Methodology for monitoring and evaluation of the quality and impact of social projects

2019

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CONTENTS

PART ONE
THEORY

I. Basic terms and notions

The monitoring and evaluation of the impact of social projects is a well-developed area of social governance with traditions and concepts that are widely agreed upon by decision makers and researchers around the world, irrespective of the particular political system.

The most advanced international institutions dealing with that subject for professional evaluators (i.e. earning a living doing that full time) and scholars interested in this particulaar sector are:

CIRIEC - Centre international de recherches et d'information sur l'économie publique, sociale et coopérative – this is the biggest and oldest international academic & democratically structured/CO-OP enterprises & other Public enterprises evaluation network. It is supported mainly by national associations of both cooperatives & public enterprises from several countries in Europe, Canada, Japan, and a few South American countries.

American Evaluation Association -

https://www.evaluationconference.org/

https://www.evaluationconference.org/p/cm/ld/fid=700

https://www.evaluationconference.org/p/cm/ld/fid=705

https://www.evaluationconference.org/page/program-2019

https://www.centerfornonprofitexcellence.org/resources/evaluation

https://www.councilofnonprofits.org/tools-resources/evaluation-and-measurement-of-outcomes

https://managementhelp.org/evaluation/outcomes-evaluation-guide.htm

https://www.cram.com/essay/Evaluation-Of-A-Non-Profit-Organization/PKJ3CYSY7BWQ

https://www.tsne.org/blog/why-evaluation-important-your-nonprofit

Evaluating the Nonprofits' financials:

WWW.GUIDESTAR.ORG (Allows free viewing of the latest tax returns filed by almost all nonprofits in USA)

https://www.tsne.org/blog/why-evaluation-important-your-nonprofit

https://www.thenonprofittimes.com/npt_articles/public-comment-sought-on-990/

https://smallbusiness.chron.com/evaluate-financial-statements-nonprofit-organizations-68019.html

I. 1. The three sectors

Every social project depends on the state, the market, and the public. These are the public, private and civil sectors, respectively. However, this dependence is not uniform. This is due to the different complementary benefits and limitations that each sector has.

Governance is primarily realized through the activities of public authorities, but goes beyond their boundaries, transferring to the private sector and civil society. Public authorities create a favorable and legitimate political and legal environment, the private sector creates jobs and income, and civil society facilitates political and social interaction, mobilizes groups

to participate in economic, social and political activities and is concerned with the question of fairness and justice. Each sector has its own capabilities and limitations, so constructive interaction between them is of particular importance, including in the monitoring and evaluation of public projects, policies and programs.

In each particular case one of the three sectors offers the most adequate solutions, depending on the circumstances. Effectivity, however, requires the involvement of the other two sectors, albeit not with a leading role. Therefore, each specific project must have a leading organization from one of the three sectors - the one that best solves the particular social problem - state, private or non-governmental respectively. However, this does not mean that it can solve the problem itself. Such a leading organization should be supported by the other two sectors.

Organizations in the three sectors - government bodies, economic and non-governmental organizations, respectively - differ in their advantages.

1. Advantages of *public sector* organizations and decisions in contrast to the other two sectors.

Compared to the market and the civil sector, government is more effective in areas such as:
- Ensuring and administering the distribution of public goods;
- Administrative regulation and control related to policy implementation;
- The fastest possible mobilization and organization of public resources necessary for the accomplishment of strategic tasks;
- Ensuring the sustainability of mass services;
- Prompt application of legal regulation or justice as needed;
- Consideration of the issue of public safety;
- Ensuring fairness according to the understanding of the majority, etc.

However, the excessive concentration of power in the public sector undermines such advantages. The disadvantages of public sector organizations and decisions can be the following:
- Binding budgetary frameworks of different government agencies, making it difficult to prioritize projects except in extreme cases;
- Slower response than the other two sectors to adequately respond to changing conditions;
- Poor competition and rigidity of public service structures;
- The difficulty of managing decentralized systems, as projects often suggest; etc.

2. Advantages of organizations and decisions in the *market (private) sector* unlike the other two sectors.

Compared to the market and the civil sector, public authority is more effective in:
- The ability to maximize the effectiveness of any social endeavor.
- The tendency to bring novelties immediately and completely.
- Flexibility - quick adjustment to changing conditions.
- Rapid multiplication of the positive example.
- Ability to quickly retrieve activities with compromised efficiency.
- Efficiency in complex and particularly complex tasks.

- Creating opportunities for productive use of human ingenuity and enterprise.

However, over-confidence in the capabilities of market decisions in social projects undermines such advantages. The disadvantages of organizations and decisions in the private (business, market) sector may be the following:
- The market is powerless in providing and distributing public goods - clean air, public security, privacy, minimum living level, health, etc.;
- The market does not calculate the presence of externalities (i.e., more negative or positive effects in time or space) and does not include them in the project cost;
- The market decision implies information asymmetry between providers and recipients of the public service, at the expense of its quality;
- The market does not respond promptly and fully to the changing preferences of those in need of service;
- Market logic simplifies and formalizes decisions and underestimates human values.

3. Advantages of organizations and decisions of the *non-governmental (non-profit, civic) sector* in contrast to the other two sectors.
The civic sector is more efficient than the market and the government when it comes to actions that:
- Generate minimal or no profit;
- Require compassion for the needs of others and a desire to help them;
- Provide immediate, delicate and discreet care for needy individuals;
- Require significant customer trust;
- Require voluntary involvement and participation;
- When project is driven primarily by moral criteria and civic values.

The actions and services offered by civic associations are more effective than the services provided by specialized authorities, most often for the following reasons:
- Associations have more responsibility to their members than state systems for providing services to their clients;
- Associations have a better understanding of customer issues than professionals engaged in such services;
- Professionals and bureaucrats provide services while associations solve public problems;
- Authorities provide services, while associations can also provide care;
- Associations encourage their clients to solve problems, while systems offering services aim at the ready service itself, which replaces the client's own motivation;
- Associations enforce standards of care more efficiently than bureaucracy and professionals;
- Associations are more flexible and resourceful than large bureaucratic organizations providing services to the public;
- Associations are cheaper for society than the work of professionals.

In the language of the economy, the civilian sector is best when the value of regulatory transactions would be meaninglessly high if, instead of associations, regulation is carried out by the market or the government.

Civic associations supporting public initiative and entrepreneurship are looking for ways to cover their own costs, thus combining the characteristics of government

organizations with those of a private company. Thus, they can avoid the disadvantages of both. Therefore, in certain situations, the civil sector is the most efficient institutional alternative. There is no guarantee that associations will not combine the negative features of public and private agencies and thus prove to be most ineffective:

- Sometimes civil society organizations are a facade behind which actually underlie business activities and interests;
- The response of the civil sector to a public problem may not occur or be delayed significantly;
- Civic organizations often solve a problem for one group, but create a problem for another.

I.2. The Social Project

The social project is a system of
- ideas,
- principles
- plans

for
- targeting in the social sphere,
- resource allocation and
- carrying out actions,

oriented towards the achievement of the objectives in question through the means prescribed. Social projects are developed and implemented by organizations in any of the three sectors:
- public authorities,
- economic operators or
- NGOs,

that have the necessary powers for that purpose -
- legal,
- political,
- financial and
- administrative.

Definitions of Social Project

- "Plan to achieve certain goals."
- "Organized activities to achieve specific goals within a set time and resources."
- "Planned endeavor, representing a set of interrelated and coordinated activities to achieve specific targets within a specific budget and time period."
- "Temporary organization needed to achieve a unique, predetermined result over a period of time using specific resources."

Characteristic features of a project

- A project is limited in time, it has a definite beginning and end.
- There is a pre-established organizational structure.
- Is about the realization of particular goals.
- It should have predictable measurable results to be achieved in advance.
- Includes a set of activities that serve results.

- The amount of resources for project implementation is tangible.

