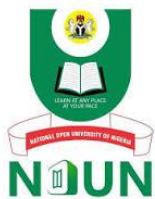


**COURSE  
GUIDE**

**MPA858  
DEVELOPMENT PLANNING, PROJECT PREPARATION  
AND IMPLEMENTATION**

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## CONTENTS

Introduction .....	iv
The Course Aim.....	iv
Learning Outcome .....	iv
Course Material .....	v
The Study Unit .....	v
Assignments.....	v
Final Examination and Grading .....	vi
Summary .....	vi

## **Introduction**

This course, MPA 858: DEVELOPMENT PLANNING, PROJECT PREPARATION AND IMPLEMENTATION is a two credit unit compulsory course for students studying Public Administration at master's level in the Faculty of Management Sciences.

The course has been conveniently arranged for you in twelve distinct but related units of study activities. In this course guide, you will find out what you need to know about the aims and objectives of the course, components of the course material, arrangement of the study units, assignments, and examinations.

## **The Course Aim**

The course is aimed at acquainting you with what Development Planning is, what Project Preparation and Implementation are all about and getting you understand the practical aspects of preparing a plan, designing the needed projects and implementing them for national development. To ensure that this aim is achieved, some important background information will be provided and discussed, including:

- Definition of basic concepts – Development Planning, Project Preparation and Project Implementation.
- Models and types of development plans
- Politics of planning
- Programme planning
- Procedure for plan preparation
- The essence of planning
- Project Feasibility Study
- Plan implementation
- Development plan experience of Nigeria
- Lessons from Bangladesh
- Procedure for plan implementation
- Monitoring and evaluation

## **Intended Learning Outcome**

By the end of this units, you will be able to:

- appreciate the uses and importance of development planning
- prepare a development plan
- explain the politics involved in planning
- describe the Nigerian planning experience over the years
- list the various planning models and types at your disposal

- master the procedures involved in plan preparation and implementation.

## Course Material

The course material package is composed of:

- The Course Guide
- The Study Units
- Self-Assessment Exercises
- References/Further Readings
- Possible answers to self-assessment exercise (s) within the content:

## The Study Units

The study units are as listed below:

### **Module 1 Development Planning**

- Unit 1 The Concept of Development Planning
- Unit 2 Models and Theories of Development Planning.
- Unit 3 Politics of Development Planning
- Unit 4 Programme Planning
- Unit 5 Procedure for Plan Preparation – Case of Strategic Planning

### **Module 2 Project Preparation and Planning**

- Unit 1 Project Initiation and Designing
- Unit 2 Project Preparation/Planning
- Unit 3 Project Feasibility Study

### **Module 3 Project Implementation and Monitoring.**

- Unit 1 Project Implementation
- Unit 2 Plan Implementation
- Unit 3 Monitoring and Evaluation
- Unit 4 Development Planning Experience of Nigeria and Africa

## Assignments

Each unit of the course has a self-assessment exercise. You will be expected to attempt them as this will enable you understand the content of the unit.

## **Final Examination and Grading**

At the end of the course, you will be expected to participate in the final examinations as scheduled. The final examination constitutes 70 percent of the total score for the course while the assignment, test and attendance constitute 30 percent as the case may be.

## **Summary**

This course, **MPA 858: Development Planning, Project Preparation and Implementation** is ideal for economic progress of any country. It will enable you understand the whole business involved in planning in both the public and the private sectors. Having successfully completed the course, you will be equipped with the latest global knowledge on planning decisions. Enjoy the course.

**MAIN  
COURSE**

**CONTENTS**

**Module 1    Development Planning ..... 1**

Unit 1	The Concept of Development Planning.....	1
Unit 2	Models and Theories of Development Planning	18
Unit 3	Politics of Development Planning.....	26
Unit 4	Programme Planning.....	36
Unit 5	Procedure for Plan Preparation – Case of Strategic Planning .....	49

**Module 2    Project Preparation and Planning..... 58**

Unit 1	Project Initiation and Designing.....	58
Unit 2	Project Preparation/Planning.....	78
Unit 3	Project Feasibility Study.....	93

**Module 3    Project Implementation and Monitoring..... 104**

Unit 1	Project Implementation .....	104
Unit 2	Plan Implementation .....	109
Unit 3	Monitoring and Evaluation .....	120
Unit 4	Development Planning Experience of Nigeria and Africa .....	130

## MODULE 1                      DEVELOPMENT PLANNING

- Unit 1            The Concept of Development Planning
- Unit 2            Models and Theories of Development Planning.
- Unit 3            Politics of Development Planning
- Unit 4            Programme Planning
- Unit 5            Procedure for Plan Preparation – Case of Strategic Planning

