

DEVELOPMENT PROJECT DESIGN

Towards Better Practice

Pamela Thomas
Australian National University

Introduction

Most development assistance is delivered through discrete, stand-alone projects. These are designed to achieve specific objectives within a specific timeframe and budget. The design process has been developed over many years in accordance with current management and business practice, which incorporates the requirements of effective management, transparency, ongoing monitoring, timely acquittal and accountability.

The core of a development project design is its logical frame-work. The framework is linear, with a logical progression of planned activities designed to achieve outputs which contribute to objectives, which in turn combine to achieve the project goal within a specific timeframe.

Fundamentally, development is not linear, nor is it time bound, nor does it operate on business principles. Although there has been a decline in paternalistic foreign aid and a greater focus on participatory approaches, development projects still give little attention to people's lives or to the forces that drive change (see Edwards and Sen 2000).

This paper reviews the current processes for designing and contracting development projects. It highlights some of the practical problems with this process and suggests that a new mindset is needed that includes a more inclusive, flexible and less linear approach to development project design and acceptance of the fact that development is about people.

This is a partial and personal view only of a complex process.

Methodology

This paper is based on interviews with 12 individuals, all with at least 15 years hands-on experience in researching, planning, implementing or monitoring development projects. They represent government and non-government organisations, consulting companies, donor and partner organisations, and academia. While I have quoted some of their comments verbatim, I have not identified them — for obvious reasons. I also draw on my own 30 years' experience in development research, teaching, project design, implementation, technical review and evaluation.

What prompted me to write this paper was an unsettling sense of *déjà vu*. In the last two years I have helped facilitate four workshops on different aspects of development planning and practice — three in the Pacific and one in Asia (see *Development Bulletin* 53, 58 and 59). In each workshop, participants developed a set of recommendations designed to improve the outcome of development assistance programmes in their countries. The lessons learned and recommendations that related to the process of designing development projects were almost identical. What was troubling was that they were also identical to the discussion I was part of in Tanzania 30 years ago. These same issues were later discussed by Paul (1982), LeCompte (1986) and more recently by Porter, Allen and Thompson (1991).

The Design Process

Briefly, the process for designing and implementing development assistance programmes is much the same for all donor organisations, whether they are government,

non-government or multinational organisations. It includes:

- Development of a country strategy which outlines the donor organisation's areas of possible assistance together with information on the country context;
- Selection of possible areas for assistance. For example, improving rural women's and children's health. The selection is usually based on a series of country programming meetings between donor and partner country, but is largely influenced by the donor organisation's political, economic and strategic interests and relative advantage;
- Conduct of a pre-feasibility and/or feasibility study which collects information on a possible area for assistance and considers whether and where assistance might be most useful;
- Donor review of the feasibility study;
- Development of a programme design document (PDD);
- Appraisal of the design;
- Donor calls for tenders to implement programme;
- Selection of managing organisation or individual; and
- Development of specific plans for project implementation.

Process: Critical areas of concern

The critical areas of concern in design and planning that related to process and were raised in the workshops and interviews were:

- Projects for assistance are decided by the donor, not the developing country partner;
- Project design is based on inadequate information;
- Designs and annual plans are developed in isolation from partners;
- Insufficient time is allowed for adequate research, collaboration, and in-country participation and partnerships in design and planning;
- Collaboration between all stakeholders, including other donors, is seldom considered in the planning process;
- Designs lack consideration for the country context, value systems and institutional uncertainties;

- Projects design documents are not shared with partners before they go to tender;
- The life of the planned project is invariably too short to achieve stated goals;
- The planning process extracts information but does not build partner capacity; and
- There is a lack of partner country commitment to donor-supported programmes.

Among the key lessons learned at a Pacific Island environmental workshop in July 2002 were:

[Major factors in]...the success of environmental management projects in the Pacific have been wide community involvement in pre-planning, design, implementation and monitoring but the time and costs involved in these participatory processes are seldom allowed for.

The importance of partnerships between national and local government, civil society, NGOs and communities needs to be acknowledged by donors and included within the planning process as it can bring together all government sectors, including health, education, public works, agriculture, fisheries and forestry (Thomas 2001:6).