Any project usually is:
- Something innovative. It reflects a one-off intent, so existing know-how or planning available can be used in a limited extent (i.e., it is not a routine activity). Due to only partial experience and results, it is not possible to predict with certainty whether goals are met.
- Limited in time and cost. Projects are planned for a specific future period. They are designed to end up with a predetermined goal. Project costs are determined before it is launched and are broken down by activities and interim deadlines.
- It is complex and covers more and different spheres of activity. The projects are complex in terms of feasibility, planning, implementation and implications. Therefore, a high level of consistency in the actions of the project team is required.
- Risks related. Because the outcome of a project is presumptive, it also brings about risks. Experimenting is thus inevitable but it leads in turn to high dynamics, and strong motivation. The expenditure of money and time as well as the likelihood of reaching success can be conditionally managed, i.e. step by step.

Project sources may be:
- national or regional development programs
- Initiatives of external donors and international financial institutions
- initiatives by economic agents
- the need to supplement or continue other projects
- the availability of unused resources
- sector studies and analyzes
- pressure to tackle important social and economic problems

I. 3. Monitoring

> Monitoring is an ongoing observation by the project management team as well as the funding institution of resources provided, activities carried out, goals achieved and results delivered in accordance with the project plan.

The purpose of monitoring is the efficient and effective implementation of the project by receiving feedback at all levels of management:
- The first and highest level is the project donor;
- The second level is the project management leadership;
- The third level is the planning and analyzing specialists;
- The fourth level is the operational managers;
- The fifth and lowest level is the target groups and the general public.

The main task of *monitoring* social projects is to monitor and measure the achievement of their goals and their effectiveness in the course of their realization.

The monitoring of social projects is a process of systematic and continuous collection and analysis of information on the progress of the project implementation, with the

achievement of the intended results. The information received is used for management purposes - to exercise control and make management decisions to continue, modify, supplement or terminate the implementation of the respective project. As a result of the ongoing monitoring, timely adjustments can be made to the way the project is implemented.

Monitoring can be defined as a description of events and conditions within a certain period of time. The monitoring system contains methods and tools to measure, evaluate and provide information to managers on the extent to which the goals have been achieved. After receiving the information, the project manager uses the data obtained to impose control.

Monitoring differs from control: Monitoring refers to the process of observation, of keeping track and gathering data about performance. Controlling can include setting up a system, procedures and policies to guide and regulate work processes. Usually monitoring occurs before and after controlling.

Monitoring reports shall be prepared that meet the following requirements:
• should include only the required data;
• should not contain unnecessary information;
• should consider exceptions (deviations);
• should identify problems;
• should propose solutions;
• should be submitted within the required time.

Ongoing monitoring plays a particularly important role in the long-term policies and programs implemented in several phases. The implementation of each subsequent phase may be preceded by the monitoring and evaluation of the activities and results of the preceding stages.

The main objectives of monitoring are:
• to evaluate the progress of a project against the stated objectives, using the indicators indicated;
• indicate the sources of information on these indicators;
• ensure reliable, relevant and easily verifiable indicators;
• support project management by identifying potential obstacles to its implementation;
• propose strategies to overcome obstacles;

The object of observation are all the elements that may be critically affected by the project; resources, activities, results, goals, external environment of the project.

The more common questions to be answered in monitoring and evaluating public projects are:
• What are the implications of the project for the different target groups, stakeholders, affected communities?
• What is the distribution of the project's positive outcomes among users and other stakeholders?
• Are there any unforeseen and undesirable side effects of implementing the project and what are the possible measures to counteract it?

- Are there any risks that threaten to thwart the successful implementation of the project? To what extent are opportunities to improve them combined with avoiding the risks of negative consequences?
- What institutional and organizational environment is needed to ensure stakeholder involvement in project implementation, evaluation and development?
- Is there capacity to implement the project at all levels, what is needed to scale it up to ensure sustainability of results and impacts?

The requirements for the monitoring system are:
- the information arrives on time, in an appropriate form and addresses key issues;
- correctly determine the frequency of observation and the characteristics of the elements observed;
- monitoring should be carried out often enough to allow deviations from the plans made to be corrected;
- Provide financial resources for monitoring;
- make the system economical and justify its maintenance.

I.4. The evaluation of social projects

The evaluation of social projects is an evaluation of projects on the basis of their results, their impact and the degree of satisfaction of the social needs for which they are intended.

The evaluation of projects is an evaluation of the degree of satisfaction of essential public needs and the resolution of problems resulting from the interventions that have led to specific impacts, quantitative and qualitative changes (retention is a particular case of change). The evaluation builds on pre-explicit criteria, standards and measures regarding their adequacy and efficiency, cost-effectiveness, political and administrative feasibility, sustainability and fairness.

The evaluation is based on information specially collected for this purpose.

The evaluation is based on the ratio between:
- the goals set and the objective social problem to be solved,
- resources invested and results achieved,
- the actions performed and the effects achieved.

The evaluation of social projects most often covers:

1. *Evaluation of adequacy*. The degree of conformity of the goals set and the solution of the objective social problem is evaluated. It includes an evaluation of the accuracy of the definition of a social problem by evaluating alternatives in the so-called *decision tree* and their dynamics over the course of project implementation (elasticity).

2. *Process evaluation*. It assesses how and to what extent the public project is being implemented and whether the program for its implementation works as planned. The content of the action plan, professional standards or stakeholder expectations is evaluated. In

evaluating the process, program procedures are evaluated to understand how the results were obtained or why the expected effects were not achieved.

3. *Performance evaluation* through cost / benefit analyzes and cost effectiveness. The cost-benefit analysis determines the appropriateness of the investments made and the adequacy of the benefits received. Cost-effectiveness analysis assesses the appropriateness of spending to achieve a particular goal in order to identify the most viable options and ways to achieve the objectives intended.

4. Evaluation of legal correctness and political feasibility. On the one hand, the conformity of the performed activities and interventions with the legal and regulatory requirements is being assessed. On the other hand, the degree of support for the selected implementation alternative by all stakeholders is assessed as well.

5. Evaluation of results. The extent to which the expected results of social projects are achieved is assessed. This evaluation shall primarily focus on results and achievements (including side, unplanned and undesirable effects and effects of project duration) in order to evaluate the effectiveness of the program. Questions may also be asked regarding the quality evaluation of the products and services provided to the different target groups.

6. Impact evaluation. Compare the effects of the program with what would happen if it were not implemented (action and no-action alternatives). In this way, the impacts of the social project are assessed in all its main aspects. This evaluation is used to compare the impact of external factors to distinguish the contribution of externalities and the program undertaken to achieve the project objectives. The evaluation in this case is primarily directed to the extent to which actual results are achieved compared to the expected results from the implementation of this project.

7. Assessing justice. This is a much needed evaluation in view of the sustainability and social impact of the project, as well as its repeatability. The degree of agreement of those affected by the project with its objectives, management, effectiveness and efficiency is assessed.

II. Features of project monitoring and evaluation

The first integral part of the monitoring and evaluation of social projects is the involvement of all stakeholders. Community projects could not be effective and sustainable without the full involvement of all major stakeholders, including beneficiaries, in their development, implementation and evaluation. Different stakeholders take different perspectives on evaluation and seek answers to different questions. Monitoring and evaluation enable the target groups and stakeholders to determine to a large extent their needs, alternatives for decisions, resource and action plans, as well as an adequate evaluation of the results and side effects of the plan's implementation.

Another integral part of the monitoring and evaluation process is the implementation of the commitment to share results with government authorities, local authorities, non-governmental organizations and providers of related public services, etc.

The monitoring and evaluation of public policies and programs are instruments of good governance in the exercise of political, economic and administrative power at all levels. To be useful, they must be seen as an integral part of the decision-making process. Governance is not only an exercise of power, but it also combines a complex of social mechanisms, processes and institutions through which citizens and groups express their interests, articulate their differences, exercise their rights and fulfill their responsibilities.

The role of monitoring and evaluation of public projects as instruments of *good governance* can be found in several important areas:

1. They create transparency - procedures, institutions and information are directly accessible to stakeholders and the public, enabling social projects to be understood, monitored and evaluated. The transparent management system has clear public decision-making procedures and open channels of communication between stakeholders and public officials.