### UNIT 1            THE CONCEPT OF DEVELOPMENT PLANNING

#### Unit Structure

- 1.1    Introduction
- 1.2    Intended Learning Outcome
- 1.3    Main Content
  - 1.3.1    Definitions of Development Plan
  - 1.3.2    Definition of Development Planning
  - 1.3.3    The Concept of Development Planning
  - 1.3.4    Types of Development Planning
- 1.4    Essence of Development Planning
- 1.5    Summary
- 1.6    References/Further Readings/Web Resources
- 1.7    Possible answer to self-assessment exercise (s)



#### 1.1    Introduction

The complex nature of human endeavour, the multiples of needs, the unlimited demands in government coupled with scarce resources definitely call for an arrangement for prioritizing the needs and demands as well as maximizing efficient use of the scarce resources. That involves planning. Development Planning in essence, involves decision making and choice – choice of the national or community goals to be pursued, choice of the appropriate strategy to be adopted, choice of the most satisfactory means etc. M.P. Todaro<sup>1</sup> observes that the two decades since 1950 have been marked by the emergence of less developed nations as a growing political and economic force in international affairs. The rising aspiration of ‘Third World’ countries to catch up economically with the advanced industrial nations as rapidly as possible has been reflected in the almost universal acceptance of development planning as the principal means towards the achievement of accelerated growth. Planning has now become an accepted fact of the economic life of most contemporary developing nations.



Proponents of economic planning in developing countries argue that the uncontrolled market economy (ie. economy controlled by the invisible hand – the interaction of the forces of demand and supply – a typical capitalist economy) can, and often does, subject these nations to economic stagnation, fluctuating prices, and low levels of employment.

In particular, they claim that the market economy is not geared to the principal operational task of poor countries, namely, how to mobilize limited resources in a way that will bring about the necessary structural change so as to stimulate smooth, progressive and balanced growth of the entire economy. Planning has come to be accepted, therefore, as an essential and pivotal means of guiding and accelerating economic growth in underdeveloped countries.

To Olayinka<sup>2</sup>, economic planning, otherwise known as economic development planning, has become one of the main instruments of achieving a higher growth rate and better standard of living in many less developed countries (LDCs). Planning in different forms has also been accepted as an important policy instrument to attain specific targets in most LDCs. It is frequently advocated as an alternative to the market mechanism, and the use of market prices, for the allocation of resources in developing countries. As a holistic approach to development in developing economies, it promotes the idea and practice of matching development planning with economic planning as the economy is regarded as the bedrock for a nation's development.

Essentially, economic visions and programs cannot be realized without viewing developmental issues in a holistic way which entails improvement in all human endeavors. In this sense, development surpasses the economic criteria often measured by economic growth indices and must be conceived of as a multidimensional process involving changes in social structures, destructive attitudes, ineffective national institutions and plan for an increase in par capita output. Thus, development planning presupposes a formally predetermined rather than a sporadic action towards achieving specific developmental results. In essence, economic planning entails direction and control towards achieving set objectives. Following this line of thought, Jhingan, (2005) was quoted as seeing development planning as a deliberate control and direction of the economy by a central authority for the purpose of achieving definite targets and objectives within a specified period of time. Ghatak (1995), is equally quoted defining planning as a conscious effort on the part of any government to follow a definite pattern of economic development in order to promote rapid and fundamental change in the economy and society.



## 1.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- explain the meaning of development plan and development planning
- differentiate types of development planning
- state the need and the importance of development planning



## 1.3 Main Content

### 1.3.1 Definitions of Development Plan

Planning could be defined as the process of preparing a set of decisions for action in the future, directed at achieving goals by preferable means. L. Robbins<sup>3</sup> define planning as a technique, a means to an end being the realization of certain pre-determined and well defined aims and objectives laid down by a central planning authority. The end may be to achieve economic, social, political or military objectives. Therefore, the issue is not between a plan and no plan, it is between different kinds of plans. Here, we note that planning in general involves decision or policy making in different human endeavour, choice of a goal, choice of preferable means and future action. We have to state, here, that there is difference between plan and planning as highlighted in the subsequent sections.

### 1.3.2 Definition of Development Planning

Development plan is defined in Wikipedia, the free encyclopedia, as an aspect of national, state or local government planning comprising a set of documents that set out the authority's policies and proposals for the development and use of land in their area. The development plan guides and shapes day-to-day decisions as to whether or not planning permission should be granted, under the system known as development control or development management (very common in Scotland). In order to ensure that these decisions are rational and consistent, they must be considered against the development plan adopted by the authority, after public consultation and having proper regard for other material factors. In some countries, including Nigeria, however, public consultations are not given prominent attention. A development plan according to Myth County<sup>4</sup>, is a document which details the overall strategy of a local council, provincial or state government or national government for the proper planning and sustainable development of an

area and generally consists of a written statement and accompanying maps. The plan usually includes the broad aims of the council or authority for specific topics, e.g. housing, infrastructure, community facilities which are reinforced by more detailed policies and objectives.

