 2 – Break activities down into manageable tasks

The purpose of breaking activities down into sub-activities or tasks, is to make them sufficiently simple to be organised and managed easily. The technique (called a Work Breakdown Structure or WBS) is to break an activity down into its component sub-activities, and then to take each sub-activity and break it down into its component tasks. Each task can then be assigned to an individual, and becomes their short-term goal.

The main skill is in getting the level of detail right. The most common mistake is to break the activities down into too much detail. The breakdown should stop as soon as the planner has sufficient detail to estimate the time and resources required, and the person responsible for actually doing the work has sufficient instructions on what has to be done. This is where individual planning of tasks of project team members starts.

■ Step 3 – Clarify sequence and dependencies

Once the activities have been broken down into sufficient detail, they must be related to each other to determine their:

• sequence: in what order should related activities be undertaken?
• dependencies: is the activity dependent on the start-up or completion of any other activity?

This can best be described with an example. Building a house consists of a number of separate, but interrelated activities: digging and laying the foundations; building the walls; installing the doors and windows; plastering the
walls; constructing the roof; installing the plumbing. The sequence dictates that digging the foundations comes before building the walls; while dependencies include the fact that you cannot start installing doors and windows until the walls have reached a certain height; or you cannot finish plastering until the plumbing has been fully installed. Dependencies may also occur between otherwise unrelated activities that will be undertaken by the same person.

■ Step 4 – Estimate start-up, duration and completion of activities

Specifying the timing means making a realistic estimate of the duration of each task, and then building it into the activity schedule to establish likely start-up and completion dates. Often though, it is not possible to estimate timing with complete confidence. To ensure that the estimates are at least realistic, those who have the necessary technical knowledge or experience should be consulted. Inaccuracy is a common mistake, usually resulting in an underestimate of the time required, and can arise for a number of reasons:

- omission of essential activities and tasks.
- failure to allow sufficiently for interdependence of activities.
- failure to allow for resource competition (i.e. scheduling the same person or piece of equipment to do two or more things at once).
- desire to impress with the promise of rapid results.

■ Step 5 – Summarise Scheduling of Main Activities

Having specified the timing of the individual tasks that make up the main activities, it is useful to provide an overall summary of the start-up, duration and completion of the main activity itself.

■ Step 6 – Define Milestones

Milestones provide the basis by which project implementation is monitored and managed. They are key events that provide a measure of progress and a target for the project team to aim at. The simplest milestones are the dates estimated for completion of each activity (e.g. training needs assessment completed by January 200x).
■ **Step 7 – Define Expertise**

When the tasks are known, it is possible to specify the type of expertise required. Often the available expertise is known in advance. Nonetheless, this provides a good opportunity to check whether the action plan is feasible given the human resources available.

■ **Step 8 – Allocate Tasks Among Team**

This involves more than just saying who does what. With task allocation comes responsibility for achievement of milestones. In other words, it is a means to define each team member’s accountability (to the project manager and to other team members). Task allocation must therefore take into account the capability, skills and experience of each member of the team. When delegating tasks to team members, it is important to ensure that they understand what is required of them. If not, the level of detail with which the relevant tasks are specified may have to be increased.

■ **Step 9 – Estimate Time Required for Team Members**

Based upon experience, this step requires a realistic estimate of the time that will be required for each of the allocated tasks, and a check whether there are at least manageable overlaps between individual tasks of the team members. Having done this exercise for all project activities, a review should be made to check again timing and sequencing of tasks and thus workload for each individual team member.
ANNEX II

How to Define Indicators (OVIs) and to Select Sources (SOV)

How to define OVIs?

1. Specify for each result, the project purpose, and the overall objectives:
   - The quantity: how much?
   - The quality: what?
   - The target group: who?
   - The time / period: starting when and for how long?
   - The place: where?

   **Note:** Indicators concerning the overall objectives tend to be more qualitative than those applicable to the project purpose and the results, which have more quantitatively measurable components.

2. Check whether the Indicators or Indicators describe the overall objectives, purpose or results accurately. If not, other indicators should be added or new ones found.

3. Care should be taken to ensure that the OVIs for the project purpose - the project’s “centre of gravity” - do in practice incorporate the notion of “sustainable benefits for the target group”.

How to choose SOV?

1. Decide what sources of verification are needed to obtain the information on OVIs.

2. Identify which sources are to be collected, processed and kept within the project, and which are outside (existing sources).

3. Check sources outside the project to ensure that:
   - Their form/presentation is appropriate;
   - They are specific enough;
   - They are reliable;
   - They are accessible (where and when);
   - The cost of obtaining the information are reasonable
4. Replace OVIIs for which no suitable sources can be found.

Note: Use existing resources as much as possible to avoid additional cost, time and effort to be deployed.