2. Monitoring and evaluation provide accountability - they provide information on the extent to which the project achieves its objectives, how rationally public resources are used, what are the public impacts, etc. This creates an opportunity for stakeholders to provide and receive information that is crucial to detecting abuses and protecting their interests.

3. They guarantee management accountability - institutions need to constantly seek to take into account the interests of all target groups and stakeholders in the implementation of policies and programs. Public sector politicians and employees should be accountable to stakeholders and the public for the exercise of their powers, to take action on criticism or demands put by citizens, and to take responsibility for mistakes and incompetence.

4. Monitoring and evaluation improve the quality of the implementation of social projects as well as the results achieved, the products created and the services provided. The capacity of institutions, organizations and communities implementing policies and programs is improving and developing.

5. Through monitoring and evaluation mechanisms are created for participation - citizens are given the opportunity to participate in decision-making regarding the evaluation and changes in the implementation of social projects - directly or indirectly by the legitimate institutions that represent their interests.

6. They are instruments of consent - good governance takes into account and aligns different interests to reach broad agreement on what is in the interest of the community and, where possible, to agree on policies and procedures for implementing projects. In the process of monitoring and evaluating social projects, stakeholders are given the opportunity to influence them.

7. Monitoring and evaluation contribute to the effectiveness and efficiency of projects and the building and development of a strategic vision - institutions achieve results that meet public needs by making best use of available resources. Leaders and the public build a broad long-term perspective on good governance and development.

The monitoring and evaluation results support the development of measures and instruments for the development of the project. This is of particular importance for the achievement of the objectives of the project and its long-term sustainability. Projects have a *social cost* that must be set in time to attract the resources they need. Anticipating social cost, identifying risk groups and identifying mitigating measures support project implementation.

The implementation of social projects is a social process, not just a consequence of administrative or technical decisions. The public strategy under whose hat a project is to be implemented must answer the question of how to mobilize, organize and coordinate the actions of the various stakeholders in order to make it a reality. Not all parties involved can be expected to agree to and actively support a project. *Consent* and confidence building measures, *conflict* resolution and acceptable options negotiation are areas where monitoring and evaluation can significantly contribute to the successful implementation of a project.

Monitoring and evaluation are not only a means of understanding deeply the problems, but also of finding feasible solutions. They add a healthy dose of realism to the

response of government in contradictory situations. Social, economic and political mechanisms should be identified and purposefully mobilized to achieve the goals of policies and programs.

Monitoring and evaluating projects has no substitute for these tasks. They are also a functional complement to traditional economic and technical analyzes. When deciding on public policy reforms, there is a clear need for economic and financial analysis in order to calculate costs and mobilize the necessary resources. Social risks and social costs must also be thoroughly analyzed.

Monitoring and evaluation can also be a means of assessing the social costs, risks and benefits, of determining and mitigating the social cost and the impact of these elements in the implementation of projects.

Ultimately, the purpose of monitoring and evaluating social projects is to consider whether it is possible to improve the quality of life, well-being and opportunities for prosperity of citizens. Project monitoring and evaluation empowers managers to formulate development priorities by systematically seeking to address a number of key questions that are relevant to policymakers, managers, stakeholders and citizens:

- What is the significance of the effects of project or program implementation on the various target groups and stakeholders?
- Are there serious risks that threaten the implementation of the project, or are there serious risks that jeopardize the implementation of the project or the successful achievement of the intended results?
- Are there any unforeseen negative consequences of the implementation of the project?
- Are adjustments needed and how should the project be implemented?
- The implementation of social projects is fraught with many problems and even risks. The task is to identify and take them into account, using appropriate methods and tools to collect, analyze and provide operationally relevant information for decision makers. In order to be effective, monitoring and evaluation is desirable to be carried out in the early stages of work on the project concerned and to continue as a continuous iterative process during its implementation until the final evaluation.

III. Control of project implementation

III. 1. Performance monitoring

The purpose of monitoring is to observe and take care of the implementation of the project:

- Management control uses the information collected for what has been done so far to develop the necessary future actions;
- Control must be carried out at an early stage - any deviation must be identified and reported to the manager as soon as possible;
- Deviations must be identified early enough so that corrective action can be taken before the project objectives are seriously damaged.

Monitoring and control system requirements – they should:

- be understandable to the people who will use it;
- be associated with the overall organization;

- deviations from the plan be reported at regular intervals so that corrective action can be taken before the negative deviant consequences become serious;
- be flexible enough to keep pace with changes in the organizational environment;
- indicate the nature of corrective actions that will return the project back to the plan;
- be linguistically and visually good;
- be developed with the active participation of all people and groups involved in the project.

Types of control:

Cost control

Each organization develops its own cost control system depending on its specific activities.

General criteria of the control system:
- Reporting information about actual costs compared to planned;
- Reporting information should be timely and provided at such times as will allow management to make decisions in the event of problems;
- Collection of information and cost accounting should not be an obstacle to the project implementation;
- The cost statement is developed according to the organization's accounting practices and the donor's requirements for the format of the report.

Quality control

- Quality assurance is the process of setting standards for project implementation, measuring and evaluating the implementation of these standards, preparing reports and taking corrective action when there are deviations from the standards;
- Quality control is a mechanism that involves the monitoring, testing, recruitment and analysis of the information needed for that purpose;
- Each organization develops a control system of its own;
- System planning requires that criteria be defined to meet the results achieved and how they are compared with those planned.

III. 2. Report and evaluation of project implementation

The report provides the donor with information about the environment and the factors influencing certain social processes; feedback on the objectives achieved and the effectiveness of a particular type of project. Donors build their policies to fund certain types of projects. The organization builds its image in front of donors and programs to attract further funding.

Requirements for the project report – it should:

- provide the donor with information about the capacity that organizations need to be able to successfully complete a project

- motivate donor policies in selecting supported organizations
- create transparency for the community about the activity

Content of the report – it should include*:*

- Brief general information about the project
- Implementation period
- Information about the support provided - donors, partners
- Information about the scope of the project - geographical, target group, etc.
- Information about the team
- Description of the activities carried out
- Information about the difficulties that have been overcome and how
- Evaluation of the results achieved
- Evaluation of changes in the capacity of the organization
- Recommendations for the implementation of such projects

Financial report – it should:

- ensure that the donor spends the project funds appropriately
- creates transparency for the public
- monitors the balance of received funds and the costs incurred under the project
- warns of a potential risk of overspending or misappropriation of funds
- the financial data should be reflected in accounting

Documentation accompanying the report has the following features:
- Document flow allows the comparison of the primary project documentation with the financial statements
- Keeping primary documentation in separate registers for easy verification
- Each document should be dated and have a separate file each month
- the financial statements should conform to the format of the budget
- keep records in categories
- Keep receipts and invoices for each payment for several years after the end of the project
- reports to be prepared within the timeframe specified by the donors
- The financial statement must indicate the currency in which the expenses are presented and the period to which they relate.
- The financial statement must contain information about the remaining unspent funds of the project
- The donor organization provides a pre-prepared financial form

IV. Types of project evaluations

IV.1. Ex-ante, ongoing and ex-post evaluations

The most common type of monitoring and evaluation of social projects carried out in social practice is according to the phases of the social project - at its beginning, during its

process or end. Of course, there are other types. Monitoring and evaluation according to their goals and methods, according to their territorial scope, duration and degree of depth, etc. can be mentioned as such.

It is clear that monitoring and evaluation in each of the project phases allows:
- make a preliminary evaluation of the impact of the project or program;
- measure the progress made in the implementation process;
- to evaluate the final effect against the expected results.

Ex ante evaluations help identify social needs, formulate goals for social projects, target them properly, identify target groups, and take into account risks and challenges. They perform diagnostic functions, reveal their relevance and applicability, assisting their development.

Ongoing evaluations track the progress of ongoing projects and the quality of their implementation.

The final and ex post evaluations focus on the results achieved and the impacts achieved.