The Australian international aid organisation AusAID has identified six key areas for improvement. They included strengthening design, better coordination between agencies participating in a project, stakeholder participation and ownership, and greater commitment from partners (AusAID 2001:1 and 6). In the 2002 *Review of Project Quality at Entry* one of the key findings was that the 'activities that had higher quality at entry had stronger partner government participation in design and support in general, as well as better final design' (AusAID 2002: vii).

In their revealing review of the Margarini Settlement Project in Kenya, Porter, Allen and Thompson maintain that development practice cannot be examined independently of the social and political environments in which it occurs:

Yet, project designs and technical appraisals are frequently taught and conducted in a disembodied way...issues are treated in a rhetorical fashion, or informed only by highly generalised information gleaned from overviews at national level (Porter, Allen and Thompson 1991:xvi).

The Issue of Partnerships

Lack of partnership in the development process leads to projects based on inadequate knowledge of the situation, lack of knowledge of partner needs, a disjunction in the value systems between donor and recipient, poor learning outcomes and lack of partner ownership and commitment, all of which are critical to achieving planned objectives. Lack of partnership starts at the beginning of the country programming cycle. We have known this for 30 years. Why is it still a problem? It is a question of donor demands, donor conditionality, a lack of acceptance that partnerships need a change in value systems and that they take time, and in part it is a result of the structure of planning processes.

Donor Demands and Partnerships

The bilateral aid relationship between donor and recipient governments is seldom based on full disclosure of information by either party, thus negating any basis for 'partnership'. While some donors work closely with partners to match aid with country priorities, it is not uncommon for donors to impose conditionality and to exert pressure for the aid package to include their preferences. In the words of an AusAID officer:

People don't know what to ask for unless they know what the menu of options is. We need to let them know the possibilities.

Right now, we tell them what we want to fund.'

Even NGOs, who usually have a more participatory approach than government agencies, find partnership during the design process is problematical. As one NGO officer stated:

In all my years working with NGOs, I feel that we have never been in a proper partnership on design — all the NGOs I have been with have been the same. Sometimes its hard to include local partnership because of the complexity of the project. But there has never been enough time, especially at the front end of the project.

Time for Partnerships

Time for partnership in design is clearly an issue. The problem is one of lack of time for initial discussions or research. From my own experience, I have been expected to undertake research and discuss the ideas and needs of the partners' country's government and non-government organisations and the community in one day! Adequate time is seldom allowed for preparatory work between key in-country stakeholders. This is more important than bringing in an expatriate design team for two months instead of two weeks. What is needed is more time for people in-country to develop their own ideas about what needs to be done. They should already have ownership of ideas before design.

Size of Projects

The size of the project can be an important factor in creating partnerships in the design process. Large and complex projects are more likely than smaller ones to be removed from local input and understanding. Large projects are usually developed away from the partner country, its culture and institutional realities. The design effectively becomes 'disembodied'. Currently, donor agencies are reducing the number of smaller projects and concentrating on fewer, larger ones. This not only makes partnership more difficult, but increases the risk of project failure. A number of smaller projects spread

the risk and make partnership more accessible, but require greater management capacity within donor organisations.

Responsibility for Outcomes

Outcomes of the project are seldom within the control of donors or the managing contractor, but are largely the responsibility of the partner government or agency. This needs to be emphasised throughout the project design process and spelled out in the front of the design document. Donor agencies tend to be paternalistic providers of handouts rather than assisting local organisations implement their own programmes — and there is often pressure from in-country for this. There are rarely mechanisms to support partners in taking responsibility. Very often partner organisations expect the responsibility for implementation to be that of the managing contractor. This is a direct result of poor collaboration and participation in the design process.

An associated problem is the lack of clarity regarding conditionality — the conditions on assistance and the obligations of the partners. These need to be thoroughly discussed and clearly spelled out. More important, the project design must be based on an accurate joint assessment of the institutional and management capacity of the partners, not necessarily the partner's assessment.

Appraising the Design

As it is vitally important to assess whether the programme design is practical and can be implemented, design appraisal is an important part of the planning process. However, it is one that is problematical.

In AusAID's recent review of project quality at entry, it was found that there were:

demonstrable shortcomings in the design process, which means that important steps (such as peer review, consideration of alternative approaches and development of preparation plans)...are not undertaken or are performed poorly (AusAID 2002:vii).

