



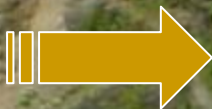
# Theme: Performance Presentation on

## Project management and its practices

Lessons learned from a sustainable development project  
Nepal

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# Introduction

- Nepal Australia forestry projects commenced in 1966 and established 22,000 community owned plantations.
- Nepal Australia Community Resource Management and Livelihoods Project (NACRMLP) was the last phase of a long line of Nepal Australia Forestry projects funded by AusAID.
- The project worked with local government bodies, NGOs and communities and focused on improving livelihoods of the rural communities using CF as a basis for income generation and development.

# Introduction .....

- The final phase was completed in June 2006, bringing an end to more than 40 years of Australian assistance in the forestry sector in Nepal.
- This paper first provides some relevant background on NACRMLP and then evaluates approaches to project management adopted in the project, followed by implications for the outcomes from the project and lessons learnt.
- Based on this experience recommendations for the management of future development projects are made.

# Project management structure

- PD headed the project and PM responsible for admin/ financial management in the Australia and was the primary donor contact for financial matters.
- Team Leader and other staff based in the project sites and responsible for implementation of project.
- AusAID post responsible for regular monitoring of the project and discussions between the project and the counterpart agencies.
- Number of internal and external organisations and reporting arrangements; lines of communication defined and established PCC.

# Project Management Practices

- The task of Project management was to deliver outcomes within a complex network of stakeholders and a difficult security situation.
- On the one hand it had responsibilities to implement project activities as per the contract with AusAID; on the other hand it had the challenge to respond to the security situation both in the local and national context.
- The project was designed for three phases, during the life of project the scope and schedules were changed which ultimately changed the budget as well.



# *Scope Management: Practice*

- Scope of services contained in the contract between AusAID and the AMC for the Project.
- It developed from the PDD and divided into five components of which each component had specific outputs.
- This was used as the base document for the AP and measuring the achievements of the project.
- Any changes in the scope of services required approval of the client and had to be endorsed by the recipient government through the PCC and confirmed in writing.

# *Scope Management: Lesson learned*

- Development project implemented through aid needs to deal with uncertainty.
- It is hard to predict, quantify, measure and control outcomes. It is more uncertain if a country is facing a conflict situation.
- We must live with changes to the scope and manage rather than resist them.
- Project budget was based on the scope of services and its financial projections, the partner government often tried to make the scope broader.
- The projects are not repetitive and cyclical and therefore it is difficult to establish one measurable baseline for performance and control.
- The project used to request its client to accommodate changes through CF requests with providing justification and impact on budget.

# *Time Management: Practice*

- Management of time handled by separating the functions of planning, time estimation and scheduling, and control.
- PDD was guide for activity inputs timing. Subsequent changes made during the preparation of AP when felt that proposed inputs out of control of the parties.
- Potential delays of activities worked out through stakeholder meetings and a plan was prepared with new scheduling
- Project Gantt chart regularly updated and used as a dynamic management tool.
- Monthly exception reports to AusAID provided details of any slippage in the time schedule and suggested remedial action.
- Project was shortened and a new plan was prepared that decided what had to be done and how it would be done.

# ***Time Management: Lesson learned***

- Time is always a limiting factor in developing countries.
- Due to the security situation in Nepal, project progress was slow.
- The project scope did not give any flexibility to the project manager/team leader and milestones had to be achieved by a given date.
- It would be better to take this into account from the outset and work hard sooner, rather than panic at the end when it is all too late.

# *Cost Management: Practice*

- Based on the financial contract, project costing was reviewed each year as part of the annual planning process.
- If identified new activities or proposed changes to current activities, the financial implications of these changes were included in a CF and included the changes to the annual budget as well as overall budget through contract amendment.
- The project had a system that evaluated controls for in-country accounting and reporting to clients and its internal management.
- The project had a monthly reporting system on differences between project budgets versus actual expenditure using the Accounting Systems.

# *Cost Management: Lesson learned*

- Project cost control was a lot more difficult in practice.
- It included the processes required to ensure that the project was completed within the approved budget and hence involved a significant amount of work.
- It was more difficult when the project scope was changed due to external factors.
- In any organisation overruns are never popular. It will be worse in the aid organisation if you are unable to spend budget, which results in questions and accusations of inefficiency.