However, there is not always complete agreement between the program cycle and the evaluations carried out. Sometimes preliminary estimates can be made
implement too late to help formulate policies or develop programs. It is possible to change already started programs when the evaluations are in progress and the methods, criteria and indicators chosen are not relevant to the changes made. It is therefore of the utmost importance that the evaluations are properly aligned with the phases of implementation of the social projects.

Ex ante evaluations

This type of evaluation is usually carried out as early as the formulation of public policies and the development of relevant projects and programs, prior to their implementation. They help to identify the goals, tools, methods and resources within which the policy or program will be implemented. They more effectively guarantee the realism, adequacy and coherence of social projects.

Their main purpose is also to evaluate in advance the possible consequences of policy implementation, to take into account the needs and expectations of stakeholders, to assess existing risks and potential conflicts. This is especially important for the proper definition of the social problem and the *alternatives* for solving it.

Anticipating social arrangements and social participation in the implementation of the social project, including collective social action, can be a significant proactive contribution to the design of the social project and to its implementation strategy. This contribution must become an integral part of the preparation and follow-up of implementation of projects and programs. A key function in this initial phase is to diagnose the needs, interests and desire to support
stakeholder policies or programs that increase their chances of successful implementation.

Ex-ante evaluations also provide a basis for evaluating ex-post (concluding) monitoring, ongoing evaluations by formulating explicitly measurable objectives and evaluation criteria. At the same time, they are often subject to serious constraints - insufficient time, privacy requirements, political and lobbying pressures, vaguely formulated policy goals, and more. For this reason, evaluators must be able to take swift, flexible and

adequate actions, apply relevant methods and techniques of analysis and evaluation, and support the setting of clear and achievable societal goals, results and impacts.

Ongoing evaluations

Ongoing evaluation, which is often based on information received from ongoing monitoring, is carried out during the very implementation of social projects. Through monitoring and on-going evaluations, the distribution of project impacts can be measured at an earlier stage, minimize or mitigate negative impacts and risks, and further encourage stakeholder involvement. They identify problems encountered in the implementation of social projects, deviations from the envisaged course of action or expected results, unanticipated negative effects, etc.

The interim evaluation can be carried out after the completion of the implementation of a phase of the social project, in order to evaluate the progress of its implementation so far and to make adjustments for the next stage. Depending on the conclusions drawn in the evaluation, changes in the implementation of social projects may be proposed. By comparison with the baseline situation, it is possible to assess whether the actions and interventions envisaged are relevant to changing socio-economic conditions. This makes it possible, if necessary, to propose reasonably adequate changes in the goals, content, measures, timelines, etc., of the social project.

Ongoing monitoring and evaluations provide reliable feedback to managers and contractors, creating the conditions for better management, refinement and development of social projects.

The concept of on-going evaluation is extremely flexible and it depends on the project managers what, when and how to evaluate in it. However, it is a good idea to draw up a plan for the upcoming ongoing evaluations, which in many cases has a long horizon. It indicatively indicates the duration, number, topics, available resources, methods of award, scope (national, regional, European, etc.) and other important parameters of the envisaged evaluations. In-depth evaluations of specific intervention measures or areas may also be undertaken. Thus, monitoring and ongoing evaluations make it possible to identify what is working and what is not in the implemented policies and programs, so that appropriate "remedies" for the problems registered can be sought.

Ex post evaluations

Ex post evaluations recapitulate the overall implementation of the social project, the results obtained and the impacts achieved. They aim to determine how public resources are used, the effectiveness of the interventions carried out, the extent to which the intended objectives are achieved. The factors for success or failure, the sustainability of the results and the impacts of the social project are analyzed. Summarized conclusions are drawn, which may also be valid in the implementation of other similar policies or programs.

Impacts may not always be identified and measured immediately after completion of the program, and sometimes this is done even a few years later. These estimates are typically completed within 12 to 18 months later. Impact evaluation is an extremely complex process that will be dealt with separately in the Part Two of this training manual.

There are several different methodological approaches to assessing social projects that have a specific focus and orientation:

1. Resource allocation and utilization - both when developing social projects (how resources will be used) and retrospectively (how resources were spent). An example of this is a cost-benefit analysis, focused primarily on evaluating the cost-effectiveness and efficiency of the social project's delinquency of the social project.

2. Development of standards and / or measurable goals - criteria and indicators are formulated to assess the success, quality of implementation and impact of the social project. For example, benchmarking, oriented towards the extent to which certain goals are achieved, is such a method. It is mainly aimed at assessing the effectiveness and impact of the social project.

3. Understanding and explanation - An explanation is sought for the effects of the social project and the causal relationships with its elements and the interventions performed (what, how, when, under what conditions "works" well). An example of this approach, aimed at improving the quality of the implementation of the social project, is the thematic evaluations of various specific interventions in a given field and the identification of which of them and why they were successful or unsuccessful in the given circumstances.

4. Change and self-regulation - provides more complex feedback to ensure self-correction and development of the social project in the course of its realization. The monitoring and on-going evaluation, which provide feedback on policy implementation and program implementation with a view to making adjustments and changes, illustrates this approach, contributing to improving the design and implementation of public projects.

5. Involvement and participation - aims at cooperation and development of partnerships, networks, communities and territories through active involvement in the evaluation of all stakeholders. Advising, field and seminar methods, focused on the active involvement of stakeholders in the development, implementation, monitoring and evaluation of social projects, are an example of this approach.

Social impact evaluations can be carried out both before the launch of policies and programs, and during their implementation and after their completion. Social Impact Evaluation covers all the social and cultural implications for citizens of implementing a social project, changing the way people live, work, relate to each other, organize their needs, and generally participate in the life of a community. Cultural influences refer to changes in the norms, values, and beliefs that guide people's behavior, attitudes, perceptions, and perceptions of the community in which they live. Social Impact Evaluation analyzes people's values, approaches and preferences regarding resource use, as well as their ability to adopt and participate in the project implemented.

PART TWO
METHODS

I. What is observed and what is evaluated?

First of all, the monitoring focuses on each of the individual elements of the project in order to assure their evaluation for control and regulation.

In more detail, each element of the project must be carefully analyzed in order to evaluate

- its original form and content,
- its functioning as it has already been formed.
- correction of its form and content
- correction of the direction and the degree of its realization.

It is known that in one sequence of elements, if the previous one was not correctly formulated, or if it was well formulated but incorrectly implemented, then the next step would by definition suffer some degree of failure. This is precisely what should be avoided.

The methodology for monitoring and evaluating the quality and impact of social projects is about identifying and distributing the monitoring and evaluation efforts over the individual sequential elements that make up a social project.

We accept that a social project consists entirely of the following coherent elements:

I. Planning
  1. Defining the social problem that needs to be solved;
  2. Defining the criteria for evaluating the alternatives for its decision
  3. Identify alternatives and evaluate each alternative;
  4. Comparison of evaluations and choice of alternative (plan A and reserve plan B);
  5. Identification of the target group and stakeholders;
  6. Resource planning;
  7. Planning of actions;
  8. Preliminary monitoring and evaluation. Adjustment.

II. Organization
  9. Creation of organization and management structure of the project;
  10. Involvement of the public in the project;
  11. Role and team formation;
  12. Institutional environment of the project;
  13. Situational analysis;

III. Execution
    14. Implementation of the action plan;
    15. Implementation of the budget;
    16. Ongoing monitoring and evaluation. Adjustment.

IV. Adjustment
    17. Final monitoring and evaluation
    18. Control
    19. Regulation

There are separate monitoring and evaluation activities for each of these elements.

Prior to the drafting of the project and therefore before the monitoring and evaluation of its implementation, a few initial questions should be answered. The answers are later included in the scope of the social project impact evaluation.

In this initial phase, answers to the following questions must exist:
- What are the problems that will solved?
- What are the causes of these problems?
- Who is the project targeted at (target group)?
- Who are all the stakeholders?
- Which of them will help and which will prevent the project from success?
- How to involve stakeholders in the project?
- What goals does the project have that should be achieved?
- Are these goals achievable and realistic?
- How can the goals of the project be achieved?
- What is the best way to achieve these goals?
- Will we start developing the project or not?