In most donor organisations, some designs are appraised within the organisation and others by external advisers. In-house appraisal can be difficult when undertaken by relatively inexperienced desk officers who are disadvantaged when they are expected to assess the work of consultants or consulting companies who have considerable field and planning experience. From my experience, appraisals need to be undertaken by those who have a thorough knowledge of the sector and firsthand experience of the practicalities of project implementation within the country context. Appraisal without this experience results in projects being contracted when they are unimplementable, even when the companies tendering from them are well aware that the design is unworkable.

A commonly used process of appraisal involves responding to a set of questions and ticking boxes. While these guidelines can be useful, they are of little value when they do not include questions that ask specifically about the quality of the design and whether it can be put into practice.

The appraisal process is open to manipulation. Appraisals can be deliberately held up or they can be fast tracked through the system by being sent for appraisal by those who know nothing about the sector or the policies of the donor organisation. Designs for projects that have important gender and environmental implications and may be unlikely to meet specified donor policies are particularly prone to appraisal by those outside the sector.

Responses to the Process Problems

In response to criticisms about lack of partnerships, international NGOs are now actively developing a more participatory design process that allows time for understanding the complexities of different country contexts and which engages partners in all aspects of planning, ensuring that local needs are incorporated. The Asian Development Bank (ADB) and The World Bank are actively looking at ways to improve participation in country strategies and program design (see Fowler 2001 and Bamberger 1998). Recommendations put to the ADB for increasing developing country participation in strategy and planning were

providing up-front financing for participatory planning, providing motivation and incentives for staff to adopt participatory approaches, and provision of action learning in participatory techniques for donors and recipient countries (Fowler 2001:xii).

In Australia, the Australian Council for Overseas Aid (ACFOA) is developing indicators for a new development paradigm that covers planning principles, quality control and standards which answer the different needs of different stakeholders regarding values, transparency and accountability. AusAID has undertaken a review and evaluation of 26 projects and has established a 'lessons learned' database. Staff training in project design has been introduced.

Design Structure

The ways in which designs are structured are based on the concept that provision of interventions or activities will produce specific results. The design includes a goal and a series of objectives, which if met, will together help achieve the goal. The key to the design is the logframe. It sets out the structure of the project in the form of different components, the kinds of activities that will be undertaken in each component, and who will undertake them. The structure assumes a linear progression of activities leading to specific results which are cumulative in achieving objectives.

The logframe structure is based on Western concepts of rational planning, the anticipation of infrastructural reliability, and the logical operation of cause and effect, not to mention the need to meet output deadlines. This model of management by objective is often inappropriate in developing countries where very little can be anticipated with any accuracy, and where external, unanticipated events can overtake project implementation. These events include outbreaks of conflict, the suspension of a provincial government, a local airline going broke, a teachers strike. Uncertainty is the one constant in development projects, but rather than accepting this and welcoming diversity, the usual response is to 'increase control [which] inevitably leads to a denial of reality and greater not less uncertainty' (Porter, Allen and Thompson 1991:212).

The inflexible nature of project design makes it very difficult to respond rapidly to unexpected events or needs and too often they are used as an excuse for poor project performance without any attempt to see they might be overcome or even used to add value to the project. To change the design means developing a change frame and getting donor agency approval for the changes. If these have budgetary implications, which they often do, this may mean going to the Minister for approval. This is time consuming. Meanwhile, the inevitable loss of project momentum is difficult to recapture.

As AusAID's 'Sectors and Themes' project review and evaluation report (2001) indicates, project designs need to:

incorporate a better understanding and management of institutional uncertainties; appropriate responses to problems in project design; a solution to problems through local innovation; and adequate time-frames for achieving project objectives (AusAID 2001:6).

However, the current design framework makes this difficult. In the opinion of the respondents for this paper:

...designs are too prescriptive. Although this is widely recognised by donors, when we develop a broad, flexible design framework they then start asking "where is the detail?" When you include the level of detail they require, the design then becomes prescriptive and more and more unwieldy and loses focus on the broader outcomes and processes. The partnership process gets lost.

It is sometimes possible to have a flexible PDD which gives the big picture but when it comes to contracting and developing the scope of services, they want you to tie

the contractor up in knots and fine detail.

