



PROJECT CYCLE MANAGEMENT (PCM) IN SHORT

The way in which projects are planned and carried out follows a sequence that has become known as the **project cycle**.

The cycle starts with the identification of an idea and develops that idea into a working plan that can be implemented and evaluated. Ideas are identified in the context of an agreed strategy.

The project cycle provides a structure to ensure that stakeholders are consulted and relevant information is available, so that informed decisions can be made at key stages in the life of a project.

The generic project cycle has **SIX phases**:

- I. Programming;
- II. Identification;
- III. Formulation;
- IV. Financing;
- V. Implementation;
- VI. Evaluation.

The details of what occurs during each phase differ between institutions, reflecting differences in procedures.

However, within all institutions the cycle shares three common themes:

1. The cycle defines the **key decisions**, information requirements and responsibilities at each phase.
2. The phases in the cycle are **progressive** – each phase needs to be completed for the next to be tackled with success.
3. The cycle draws on evaluation to build experience from existing projects into the design of future programmes and projects.

The phases of the project cycle can be described as follows:

I. **Programming** phase: the initial situation is analysed to identify problems, constraints and opportunities which cooperation could address. The purpose is to identify and agree the main objectives and thus to provide a relevant and feasible programming framework within which projects can be identified and prepared. For each of these priorities strategies will be formulated that take account of the lessons of past experience.

II. **Identification** phase: ideas for projects and other actions are identified and screened for further study. This involves consultation with the intended beneficiaries of each action, an analysis of the problems they face, and the identification of options to address these problems. A decision can then be made on the relevance of each project idea (both to the intended beneficiaries and to the programming framework), and on which ideas should be further studied during the Formulation phase.

III. **Formulation** phase: relevant project ideas are developed into operational project plans. Beneficiaries and other stakeholders participate in the detailed specification of the project idea that is then assessed for its feasibility (whether it is likely to succeed) and sustainability (whether it is likely to generate long- term benefits for the beneficiaries).

IV. **Financing** phase: financing proposals are examined by the competent authority (committee), and a decision is taken on whether to fund the project and about the modalities of implementation, formalising them in a legal document which sets out the arrangements by which the project will be funded and implemented.

V. **Implementation** phase: the project is mobilised and executed. This may require the tendering and award of contracts for technical assistance or works and supplies. During implementation, and in consultation with beneficiaries and stakeholders, project management assesses actual progress against planned progress to determine whether the project is on track towards achieving its objectives. If necessary the project is re-oriented to bring it back on track, or to modify some of its objectives in the light of any significant changes that may have occurred since its formulation.

VI. **Evaluation** phase: the funding agency and partner country assess the project to identify what has been achieved, and to identify lessons that have been learned. Evaluation findings are used to improve the design of future projects or programmes. Although in the generic cycle the evaluation phase comes after implementation, it is common practice also to conduct a mid-term evaluation during implementation, to identify lessons that can be applied during the remaining life of the project.

Fig. 1 - GRAPHIC REPRESENTATION OF THE SIX PCM PHASES