# *Quality Management: Practice*

- AusAID used to undertake technical reviews of the project every two years and reviewers assessed whether the project had achieved its objectives or was on track, and proposed changes to the project direction.
- AusAID also monitored the project progress regularly and the project needed to submit monthly report (SMT) to local AusAID post .
- The quality of outputs was also monitored by the AMC as part of continuous improvement processes to review the standard of activities.

# *Quality Management: Lesson learned*

- Quality of deliverables in project work is a minimum client expectation.
- In the context of developing projects, the philosophy of self-development should be accepted.
- There is a need to encourage members to define their own needs, and to plan, implement and monitor community development activities.

# *HR Management: Practice*

- The Project was acknowledged as a learning environment and it understood the importance of enhancing the skills and experience of the team and the stakeholders.
- Being a project, NACRMLP was never in the position to offer life long employment, but was always eager to equip people with skills and experience to ensure life long employability.
- The project was committed to business practices, operations and projects that protected people and the environment.
- The project had provided skill development training to its staff to make them equipped for their future employment.
- All HR activities were carried out through HR committee.

# *HR Management: Lesson learned*

- Projects are built by people and teams.
- Synergy, deep involvement and a sense of belonging and ownership are a must for any good project.
- In spite of the establishment of a good HR system in NACRMLP, managing HR was the biggest challenge.
- Project staff were often competing rather than cooperating with each other.
- It was observed that in a developing country people never take projects as a “project” concept in the sense that staff expectation was for a full time, life-long permanent job.

# *Communication Management: Practice*

- The formal reporting requirements for the project had been detailed in the project contract and included all reporting details.
- NACRMLP formalised a systematic communications process in a Project Communications Plan, which nominated responsibility for, and frequency of, all required project communications.
- This communications plan was in the form of a matrix designed to ensure effective communication channels with the project team, clients and implementing partners, highlighting communication flows and who was responsible for what.
- The focus was to keep all stakeholders updated on Project plans, progress and issues. The Plan made provisions for amendment as more stakeholders were identified and relationships built over the duration of the project.

## ***Communication Management: Lesson learned***

- The communication plan should be worked out very carefully, taking into account an understanding of the culture of the partner country and how to communicate with people within that country.
- Project Manager should always take criticism as an opportunity and not as a threat toward the project or himself.

# ***Risk Management: Practice***

- An initial risk assessment was prepared during the design of project. After defining objectives, the project had identified risks, including both threats as well as opportunities.
- The project addressed risk through more effective strategic planning - Risk matrix was developed and procedures prepared to monitor the risk level.
- Assessment for risk was done on a continuous basis.
- Adequate measures were taken through greater openness and transparency in project decision making and management processes.
- All incidents were reported within 24 hours of the incident which helped the senior management to analyse the incident and prepare how to avoid such incident in future.
- Produced a HASP, Principles for field operations during political upheaval, and adopted security related operating guidelines which had been agreed to by all bilateral and multilateral donor agencies working in Nepal.

# ***Risk Management: Lesson learned***

- The provision of aid to the rural community needs to be managed in a sensitive way.
- The development of HASP helped with risk identifications, analysis, planning and management.
- In the Project policy it should be made clear how to be politically neutral.
- It is important to reduce the likelihood of damaging incidents and the consequences of such incidents.
- Risk and Hazards analysis worksheets should be developed and various control measures should be planned.

# *Procurement Management: Practice*

- All procurement protocols of project complied with the Commonwealth's Procurement Guidelines and Best Practice Guidance.
- All procurement was contracted, either through an official Project Purchase Order or, for larger items or services, a specific contract.
- All non-consumable items were added to the assets register upon receipt and specific insurance taken out or insurers notified to add to existing policies as appropriate.
- The project had to bear losses on any project asset not handed over to the recipient government as it was treated as project property until it was formally handed over donor agencies working in Nepal.

## ***Procurement Management: Lesson learned***

- Selecting and entering into contracts with suppliers was not always as per project overall plan and changed as the request of the partner government.
- The partner government made it difficult to comply with the procurement protocol, particularly as assets were to be handed over to the partner government.
- This often resulted in complaints and made it difficult to maintain cordial working relationships.