Over the last 10 years the focus of designs has been on the achievement of outputs which can be clustered to form a series of milestones against which the managing contractor is assessed and paid. The financial imperative for the managing contractor to achieve milestones can lead to poor quality implementation and consultants undertaking work that should be undertaken by partners — this strains the process of engagement with stakeholders and leads to under development rather than development.

Most development practitioners and donor agency staff agree that a much more flexible design structure is required to allow for rapid responses to changing situations and the ability to incorporate, on an incremental basis, differing needs of partners and contractors as these change during the life of the project.

The Contracting Process and Contract Requirements

I have seen many designs that looked good on paper, with excellent analysis, provision for good participation, but when a contract format was imposed over the top of this, it mitigated against any prospect of adequate implementation.

Contracting can be a major bottleneck in good programme implementation. Even if the design is good and has been participatory, contracting mechanisms can skew the incentives and power relationships between stakeholders.

Briefly, the contracting mechanisms comprise the design document (PDD), which sets out the agreement between the donor and the recipient country/partner, and the scope of services (SOS) document, the agreement between the managing contractor and the donor. For the managing contractor, the SOS is often considered the primary document — with the result that it takes on a life of its own and the PDD becomes irrelevant. The managing

contractor should be providing services to in-country partners, but because their contract is with the donor rather than the partner, they often spend their time providing services to the donor and fulfilling the requirements of the SOS, rather than those of the PDD. The legal responsibility is that of the contractor to the donor. This effectively locks out the in-country partners.

Six-monthly project coordinating committee (PCC) meetings between the managing contractor and all stakeholders should provide the opportunity for stakeholders to have regular input, and allow them a significant role in assessing the quality of the services provided and in the donor's decision making regarding paying the contractor. But from my experience PCCs are not held in high regard, stakeholders are often uninterested, and their input sometimes ignored.

Measuring Quality

The assessment of projects is still based largely on quantitative indicators — achieving milestones — rather than quality of services. For example, the tendency is to assess projects on the number of training workshops run, the number of schools built or health centres renovated, rather than the quality and relevance of the workshops, or the utility of the schools or whether the health centres fulfil people's needs.

While AusAID and other donor organisations are aware of the need for better quality assessment, those interviewed for this paper thought the quickest way to improve quality would be for:

the donor organisation to develop a new contracting mechanism for ensuring quality service by withholding the contractor's profit margin (usually about 30 per cent) and to provide this as a performance payment. This could be paid out on a periodic assessment of quality — not the delivery of milestones. This could be linked to the annual plan. The donor agency needs to make it clear that, if necessary, it will continue to

withhold a reasonable amount (but not money needed to keep the project going) until corrective action is taken. Companies will do this, if they are given clear guidelines.

Current Trends

The current trend in donor organisations is to downsize staff, to contract out and to move to fewer, larger projects. In Australia, AusAID's new strategic plan gives more contract management authority to the in-country posts where locally engaged staff will now play a greater role in contract management. There are dangers inherent in all these trends. Donor agencies, whether government, non-government or multi-national, require in-house expertise. To adequately deal with the complexities of design, contracting and implementation and the changes required, agencies need more high-level, experienced and skilled staff rather than less if assistance is to provide greater benefits to partners. They should also be prepared to withdraw projects if the contractor is performing poorly or if there is corruption within either contractor or partner organisations or where the partner shows disregard to the agreed obligations. There are contracting implications, but sometimes this action needs to be taken.

The move to fewer, larger projects needs to be reversed, if only for the reasons of economic rationalism. As I have mentioned, the risk associated with fewer, larger projects is very much greater than with a number of smaller ones.

Conclusions

In conclusion, from my 30 years' experience and the experience of many others working in this field, there needs to be a new approach to development assistance. The current project and programme structure remains too inflexible, too poorly understood, and works against the establishment of true partnerships. A new approach is needed to the way we engage with developing countries — it needs to be one that is based on equal responsibility, and on knowledge and acceptance of the other's needs and expectations.

It is time we seriously considered where and what kind of development assistance is really needed and to separate this from engagement that is for our own political, economic or strategic benefit.

I said this 30 years ago. Many people have said it since. And I am saying it again at the end of my career in development.

It is time we engaged with the people on the ground and listened. Let's start by changing the structure and process of project design.

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