Legislative Acts in many democracies require that decisions made should be in accordance with the development plan unless material considerations indicate otherwise. Although development plans do not have to be rigidly adhered to, they provide a firm basis for rational and consistent planning decisions.

Structure plans may in some cases be prepared on a joint basis between two or more authorities (e.g. Federal and State or State and Local Governments). In London and the metropolitan areas, and in a few non-metropolitan unitary areas, authorities produce unitary development plans (UDPs), which combine the functions of structure and local plans and include minerals and waste policies.

Local plans and UDPs identify particular areas as suitable for housing, industry, retail or other uses, and set out the policies which the authority proposes to apply in deciding whether or not development will be permitted. The preparation of Local Plans and UDPs gives the community the opportunity to influence the detailed policies and specific proposals for the future development and use of land in their area. Because the plan forms the statutory basis for planning decisions, local people are involved in its preparation.

In India Development Plan process is a provincial/state subject. There are various town planning authorities under each province/state that assess the growth of areas, identify suitable areas for housing, industry, public infrastructure and allocate budgets. Each of the metropolitan cities in India has an Agency which is responsible for Development Planning exercise of the cities.

### **1.3.3 The Concept of Development Planning**

Economic planning, to M. P. Todaro,<sup>5</sup> may be described as the conscious effort of a central organization to influence, direct, and, in some cases, even control changes in the principal economic variables (e.g. GDP, consumption, investment, saving, etc.) of a certain country or region over the course of time in accordance with a predetermined set of objectives. The essence of economic planning is summed up in these notions of influence, direction, and control. Similarly, we can describe an economic plan as a specific set of quantitative economic targets to be reached in a given period of time. Economic plans may be either comprehensive or partial. A comprehensive plan sets its targets to cover

all major aspects of the national economy. A partial plan covers only a part of the national economy, e.g. industry, agriculture, the public sector, the foreign sector, and so forth.

Development planning, to Barker, happens in many different contexts so to define it succinctly is tricky. Basically development planning refers to the strategic measurable goals that a person, organization or community plans to meet within a certain amount of time. Usually the development plan includes time-based benchmarks. It generally also includes the criteria that will be used to evaluate whether or not the goals were actually met.

Development Planning is the preparation of the Development Plan and other supporting policies, information or studies which form the basis for making decisions on planning applications.

### **Self-assessment exercise 1**

- i. Which type of Planning would you recommend to a developing country that aspires to catch up with the advanced nations of the world?
- ii. Give reasons for your choice of the type of planning

### **1.3.3 Types of Development Planning**

Planning can be categorized into the following:

1. According to structure. This involves architectural designs and construction of physical projects like ports, harbours, new cities, dams bridges, shopping complex etc.
2. according to process. This involves intangible aspects of human endeavour like planning for war, marketing strategies, human capital development, performance improvement of workers, software development, marriage ceremony etc.
3. according to use (industrial, economic, development, social, health, education etc)
4. according to time dimension (long range, middle range, and short range) and
5. according to purpose (strategic, contingency, standing, single use and programme planning),
6. according to level (strategic and operational)

All the above plans mentioned have a lot of things in common, especially as regards the principles of planning. However, some differ from others mainly in terms of the type of goal to be achieved and the strategy of implementation. Although almost anything can be planned, the ways in which we make plans and implement them are not always the same. Different levels of planning have to be established according

to the aims of the planning process. Both are integral parts of the overall process of setting priorities and targets for the organization.

All planning are carried out in two stages, the preparation of plans and their execution.

In terms of development, all structural development plans fit into one of three different categories. These are:

### **National Development Planning**

These are set out in the National Planning Framework produced by the Government. These are developments that would make a significant contribution to the overall success of a country or its international role.

### **Major Development Planning**

Some categories falling under "major development" include fish farms, offices, storage and distribution centres, housing estates (50+ houses), waste management or disposal facilities, mineral extraction sites and any other development exceeding 5000 square metres. This involves selected areas of interest to the authorities at any given time.

### **Local Development Planning**

This is the most common form of development and comprises small scale developments including house extensions, conversions, small and medium housing, and small scale industrial developments. For some of these types of developments it may not be necessary to apply for planning permission. This is what is known as "permitted development" mostly according to the constitution of the land.