# *Integration Management: Practice*

- The project annual plans were formulated through a series of discussions with concerned stakeholders, including grass root, area, district, regional and central government level participants and then submitted to AusAID.
- The planning process covered two major areas: achievement vs. targets and proposed program for the following year with background for justification of future activities.
- Team members worked in a collegiate environment, where sharing of technical and project management experience was encouraged.
- The process included a review of risks and how to mitigate them in terms of desired project outcomes.

## *Integration Management: Lesson learned*

- The project was to leave behind systems and methods that would give communities and groups a greater chance for improved sustainable livelihoods and possibilities for peace in the immediate future.
- Assessment of risk analysis was always a top priority.
- Though public stakeholders do not have any contractual obligations to the project, their perception should be monitored.
- Performance against the design document should be included in the log frame and M&E Plan. It was learned that to be a good manager, the Team Leader makes himself/herself available for critical decisions outside his purview.

# *Conclusions and Recommendations*

- Project Management attempts to control corporate resources within the constraints of time, cost, and performance.
- As most projects are unique and non-regular, it is difficult to make forward plans. The project management performance will largely depend on the real environment.
- Development projects can promote the competencies and structures necessary for sustainable development strategies.
- It is important to practice best PM approaches that have the ability to translate the work plan into results on the ground.
- Supporting sustainable development strategies alone are not sufficient for project success and there is a need to plan in a comprehensive way so that the project can bring the desired results.

# ***Conclusions and Recommendations***

- The following recommendations are suggested for the best project management practices in future projects in Nepal:
- **Quality**
  - The design of expectations in a project is a project management task.
  - The execution of quality assurance activities is the job of every member of the project organisation.
  - A future project should distinguish between quality of the project content and the quality of project management.

# ***Conclusions and Recommendations***

- **Project Teamwork**

- To ensure the success of the project, it should be able to perform a number of interdependent activities.
- A new Project needs to cross the borders of individual departments and work through inter-department collaboration.
- Teamwork is a basic requirement to ensure the success of the project.
- Motivating and resolving conflicts between individual members of the team are important elements of teamwork.
- Project manager should ensure a level of variety and redundancy in the team.

# ***Conclusions and Recommendations***

- **Leadership in Project**
  - Leadership activities in a project are to be carried out by the project owner, the project manager and the project team.
  - The functions of leadership are the agreement of objectives, informing and deciding, controlling and giving feedback, ensuring freedom of action and recommending work forms, as well as directing energy in the project.
  - In order to ensure performance of the project team members, the project manager and team leader must give them freedom of action.
  - Project Manager must be aware that energy in a project can be directed through the use of event-oriented leadership in project workshops, project presentations and milestone celebrations.

# ***Conclusions and Recommendations***

- **Conflict Resolution Skills**
  - **Conflict is fundamental to complex task management. Conflict is beneficial when it produces involvement and new information and enhances the competitive spirit.**
  - **As every project is unique and non-regular it is expected that there will be some conflict over the project life cycle. It is a challenge to handle these conflicts and make them beneficial from the project perspective.**
  - **Recognizing the country situation, a future project needs to operate in a sensitive way and should do its best to build an environment conducive among all stakeholders.**
  - **Regular meetings and interactions should help the project program and progress communicated effectively at all levels .**

# ***Conclusions and Recommendations***

- **Effective planning and controlling**
  - **In the project management environment, the Project Manager must have the following abilities:**
    - **assume total accountability for success or failure;**
    - **produce an “end result” within the constraints of available resources and performance requirements;**
    - **provide effective reports and information;**
    - **demonstrate the potential for innovative and creative behaviour;**
    - **provide minimum organisational disruption during the execution of the project;**
    - **have the capacity to handle most interpersonal problems and demonstrate a self-starting capacity and be results and change oriented.**

**To perform the above activities, it is desirable that the Project Manager be involved from project conception through to execution and to have a good understanding of the working culture in the recipient country.**



**QUESTIONS  
AND  
COMMENTS**

THANK YOU FOR YOUR  
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