II. Monitoring and evaluation of project planning

II.1. Monitoring the definition of the social problem and setting the main and auxiliary goals

Problem identification and analysis

In order to identify problems, it is necessary to analyze the available information (documents, statistics) on the status of the sector, region, target group, etc.

Additional information can be collected by the following methods:
- discussions with stakeholders
- direct observations
- surveys
- interviews
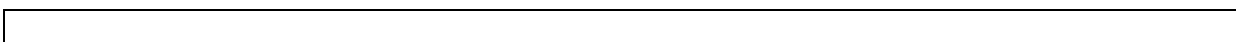
The Brainstorming method is most effective and efficient for identification of problems.

Problem analysis identifies the shortcomings of the real situation and establishes causal relationships between existing problems.

The analysis is carried out in the following order:

- Exactly define the framework and theme of the analysis
- Identify the main problems of the target groups
- Make a preliminary evaluation of their relative importance
- Determine the interconnections between problems
- Make a detailed analysis of the problems and the links between them

Compiling a Problem Tree

Monitoring should first discover whether the central problem is properly identified:

It should be noted that the problem in the focus of the project is not the existential existential problem (e.g. Bulgarian students rank last in Literacy in the European "Pisa" competition) but such a problem should be turned into a solution alternative (e.g. "The low level of computerization of the educational process in Bulgaria is a major factor in the lower literacy rate of Bulgarian students in the modern era"). This is necessary in order to create further alternatives in the form of branches of the general problem for solving it in order to identify later the best among them, which will be the basis of the project.

- the central problem is posed in the center (formulated as a solution to the problem, not in its original existential form)
- its branches are the possible solutions
- one of the branches (one of the decisions) by obligation is "no-action" (i.e., if no action is taken or if action is taken such that does not lead to an change but rather to preserving the status quo from the previous period)

Further, monitoring should disclose whether the main objective of the social project is properly identified:

Main objective

The main objective is the desired future state to which the project will contribute.

Specific features of the main objective:
- it is related to the broad problem that the project will help to solve;
- in determining it, we need to ask what the result of all our efforts will be;
- the full impact of the project is manifested at the level of this objective;
- its realization brings long-term benefits to the final beneficiaries and wider benefits to other groups;

- it helps illustrate how the project fits in with the government's regional or sectoral strategies and strategic objectives;
- it should be designed for a longer time period after the project is completed.

Specific objectives

The specific objective is the desired future status that is expected to be achieved within the project:

- It addresses the underlying problem and should be defined as sustainable benefits for the target groups.
- It is a description of the short-term effects that will result from the achievement of the project results.
- It determines the specific intentions of a program or project.
- The successful achievement of the specific objective will contribute in the future to the achievement of the main objective.
- It represents precisely defined intentions that are maximally quantitatively and qualitatively defined.
- it is related to the main goal, it is specific, not general, and defines WHAT, HOW MANY, WHEN and WHERE to be done.

Objective requirements – are they met should be found out next:

SMART test – goals should be:

• Specific
• Measurable
• Achievable
• Relevant
• Timed

Purpose of the specific objectives of the project:

- They make clear the desired changes;
- They indicate the magnitude of the changes;
- They determine the direction of development;
- Their progress can be quantified;
- Implementing them is about helping to achieve the main goal;
- They determine the achievement of at least one major outcome;
- They need to be understandable, realistic and achievable;
- They need to be mobilizing and stimulating;
- They need to be specific and contain accurate and verifiable information;
- They determine what and when will be done, not why and how;
- They should comply with laws and policies;
- They should be consistent with available and expected resources;

- They should reflect on the timing of the changes;
- They should provide a baseline for evaluation after project completion.

For example, "Ten Golden Rules for Writing a Project"

- Capture and hold the donor's attention
- Use the donor language
- Be positive
- Express yourself understandably and specifically
- Be realistic
- Use the donor's guidance
- Focus on one problem
- Inspire confidence and security
- Submit a complete concise version

II. 2. Monitoring when determining the criteria for evaluating alternatives to solving the problem

The main evaluation criteria are – and their coverage should be monitored:

- project value
- availability of resources
- benefits for the target group
- likelihood of achieving the goals
- the effectiveness and reliability of the solutions offered
- technical feasibility
- market demand for project products
- social impact
- environmental impact
- sustainability of the project
- institutional capacity
- compliance with the principles of sustainable development
- Organizational capacity
- trust in partners
- legal and regulatory prerequisites and restrictions
- the time factor
- the likelihood of one or the other concept being endorsed by donors

Indicators are variables that measure changes that have occurred. They are quantitative and qualitative characteristics of the project goals and results used to evaluate their achievement, and the project resources used to evaluate their delivery and consumption.

Indicators are specific, objectively verifiable markers of change and performance.

The selection of indicators is always one of the major challenges in preparing a project proposal (form). However, the requirement for measurability of results in an

appropriate manner is fundamental in the evaluation of the project proposal and further in the evaluation of the individual stages and final results of the project implementation.

Types of indicators

- Resource indicators – they measure the use of project resources
- Output indicators – they measure the realization of project results
- Goal indicators – they measure the achievement of the objectives and determine the impact of the project impact

Requirements for indicators

- Appropriate – they should provide useful and important information on the progress of the project, be related to the objectives, the difference in readings is statistically significant
- Valid - changes in the amount of the measured value should have direct application in the project
- Clear - to check whether the value of the indicator should be increased or decreased
- Objective – they should show the same result when measured by different people
- Accurate – they should give a realistic estimate of the value measured, to avoid addictions, exaggerations, omissions or errors that would make the meter inaccurate and misleading
- Timely - Data should be collected and analyzed in a timely manner for decision making
- Comprehensive - The final set of benchmarks to cover all major and significant aspects of the project
- Simple - people understand what it means, why is it important, and how they can influence it
- Cost effective - the results obtained justify the time and money spent on data collection
- Sensitive - the indicator should respond to changes in the situation, to reflect the dynamics of activities and conditions
- Understandable - the meanings of the indicator should be interpreted uniquely and without difficulty by the people using it
- Useful – they should help us determine if the direction of the development process is right

II. 3. Monitoring the identification of alternatives and evaluation of each alternative

Alternative solutions to the main problem, or "stem of the tree", (one of them no-action alternative) are the branches of the Problem Tree. Each alternative is evaluated against the criteria above. The score of each of the alternatives serves to compare it with the other alternatives and to choose the best one.

- There are different ways (alternatives) to solve each problem.
- Options for solving the central problem on the fast track of achieving the main goal are presented by the individual branches of the Goal tree. Options represent different project approaches (project strategies).
- It is a good idea to study the various solutions already applied in the community and elsewhere, try to find as many alternatives as possible, and then decide which one is best.
- Creating an appropriate set of alternatives that can contribute to the achievement of the project objectives is essential for the successful implementation of the project.

Analysis of alternatives.

- The analysis of alternatives (strategies) involves deciding which of the main and specific goals to include in the project, which ones to drop and which ones to reformulate.
- The result is a choice of strategies to achieve the desired goals.
- Once you have identified the alternatives, you need to come up with clear criteria for evaluating them and choosing the right one.
- The criteria may vary depending on the nature of the project.

II. 4. Monitoring about the comparison of evaluations and choice of alternative (plan A and plan B)

Once selected, the alternative must be followed throughout the project. The project follows the alternative chosen as the best. It has been determined after evaluating all other alternatives and has proven to be the best. This is the so-called. Plan "A". Each project must also include Plan B. The reason is that the project evolves over time, i.e. the problem is resolved over time. But the longer the period (even though it may seem "short"), the more uncertainties can arise, and, in this way, certain risks. Within a given framework, the chosen alternative (Plan A) will continue to be the best one. But there may be some unexpected changes of greater dimension that make the chosen alternative actually unfavorable at some point in time. A good project must have a back-up alternative in order to achieve its objectives. The only thing that should never change is the main goal - to solve the social problem fixed at the outset. If the latter appears the case, a withdrawal from the project (stopping it) is inevitably the result. A new projest would be then needed for solving the newly appeared problem.