The non-structural or process development planning include the following:

### **Nonprofit Development Planning**

Development has a particular meaning for nonprofit organizations such as universities and charitable groups. In this context, development planning refers to all of the various activities related to fund raising: grant writing, donor relations, capital campaigns, annual fund drives and fund-raising events . The larger the organization, the more likely it is to employ a development officer who may be responsible for a whole department devoted to development. In short, the development officer elicits and coordinates the donated revenues that make up a large portion of any nonprofit budget. Development planning for a nonprofit organization means to set calendar milestones for the fund-raising goals and then figure out what activities must be done to achieve them.

**Strategic planning**

Strategic planning is the process of deciding where an organization wants to get to and why, then choosing from the different courses of action available to ensure the best chance of getting there. It helps an organization to define a clear way forward in response to emerging opportunities and challenges, while maintaining coherence and long-term sustainability. It usually covers the long term (roughly a minimum of three or four years, up to ten years). It guides the overall direction of an organization by defining its vision and mission and the goals or strategic objectives necessary to achieve them.

The strategic objectives should be linked to prioritized sectors of intervention based on the capacities of the organization and other stakeholders and should include a timeframe and outline evaluation mechanisms. Strategic planning also includes choosing and designing a framework which sets out the best courses of action to achieve the stated objectives. A “strategic plan” is the document resulting from this process. One of the key functions of the strategic plan is to guide and influence the development of more detailed planning at the operational level.

**Operational planning**

Operational planning is the process of determining how the objectives spelt out in the strategic plan will be achieved “on the ground”. This is done by working through a series of steps, identifying or refining more detailed objectives at each level, linked to the objectives in the strategic plan. These objectives can then be grouped and organized into “plans”, “programmes” and “projects”. Operational planning usually covers the short term (between several months and three years). In order to translate strategic objectives into practical results, the required actions need to be planned (in a work plan), along with their costs (in a budget), how the work will be funded (in a resource mobilization plan) and who will carry out the work.

The relationship between strategic and operational planning is also a cyclical process, with the experience from operational planning being used to inform strategic planning and strategic planning then informing the general direction of operational planning. Operational plans are often made up of several “programmes”, which are in turn made up of several “projects”. Projects and programmes consist of several activities, which are the smallest elements for which we plan.

**Personal Development Planning**

Many employers ask their employees to write down their personal goals in a formal process that they call personal development planning. One person may write a development plan that is focused on advancing her

career through additional education. Another person's development plan may involve planning for retirement, while still another person's development plan might include losing a specific amount of weight or starting a program of exercise. Usually some of the personal development plan goals have to relate to the job itself, but progressive companies like Monsanto, for example, encourage the employees to set targets that are specifically meaningful to the individual. The personal development plan may become part of a company's annual review process.

### **Individual Development Planning**

Post doctoral fellows use a development planning process to organize their plan of study into a document called the Individual Development Plan, or IDP. This provides a mechanism for the fellow to assess himself. Then he has a set of written goals for future growth or achievement based on a time line for which, according to the plan, he is held accountable by a mentor.

### **Professional Development Planning**

Several states including Missouri and Wisconsin require state certified teachers to create a professional development plan. This document is a permanent part of the teacher's personnel file. In it, teachers write goals related to their career, about what they intend to do to become more effective in the classroom, and about how they will fulfill the requirements to obtain continuing education credits. Teachers who fail to produce a professional development plan on time may risk losing their teacher certification in the states which require one. The school principals or district supervisors hold teachers accountable for the goals in the development plan.

### **Urban Development**

Development planning also happens in cities and communities. Urban communities with a lot of vacant buildings may decide to engage in a development planning process to plan how to revitalize an area. This is a necessary step in order to qualify for state tax credits and federal and other funds that will allow the renovations to happen. From architects, to city planners, engineers, investors and residents, everyone who will be involved in the actual development should be part of the development planning process.

### **Performance Development Planning**

The Performance Development Planning (PDP) process enables you and the people who report to you to identify their personal and organizational goals that are most significant to your organization's success.

The process enables each staff person to understand their true value added to the organization.

They do so when they understand how their job and the requested outcomes from their contribution "fit" inside your department or work unit's overall goals.

Performance Development planning is a rich opportunity for employees and managers to plan for an individual's development with an eye toward the department's future needs. In addition to reviewing current goals and accomplishments, performance management discussions can also focus on the future.

The development planning aspect of the conversation typically includes three categories:

1. Knowledge
2. Skills
3. Personal attributes

Sometimes managers are hesitant to talk about developmental goals because they don't want to lose a valued employee. A 2002 study by Towers and Perrin showed that career advancement opportunities and professional development opportunities are among the top five factors for retaining employees. (Career advancement is Number 1.)

To Massachusetts Institute of Technology – MIT, Performance Development (PD) = Performance Management + Employee Development

Performance development is a broad term that includes performance management and employee development. It describes both managing/assessing the work that needs to be done and providing opportunities for professional growth and development.

### **Benefits of Performance Development**

There are tremendous benefits to managers, employees, and organizations that invest time and thought into performance development practices. When done consistently and well, these practices result in better performance on the individual and organizational levels, higher satisfaction and morale among staff, retention of strong performers, and an effective means for correcting poor performance.

### **Personal Developmental Goals**

In the process, staff members also set personal developmental goals that will increase their ability to contribute to the success of your organization. The accomplishment of these goals also provides a foundation for their career success whether in your organization or



elsewhere, so they ought to be motivated and excited about achieving these goals.

Your system of Performance Management, with the PDP process for goal setting and communication, will ensure that you are developing a superior workforce. As one CEO remarks daily, "The only factor that constrains our growth is our ability to hire a superior workforce." Why not grow that talent from within your organization as well?

PDP meetings are held at least quarterly to review the staff person's progress on the overall goals and objectives.

Your staff person's progress on the action plans that result from the PDP goals is reviewed at your weekly one-on-one meeting. This weekly meeting allows you to offer assistance and to identify any help or tools the staff person needs to succeed.

### **Guidelines to Make the Performance Development Planning Meeting Successful**

- Schedule the Performance Development Planning meeting and define pre-work with the staff member.
- The staff member reviews personal performance for the quarter, writes business and personal developmental goal ideas on the PDP form and gathers needed documentation, including 360-degree feedback results, when available.
- The supervisor prepares for the PDP meeting by clearly defining the most important outcomes needed from the staff person's job within the framework of the organization's strategic plan.
- The supervisor writes business and personal developmental goal ideas on the PDP form in preparation for the discussion.
- The supervisor gathers data including work records and reports and input from others familiar with the staff person's work.
- Both the supervisor and the employee examine how the employee is performing against all criteria, and think about areas for potential development. ▸ The supervisor develops a plan for the PDP meeting which includes answers to all questions about the performance development planning process with examples, documentation, and so on. ▸ Recognize that this process takes place quarterly and that the most time and work are invested in the first PDP meeting. The rest of the quarterly PDP goals, maybe for years, update the initial goals.
- So, while seemingly time-consuming on the front end, the PDP process, with a formal, effective foundation of solid personal and business goals, is less time consuming as quarters pass.
- The PDP continues to create organizational and employee success and value during its lifetime. With quarterly updates, the PDP process contributes into the future.

- During the Performance Development Planning (PDP) meeting
- Establish a comfortable, private setting and chat a few minutes to establish rapport with the staff person.
- Discuss and agree upon the objective of the meeting: to create a performance development plan.
- The staff member is given the opportunity to discuss the achievements and progress accomplished during the quarter.
- The staff member identifies ways in which he would like to further develop his professional performance, including training, assignments, new challenges and so on
- The supervisor discusses the employee's performance for the quarter and suggests ways in which the staff member might further develop his performance.
- The supervisor provides input to the employee's selected areas of personal and professional development and improvement.
- Discuss areas of agreement and disagreement, and reach consensus.
- Examine job responsibilities for the coming quarter and, in general.
- Agree upon standards for performance for the key job responsibilities for the quarter.
- Discuss how the goals support the accomplishment of the organization's business plan and the department's objectives.
- Set goals together for the quarter.
- Agree upon a measurement for each goal.
- Assuming performance is satisfactory for the quarter, agree on a personal and professional development plan with the staff person, that helps him grow professionally in ways important to him and to your organization.
- If performance is less than satisfactory, develop a written Performance Improvement Plan (PIP), and schedule more frequent feedback meetings. Remind the employee of the consequences connected with continued poor performance.
- The supervisor and the employee discuss the employee's feedback and constructive suggestions for the supervisor and the department.
- Discuss anything else the supervisor or employee would like to discuss, hopefully, maintaining the positive and constructive environment established thus far, during the meeting.
- Mutually sign the Performance Development Planning document to indicate the discussion has taken place.
- End the meeting in a positive and supportive manner. The supervisor expresses confidence that the employee can accomplish the plan and that the supervisor is available for support and assistance.

- Set a time-frame for a formal follow-up meeting, generally quarterly. I recommend you set the actual date for follow-up.