In all other "regular" cases of change monitoring should identify:
- Is there a plan "B";
- In view of this other alternative, what features are there that complement and extend the features of Plan A in critical areas;
- Is there sufficient preparation to switch from Plan A to Plan B and whether this will prove to be premature or not.

II. 5. Monitoring the identification of the target group and stakeholders;

Target group

> The target group of the project consists of the users of the benefits created by the project. These are the people who are targeted by the end result of the project activities.

When describing the target group, we should keep in mind:
- Who is the project aimed at?
- Who will be influenced and supported by the project?
- Whose behavior seeks to change the project?
- What is the possibility of group formation?

Target group characteristics:
- geographical area
- gender and age
- Social strata
- level of education
- income
- Ethnicity and religion
- motivation to participate in the project
- access to social services
- number of group members to be supported by the project

Stakeholders means all persons, groups of people, institutions or companies that may be involved in the project, may have claims regarding the project's attention, resources or products and may be affected in a positive or negative sense by the results obtained.

A clear distinction must be made between this:
- Which are the stakeholders that will be affected in some way by the implementation of the project?
- What exactly are those (target groups), sections of society that will directly benefit from the project's output?
- What are the colleagues, partners, associates, associates with whom one plans to carry out the project?
- What are the other organizations that can be involved as partners in the implementation of the project?

Stakeholder analysis:

During the analysis you should answer the following questions:
- What are the project stakeholders' expectations?
- What criteria do they use to evaluate the project from their perspective?
- How well will the project be implemented in the context of their expectations and criteria?
- What is the likely impact of project results on stakeholders?

- What can be the contribution of each stakeholder in the project preparation and implementation process?

Stakeholder interest evaluation:

- Determine the importance of stakeholders in solving the problem.
- Consider how and to what extent each problem will be addressed.
- Compare the potential of each stakeholder to deal with the problem.
- Find out where there is a clash of interests.
- Prioritize different interests.

II. 6. Monitoring the resource planning

> Resources are the human, material, time, finance and institutional input needed to carry out the activities and to obtain the project results.

- Without them, activities cannot be carried out, which means that no results will be achieved.
- Accurate allocation of resources avoids common problems with shortages of equipment, services, materials and people in the implementation of the project.
- Resources must be determined by quantity and quality
- Resources are not money, rather these are goods and services that can be bought with cash.

Features: resources should be --

- be quantified and or quantifiable
- be determined by quality (type)
- the duration of their use should be known
- their value should be known
- the time and place of delivery should be specified
- there should be a definite beginning of use
- their purpose should be known

II. 7. Monitoring the planning of actions

The activities are the specific actions described in the project proposal, taken by the project team and partners to achieve the results stated by using the project resources. They show what will be done step by step in the project and are committed to engaging specific resources and timelines.

Requirements for the formulation of activities:

- should be expressed as actions to be taken, not results achieved
- should include all necessary activities to achieve results

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- their performance should be checked by its quantity, time and place
- should not include activities the implementation of which cannot produce the necessary results
- should determine who is responsible for carrying out the activity
- should determine the timeframe and the place for carrying out the activities
- should have a timetable for the activities
- should determine the necessary resources for each activity

III. Monitoring and evaluation of project activities organization

III. 8. Monitoring the creation of organization and management structure of the project

> The management structure is a team of people involved in project implementation with specific roles, responsibilities and hierarchical dependencies.

- The management structure is different for each project and is determined by the specificity of the project itself
- The source of the management structure is the project development team
- Each person involved in the project must have a job description in relation to the project (not in relation to the role he / she is currently playing in the organization)

The project management structure should:

- indicate the number of participants in the project
- determine the type of participants (qualitative characteristics in terms of positions and responsibilities in the project)
- indicate the hierarchical dependency (who is subordinated to whom)
- determine the decision-making procedures
- identify those responsible for achieving each specific outcome
- determine management control points by type and time
- define those responsible for spending the budget
- determine the monitoring and control system

III. 9. Monitoring the involvement of the public in the project

It should be monitored whether most of the following possible members of the public are involved:
- Non-governmental organizations (NGOs)
- Local authorities
- State institutions
- Business sector
- Educational and scientific institutions
- The media

III. 10. Monitoring the role structure and team formation

The relevance of the main participants in the project team should be monitored; these are usually:
- Project manager
- Financial accountant and accountant
- Fundraiser
- Technical Assistant
- Project Coordinator
- Disclosure Officer
- Education Officer
- Experts (internal and external)
- Executive staff

Building a project team.

The characteristics of the team to be evaluated are – they should have:
- a common goal
- interaction between team members
- allocation of tasks and responsibilities
- role behavior
- group identity
- group work
- individual work

The characteristics of the competent team are:
- good social and professional relationships
- fruitful and open discussions
- high trust among team members
- ability to receive criticism
- Internal discipline
- low levels of tension and conflict
- tolerance
- team culture

It should be checked whether *all* answers to the basic practical structure questions during the formation of the team are available and clear:
- What should the team accomplish?
- What is my role?
- What is the role of others in the team?
- How will I do my job?
- When and how long will it take?
- Where and with whom should I work?
- Is it possible to combine regular work with project work?
- Who will replace me if necessary?
- To whom am I subordinated and who is subordinated to me? What is my power?

- Who should I contact for problems?
- What is my responsibility for the project?
- Who will evaluate my work?
- When and to whom will I report?
- What reward will I receive?
- What happens to me after the project is completed?
- What is my benefit from participating in the project?

Further, it should be monitored whether there are interruptions and gaps in the process of creation and development of the project team:

Main stages in the development of the team

- Formation - Each member must exercise impartiality, honesty, caution and vigilance.
- Placement – coping with confrontation, conflict, exploring options, difficulties, leaving, decline in motivation.
- Norming - organizing, improving, building systems and feedback, orienting, opposing ideas, assessing competence.
- Functioning - approaching affinity, maturity, resourcefulness, flexibility, openness, effectiveness, support, sharing, tolerance.
- Evaluation and disbandment - we need to evaluate the team, how it worked, whether it met the tasks set, whether it achieved the goal and disband the team.

Principles of a successful team

The following principles should be shared and followed by the members of the project team in order to ensure its effectiveness in the implementation of project activities and compliance with the set deadlines:
- Each individual member believes in success
- The team and management believe in and trust the team leader
- They all work together to achieve the common goal
- Everyone knows what to do and why to do it
- Work is planned, coordinated and controlled
- The team anticipates the problems
- Instead of saying, "This can't be done because ...", they say, "We will reach our goal by finding a way to overcome the problems."
- The team members never repeat the same mistake
- Everyone hears the words of others

III. 11. Monitoring the institutional environment of the project

The status of the project is evaluated in the following areas:
- study of the requirements of the donor organization regarding the institutions involved in the project - the implementing organization, partners, stakeholders, beneficiaries, subcontractors

- study of the institutions involved or affected by the project and their objectives, mandate, legal status, work program, infrastructure and equipment, hierarchy location, organization, management, staff and financial resources
- exploring the contractual relationships between the different institutions
- Comparison of the advantages and disadvantages of variant decisions regarding the location of the project in the hierarchy of an institution
- the extent to which a particular project location can be controversial or politically sensitive
- Coherence between project activities and the geographical and functional responsibilities of the recipient institution

III. 12. Situational analysis

- formulating an approach (the desired effect, the theme of the project);
- specialization of the organization in the implementation of a certain type of project activity (niche);
- evaluation by the organization of the factors and the environment in which the project is carried out;
- evaluation of the success of previous projects;
- the ability to provide appropriate resources.

Desires for the implementation of a certain type of projects should be combined with the professional orientation of the organization, with its capacity to carry out a certain type of activities.