#### **1.4 Essence of Development Planning**

Bashir Olayinka<sup>10</sup> observes that development planning, has become one of the main instruments of achieving a higher growth rate and better standard of living in many less developed countries (LDCs). Planning in different forms has also been accepted as an important policy instrument to attain specific targets in most LDCs. It is frequently advocated as an alternative to the market mechanism, and the use of market prices, for the allocation of resources in developing countries. As a holistic approach to development in developing economies, it promotes the idea and practice of matching development planning with economic planning as the economy is regarded as the bedrock for a nation's development. Bashir further observes that economic visions and programs, essentially, cannot be realized without viewing developmental issues in a holistic way which entails improvement in all human endeavors. In this sense, development surpasses the economic criteria often measured by economic growth indices and must be conceived of as a multidimensional process involving changes in social structures, destructive attitudes, ineffective national institutions and plan for an increase in par capita output. Thus, development planning presupposes a formally predetermined rather than a sporadic action towards achieving specific developmental results. In essence, economic planning entails direction and control towards achieving set objectives. Following this line of thought, Jhingan, (2005) as quoted by Olayinka, sees development planning as a deliberate control and direction of the economy by a central authority for the purpose of achieving definite targets and objectives within a specified period of time. According to Ghatak (1995), planning can be defined as a conscious effort on the part of any government to follow a definite pattern of economic development in order to promote rapid and fundamental change in the economy and society.<sup>11</sup> Bill Gibson consider more modern conceptions of planning to be distinguishing efforts that enhance the market allocation from those that would substitute for the market mechanism. Gibson notes that planning in latter sense was attempted in the Soviet Union and to some degree in India in the immediate post-war period. Indeed, it was largely the success of the Soviet Union in raising per capita incomes in the first half of the twentieth century that demonstrated the existence of a practical alternative to market allocation. Soviet performance impressed policymakers in developing economies who had come to see the market as inadequate to the task of industrialization. Blaming the unplanned, anarchistic nature of capitalism for the slow pace of growth, developing economies looked to planning as an attractive alternative to unstable

commodity prices, dependency and the imperialism of free trade as the French Marxist A. Emmanuel, put it.

Planning without enforceable command and control mechanisms was widespread in the immediate post-War period. The United Nations and other sources even withheld development aid unless a plan was in place and as a result, planning ministries became commonplace throughout the developing world. Planning models that demonstrated how foreign aid could be coordinated to achieve maximum impact on growth and development were especially popular. Most economists agreed that market failure, including externalities, informational asymmetries and public goods, was more prominent in developing than in developed countries. Perspectives differed significantly on the extent to which government could improve outcomes by realigning social and private costs. In standard theory, a properly tuned set of taxes and subsidies could repair markets that failed and public sector institutions could fill in when markets were missing altogether.

In anyway economic development planning is conceived, we can say that the aim of all the plans is to utilize the available resources more effectively achieving the well defined objectives during given period of time.<sup>12</sup> We are now apt to view the essence or importance of development planning as given in Study Point, 31 July, 2011.

**Increase in National Income:-** The objective of planning is to utilize the resources of the country in such a manner that it should increase the size of national income. In the developing countries planning is very useful for increasing the production of the country.

**Superior Decisions:-** The decision of planning authority are more superior as compared to the individuals. Planning authority keeps in view the interest of the whole nation. It prepares the plan keeping in view the economic condition of the country.

**Achievement of Full Employment:-** In the less developed countries and in the advanced countries the objectives of planning is to achieve full employment in the economy. The main objectives of the planning is to create jobs for the people of the country.

**Equal Distribution of Wealth:-** In the capitalistic countries the gap between rich and poor is increasing. It creates social evils. Through planning we can reduce the inequalities in income.

**Elimination of Regional Disparity :-** Through planning the regional economic disparities can be removed. In the plan special fund can be allocated for the development of backward areas. It is the one of main

objective of planning that there will be reduction in the regional disparity.

**Improvement in The Balance Of Payment:-** The balance of payment of developing countries remains deficit. It adversely affects the rate of economic growth. Through planning government can reduce the imports and can increase the exports.

**Balanced Economy:-** If one sector of the economy is developed the country will not achieve maximum rate of development. Through planning resources of the country can be allocated in such a manner that it provides balance to the economy.

**Control of Economic Crises:-** Due to economic crises, economy faces many problems. Through planning depression can be controlled and production can be increased.

**Solution of Over Population:-** When the size of population is greater than the size of natural resources it can be adjusted through effective planning.

**Self Sufficiency In Food :-** Each country wants to become self sufficient in food. So this objective is also achieved through planning. In the each development the target was proposed for the agriculture sector.

**Industrial Development:-** Today without industrialization no any country can improve its economic condition. For the establishment of new industries, planning is very effective.

**Increase In welfare Program:-** The provision of social services is main aim of the planning. For example some developing countries plan various facilities like housing, schooling, transport and water provided to the people.

**Increase in Capital Formation:-** Without increasing the rate of capital formation, we cannot increase the rate of development. In the less developed countries rate of saving is very low and due to this rate of investment is low. Through effective planning we can increase the rate of savings in the country.

**Elimination of Poverty:-** Through planning we can increase the rate of economic development in the country. National income and per capita income will rise and poverty will remove.



## 1.5 Summary

The economic principle of competition between scarce resources and unlimited human wants calls for planning to arrange your priorities in order of preponderancy. As such national development planning involves identifying goals that give maximum benefit to the people out of the available resources. With planning, a country knows where it is going (goal, end), knows what will take it there (means,) and how it will get there (strategy). Thus planning serves as a roadmap of a country towards development.

We have succeeded in pointing out the need and the importance of planning for individual, national and international development. At the international level, the rising aspiration of ‘Third World’ countries to catch up economically with the advanced industrial nations as rapidly as possible, the failure of the market system to take care of certain human needs and the desire of the advanced nations to scale up among equals, made development planning a key function of government of every nation. Planning has come to be accepted, therefore, as an essential and pivotal means of guiding and accelerating economic growth in underdeveloped countries and means of scientific discovery and advancement in the developed world. Different types of planning are available for achieving whichever goal is set by any country in the world today. These are categorized according to structure - architectural designs and construction of physical projects; according to process - intangible aspects of human endeavour like planning for war, marketing strategies, human capital development, performance improvement of workers, software development, marriage ceremony; according to use - industrial, economic, development, social, health, education; according to time dimension - long range, middle range, and short range; according to purpose - strategic, contingency, standing, single use and programme planning; and according to level - strategic and operational planning.



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## 1.7 Possible Answer to Self-Assessment Exercise (s)

### Self-assessment exercise 1

Which type of Planning would you recommend to a developing country that aspires to catch up with the advanced nations of the world?

#### Answer

Strategic Planning can be recommended for that country

### Self-assessment exercise 2

Give reasons for your choice of the type of planning.

#### Answer

Strategic planning is recommended for that country because it is the type of planning a country would require when it is facing myriads of problems that hinder its progress. With strategic analysis of strength, weaknesses, opportunities and threats of the country, Strategic planning would help the country decide where it wants to get to and why, then choose from the different courses of action available to ensure the best chance of getting there. It would help the country to define a clear way forward in response to emerging opportunities and challenges, while maintaining coherence and long-term sustainability. It usually covers the long term goals (roughly a minimum of three or four years, up to ten years). It would guide the overall direction of the country by defining its vision and mission and the goals or strategic objectives necessary to achieve them.



## UNIT 2 MODELS AND THEORIES OF DEVELOPMENT PLANNING

### Unit Structure

- 2.1 Introduction
- 2.2 Intended Learning Outcome
- 2.3 Main Content
  - 2.3.1 The Concept of Model
  - 2.3.2 The Basic Types of Planning Models
  - 2.3.3 The Aggregate Model
- 2.4 The Sectoral Planning Model
  - 2.4.1 Inter-industry Planning Model
- 2.5 Decentralized Model
- 2.6 Linear Programming
- 2.7 Summary
- 2.8 References/Further Readings/Web Resources
- 2.9 Possible Answers to Self-assessment Exercise (s)



### 2.1 Introduction

Planning models, according to M. L. Jhingan, have been increasingly used in underdeveloped countries for the drawing up of plans for economic development. A model expresses relationships among economic variables which explain and predict past and future events under a set of simplifying assumptions. In other words, a model consists of a series of equations, each of which represents the association among certain variables. In this sense, a planning model is a series of mathematical equations which help in the drawing up of a plan for economic development. Broadly, a model may have endogenous and exogenous variables. Endogenous variables are those whose values are determined from within the system such as national income, consumption, saving, investment, etc. On the other hand, exogenous variables are determined from outside the system such as prices, exports, imports, technological changes, etc. A planning model specifies relationships between endogenous and exogenous variables and aims at ensuring the consistency of the proposed plan for economic development. "It is meant to yield an optimally balanced collection of measures known as Model Targets, which can help the planning authority in the drawing of an actual plan." A UN study defines a planning model as that based on precise knowledge medium and long-term economic aims, which is mathematically expressed in the form of; preference function and reflects the initial conditions of the economy including economic policy measures already proposed and show the most probable path of economic development. 13 Planning models

according to Jhingan, are of three types: aggregate, multi-sector and decentralization. All other models fit into these three.