IV. Monitoring and evaluation of project activities implementation

IV. 13. Monitoring the implementation of the Action plan

The Action Plan is a carefully drafted document showing how, where, when and by whom the project results will be achieved.

What information the action plan provides us with is:

- whether the project objectives are achievable
- what resources are needed to achieve them
- whether the time allocated is sufficient
- what are the risks associated with achieving the objectives
- What are the responsibilities of the team

A well-designed action plan should help the avoidance of:

- aggregation of many activities in the same time interval
- Insufficient resources available
- the possible omission of necessary activities

- lack of mutual understanding of the interdependencies and relationships between the different activities
- unclear formulation of the links between activities and results
- Delays in the delivery of resources that would disrupt the implementation schedule
- optimistic or unrealistic expectations about project results are unacceptable

What the action plan should include:

- the results to be obtained
- the activities required to get results
- the resources and time required to complete the activities
- those responsible for delivering the results
- interdependencies between activities
- external dependencies on the provision of information, products or services
- monitoring and control points

IV. 14. *Monitoring the implementation of the budget*

Project budget

The budget represents a cost financial plan for the project resources needed to carry out the activities. It shows what will be done, how much money will be needed and what are the sources of funding.

The monitoring of this element must take first into account the purpose of the budget, which:

- serves as a tool for linking activities to funds
- demonstrates the appropriateness of costs
- Provides information on cost effectiveness
- Provides information on the necessary funds at all times
- Assists the organization in the project management process
- Is required when applying for funding
- serves the donor as an element of project evaluation

The basic budgetary requirements of a project should also be considered:

- they should be drawn up in the currency specified by the donor
- be as realistic as possible in terms of prices (actual market prices at the time of project preparation)
- be as accurate as possible in determining the types of costs
- Apply for as much money as you need
- convince the donor that these are the necessary and sufficient amounts (neither more nor less)
- Develop a justification showing how you received the figures
- the explanations to it must be detailed and comprehensive

> Note that all payments are future payments; present prices do not apply without discounting!

Donors usually provide a special Application Form and budgeting requirements.

It should be specified whether these instructions state:

- the types of budgets to be drawn up
- the type of currency in which the budget is to be drawn up
- the amount of funds that can be applied for (maximum and sometimes minimum amount)
- the maximum total value of the project
- the amount of own contribution
- type of own contribution (financial and non-financial contribution)
- other sources of funding
- the type of costs
- eligible and ineligible costs
- Percentage ratio between some types of expenditures and total budget

In principle, the following types of budgets exist

- Activity budget
- Budget by type of expenditure
- Budget by source of funding
- Budget by funding stages
- Time budget / months, years /
- Territorial budget
- Institutional budget

The form and type of budget are usually set by the financing institution. It is very often required to develop several types of budgets that carry different information about the resources needed. Combined budgets are also used for convenience.

Budget by activities

- It should follow the logical sequence of the activities envisaged in the project
- The valuation of each activity is based on the valuation of the resources used
- The valuation of resources should be at prices that are valid at the time of budgeting, taking into account expected inflation.
- the activity budget gives an idea of the allocation of resources to achieve the corresponding effect
- gives an idea of how much it costs to achieve each project outcome
- Check that the planned allocation of funds between activities corresponds to the degree of their importance

Budget by type of expenditure

- It should be drawn up on the basis of a resource schedule, grouped by type (budget items)
- The guiding principle is what kind of cost is involved, not what kind of activity it relates to
- the calculation of the value of each budget item is based on the amount of each resource required and its unit value (cost).
- The pricing of each expense is based on the information gathered from the organization from the offers
- a unit of measure is also assigned to each resource type
- Aggregated budget headings are analyzed and evaluated with a view to budget realisticness and optimization opportunities for some resources.

Typical budget spending items:

- Remuneration
- Tours (travel, lounge, hotel)
- Equipment costs (equipment, equipment)
- Materials and supplies
- Administrative costs
- Editions
- Seminars / Conferences
- Other expenses

Budget by source of funding

- Own funds
- Attracted funds
    - Grants
    - Borrowed
    - From partners

Budget by funding stages

- Used for tranche-funded projects
- The size of the tranches and stages of funding are determined by the donor
- There are standard and individual approaches
- this type of budget gives us information on the necessary funds at each stage of project financing

Time budget

- It is prepared on the basis of the necessary time resources for fixed equal periods of time (months, years)
- Provides information on how quickly the budget is spent

Territorial budget

- It is required when a project is implemented in different territorial units (countries, districts, districts, municipalities, settlements, etc.)
- Provides information on the allocation of funds by territory

Institutional budget

- Required when different institutions participate in the project and receive separate funding
- Important for international projects where resource prices and accounting standards are different

Monitoring of the project budget focuses on the question: Has the funding strategy been followed?

IV. 15. Ongoing monitoring and evaluation. Adjustment.

V. Regulation

V. 16. Final monitoring

The ex post final monitoring focuses on the project risks and the measures taken to cope with them during the implementation as seen from the project end. This information is considered most important and valuable for control and regulation.

Project risks

Nature of risk: Risk is the likelihood that certain adverse events will occur which will have a negative impact on the implementation of the project.

Project risks cover all the factors (situations, events, conditions or decisions) needed to successfully complete the activities, obtain the intended results and achieve the project objectives.

Sources of risk

External risks of the project

The external risks of the project are related to its environment. External risks are contained in the following areas:

- relevance of the project
- similarity of project objectives with development strategies
- the institutional environment of the project
- legal and regulatory framework
- political factors
- public opinion
- environmental issues
- influence on target groups and stakeholders
- Concerns that the deliverables will meet the requirements but not the expectations

Internal risks

These are the threats that the project will not be able to deliver its deliverables within the set time and resources due to internal organizational reasons. These risks can be managed on a daily basis by the project team.

Sources of internal risks:

- problems with the supply of goods and services
  - problems finding suppliers
  - problems with contracting
  - problems with the timely delivery of goods and services
  - problems with the installation and commissioning of machines
  - problem with the quality of goods and services

- problems related to organizational factors
  - inappropriate organizational structure of the project team
  - additional staff involvement
  - lack of management experience
  - team problems
  - problems with partners
  - lack of skills

- Problems related to determining results:
  - there are gaps in determining the results
  - inability to properly define the requirements for the results
  - inability to fully meet the requirements, using the tools and approaches available
  - presence in the project of innovation
  - quality control problems
  - the risk that the specific performance requirements will not be fully implemented
- Once the risks and their sources have been identified, they are recorded in a risk register, which is monitored and updated during the implementation of the project.

Risk analysis

Risk analysis is directly related to *risk management*. It indicates that the project management is aware of the potential risks and threats and has carefully considered them.

The analysis includes the following activities:

- identifying risks - identifying potential risks for the project
- risk measurement - determining the importance of each risk by assessing the likelihood of an adverse event occurring and the consequences of doing so
- risk evaluation - deciding whether the level of risk is acceptable or not, and what action should be taken to reduce it

The results of the analysis are recorded in a risk register:
- All identified risks are recorded
- The importance of each of them is determined on a certain scale
- The probability of everyone coming true is determined
- The estimate of each risk is calculated as a product of importance and probability
- The risk evaluation of the whole project is equal to the highest of the individual risks analyzed
- Risk control measures are defined

V. 17. Project evaluation

The evaluation of the project is a process of critical analysis of the project in terms of its usefulness, acceptability of the set goals and the envisaged activities, logic, feasibility and potential effectiveness.

Evaluation – it should clearly state:

- Is the specific project element (element by element) reasonably and fully developed?
- If No, can it be repeatedly worked on?
- If No, are additional resources (financial, human, time, information, etc.) needed?
- If Yes, has the project element analyzed clear logical connections to the rest of elements and most importantly to the neighboring elements?
- Are there elements that are not related to the elements below and above in the hierarchy?
- Are there any missing components?
- If Yes, indicate which one should drop out or opt in.
- How will the element lead to the achievement of the final desired overall result of the project?

Project Quality (Expert Evaluation) – estimates about:

- The degree of compliance with the needs of the target groups.

- The degree of awareness of the problems of the target groups
- Adequacy of the proposed solutions and their relevance to the problems
- Adequacy of the project methodology
- Evaluation of project objectives
  - Clear and well-formulated goals
  - Interconnection of specific goals
  - How realistic the goals were
- Evaluation of results and activities
- Quality of plans (financial, action) and the schedule of activities
- Compliance of the budget with the instructions
- Compliance of costs with project activities
- Sustainability of the project
- Efficiency of the project
- Impacts of the project
- Overall project effect

V. 18. Project management control

The project management ensures the full interaction of the participants in the team for the realization of the project objectives through the implementation of the activities envisaged within the provided funding.

Human resource Management control

Human resource management is a set of functions that each group of people must perform in order to achieve its goal. Governance in this context means responsibility and accountability:
- Defining the organizational structure
- Recruitment of staff
- Fulfillment of obligations
- Monitoring and control
- Troubleshooting measures
  - Poor staff?
  - Volunteers or personnel who do not want to cooperate?
  - Publics that do not approve of the project?

Financial management control

- Were clear financial procedures developed that were known to all project partners and staff
- Was a separate bank account of the project opened
- Were the funds for its implementation separated into separate accounts
- Was the use of funds properly monitored and recorded by the accountant
- Was the legality of costs checked exhaustively
- Was each income received and expense incurred accompanied by a primary and secondary accounting document

- Did the accounting officer organize all financial activities and internal control, keeping the accounting and preparing the financial statements
- Did the accounting officer periodically make short financial statements of the actual status of the project
- Did the accounting officer make a meaningful report that tracks the progress of the project, the results achieved and the problems encountered, as well as proposes solutions to overcome them
- Are the financial and substantive statements comparable

Activity management control

- Was a responsible person designated to ensure that project work is carried out in accordance with the planned plan
- Was an organizational system for effective decision-making established
- Was track of the progress of the project kept
- Was report on the project regularly issued and taken into consideration by the project management

Public Relations

Informing the public about the progress of the project is an important task of the implementing organization.

Dissemination of project information to the general public is an important element of project management and implementation. In many cases, this is one of the criteria for success of a given project.

Were the following recommendations fulfilled:
- Prepare press releases
- Organize press conferences
- Participate in media broadcasts
- Be visible
- Organize public appearances

V. 19. Regulation

Risk Management

The activities that can be undertaken following risk management and control are:

- Rejection (of risk taking)
- prevention
- reduction
- transfer
- provision of a back-up option in the event of a risk realization
- acceptance

In this context a general difference is made between acceptable and inacceptable risks. They form the two poles of the risk taking continuum. All stages of risk acceptance lye in-between (e.g. reduced risk perception). The two extremes can be formulated in the following way:

Unacceptable risks

These are risks that are so great that they put the project in jeopardy and are likely to hinder it. These risks cannot be prevented or reduced for any reason. They lead to the entire project being stopped.

An example of this type of risk is the initiation (or incorporation) of an activity that requires a special permit or license without obtaining one in advance.

Acceptable risks

These are risks that are not large and do not significantly jeopardize the implementation of the project. Under these conditions, the risks are accepted by being recorded in a risk register and must be monitored continuously throughout the project.

Conditionally acceptable risks

These are risks that are important for the implementation of the project, but can be prevented or reduced if the project is revised or another more appropriate alternative is undertaken to implement it. This can be achieved if:

- All assumptions made for the successful implementation of the project are clearly stated
- forecasts have been made to provide the necessary staff
- The responsibilities of each participating institution are unambiguously described
- it is assumed that the existing way of working will not change significantly
- Possible bureaucratic and other delays were taken into account
- Regular monitoring and control of the project is planned
- The reasons why a risk can be accepted are clarified
- the prerequisites or preliminary obligations are defined. This also covers risk transfer activities to third parties (for example an insurer).
- a contingency and contingency plan is envisaged if the risk materializes

Exiting the project

If a project proves to be problematic with the implementation of plan A and plan B (in the event of a sudden change in circumstances), a *strategy for exiting the project* should be considered. Exiting a project causes damage, but it is less than continuing a project to solve a problem that no longer exists instead of solving a new problem.

Exit strategy

- If the project needs funding to continue, look for new donors and partners
- Take care of documentation and finances
- provide a report to all interested parties

- If you have opened a bank account for the project, close it
- Consider retaining the working group and considering other projects
- Tell the people and organizations that have funded you that the work has been completed and thank them
- Prepare material for publication
- organize a party and invite everyone who participated in the project

V. 20. Impact evaluation

This evaluation determines the extent to which the specific objectives set are fulfilled and the actual impact and outcome of the project.

An analysis of this evaluation should make clear:
- whether the main and specific objectives of the project have been properly defined
- the extent to which the specific objectives of the project have been achieved
- what achievements have been achieved as a result of the project implementation
- what are the factors that hinder good performance
- whether management has considered such alternatives where the results would be less costly
- whether the project results complement, duplicate, overlap or contradict other results
- Ways to better implement the project
- whether the management systems for measuring, monitoring and control and reporting on the project are appropriate
- whether performance metrics are reliable
- the team to ensure that reliable data is available for analysis of the performance evaluation
- the donor needs to understand whether project implementation efforts are effective
- the analysis of the project implementation evaluation serves as a basis for the development of future projects.

PART THREE
EXERCISES

EXERCISE 1

Indicate with a "yes" or "no" the correct statement

1. A project is a set of defined goals, tasks and activities that are accomplished within a specified timeframe

YES NO

2. Identifying problems involves solving them

YES NO

3. The common purpose, the interaction between the members, the role behavior are part of the characteristics of the project team

YES NO

4. The objectives of the project are described in the project annexes

YES NO

5. The desired future status expected to be achieved within the project is included in the concept of specific objective

YES NO

EXERCISE 2

Indicate with a "yes" or "no" the correct statement

1. The main objective of the project is to show what the alternative solutions are

YES NO

2. The technical project and the business plan are essential elements of the project

YES NO

3. Purposefulness, good coordination between members and planning of individual responsibilities are the principles of a successful team

YES NO

4. The project manager fulfills the team role of project coordinator

YES NO

5. Institutions involved or those affected by the project are an element of the institutional environment of project implementation and management

YES NO

EXERCISE 3

Indicate with a "yes" or "no" the correct statement

1. The Problem tree is a methodological instrument that is used to illustrate the link between means and results in the form of a diagram

YES NO

2. The first phase of the project is the preparation of the project

YES NO

3. The development process is a process of transition from the present, unsatisfactory situation to a future situation, which is seen as an improvement.

YES NO

4. Each project is limited in terms of time and cost

YES NO
5. The project management is carried out by the project team
YES NO

EXERCISE 4

Which of the following answers is incorrect:

When describing the target group, we should keep in mind:
a) Whom is the project directed to?

b) What is the opinion of public institutions?

c) Who will be influenced and supported by the project?

d) Whose behavior seeks to changing the project?

EXERCISE 5

Complete the table by giving three examples in the corresponding columns of the table:

Basic elements of the project (examples)	Regular components of the project (examples)	Subsidiary elements of the project (examples)

EXERCISE 6

Idicate with a "yes" or "no" the correct statement

1. The budget shall indicate the approximate amount of necessary expenditure
YES NO
2. Budgets can be broken down into the following types: by activity, by type of expenditure, by funding source
YES NO
3. Institutional budgeting is used for major international projects
YES NO
4. In the case of construction activities, a technical project shall be prepared and implemented in the social project
YES NO

EXERCISE 7

Which of the following is true:

(a) the costs of remuneration and mission are included in the item "other expenses"
(b) the own funds invested in the project are not included in the project budget
(c) internal risks to the implementation of a project include the institutional environment

EXERCISE 8

Fill in the missing term in the blank fields of the following definitions

1. Risks that are not large and do not significantly jeopardize the implementation of the project are defined as .... risks.

2. Project management ensures .... between team structures and hierarchy.

3. .... represents a financial plan for the resources of the project needed to carry out the project activities.

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