The usefulness of planning models in actual plan-making are: "(a) to provide a frame for checking of the consistency or the optimality of the official plan targets; (b) to provide a frame for the actual setting of targets; (c) to provide a frame for the evaluation and selection, of projects and (d) to provide an insight into the structure of the economy and its dynamics to help policy decisions.



## 2.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- describe the concept of a planning model
- differentiate between basic types of planning models



## 2.3 Main Content

### 2.3.1 The Concept of Model

M. P. Todaro<sup>15</sup> defined a model as an organized set of relationships that describes the functioning of an entity, whether it be the individual household or firm, the national economy, or the world economy, under a set of simplifying assumptions. M. I. Jhingan, on his part sees a planning model as a series of mathematical equations which help in the drawing up of a plan for economic development. The two definitions, here, indicate to us that a model is made up of variables that have organized relationships and equations among them showing how an entity, (eg. an economy or a country) functions. These variables are internal and external.

In the context of planning, economic models provide a logically systematic and internally consistent operational framework based on an important set of structural interrelationships in the economy. These interrelationships can be expressed in meaningful quantitative terms and then formulated as a guiding programme for future development. The choice of a particular model depends upon a number of criteria. The most important of these include the existing stage of realized development, the availability of adequate statistics and the role of the government in the economic process. Models consist of the following three basic structural elements;

1. a set of variables,
2. a list of fundamental relationships, and

3. a number of strategic coefficients.

Planning models can be classified in several different categories: 16 aggregate, main sector, multi-sectoral, regional and project specific models as quoted from Chowdhury and Kirkpatrick, (1994). Jhingan, on his part, classify them into only three - aggregate, multisector and decentralization models with all other ones ready to fit into these three. Planning models are useful for several reasons. The most obvious is that they allow policymakers to form quantitative estimates of the various trade-offs in preparing development policies. Planning models reflect the accounting regularities and conventions of national income and product accounts, balance of payments and income and expenditure balances of the public sector as quoted from Taylor, (1979). Analytical models combine behavioral equations with accounting identities from these sources. As a result, the planner becomes aware of limitations imposed by the adding-up principle implicit in the underlying accounts and limitations on the degrees of freedom of the parameters that determine behavior. These behavioral parameters can be calibrated to the data, but usually imperfectly with some degree of arbitrariness. The resulting analytical models can comb out inconsistencies in the way in which policymakers believe the economy is working. The models also enhance communication, adding clarity to discussions within the policy establishment as well as been these individuals and politicians, the public and other interested parties, such as NGOs. The advantages of rigor are limited in that relying on abstract formulations can in itself inhibit communications, but this can be minimized by training seminars or forming teams incorporating individuals who possess the required interpretative skills.

Planning models also serve as means of communication with outside aid agencies, signaling donors that donated resources will be used wisely and in ways consistent with the broad development objectives. They communicate the thinking about how the resources will be best employed and the explicit assumptions (behavioral parameters, elasticities and the like) underlying the model can be reviewed and evaluated by outsiders. Inappropriate assumptions can be identified and removed.

To be useful, a planning model must pass the duck test, that is, the model must appear to be convincing to readers as quoted from (Gibson, 2003). The model must resemble the actual economy modelled; in particular it should not be possible to observe or even compute characteristics of the model that are widely at variance with how the economy is perceived to work. If critics are able to produce evidence that a model does not look like our economy the credibility of the entire project can be seriously undermined. Critics can dismiss or raise spurious objections to otherwise accurate and useful models for

perceived inconsistencies. Thus all properties of the models should be carefully constructed to agree with published sources.

### **2.3.2 The Basic Types of Planning Models**

Planning models can conveniently be divided into three basic categories according to the degree of structural complexity and the particular use to which the model is being put.

### **2.3.3 The Aggregate Model**

The first and simplest type of planning model is the aggregate model which deals with the entire economy in terms of such aggregate components as consumption, production, investment, saving, exports, imports and the like. Aggregate models, according to Jhingan, are models that trace the optimal paths of development overtime of such economy-wide aggregates; income, saving, consumption, investment, etc. The Harrod-Domar Models and the Two-Gap Models are considered to be of this type. But it is not possible to build highly aggregative models in Under Developed Countries (UDCs) because of the lack of accurate data and computational devices. Aggregate models are usually used to determine possible growth rates of GDP under simplifying assumptions like that of the Harrod-Domar model which assumes that limited capital resources constitute the major constraint on economic development. In countries where inadequate foreign exchange reserves are felt to be the principal bottleneck inhibiting economic growth, the aggregate model might concentrate more on exports, imports, terms of trade fluctuations and sources of foreign financial assistance. In either case, the aggregate model usually provides only a rough first approximation of the general directions which an economy might take. As such, it rarely constitutes the operational development plan. In most instances, the projection of aggregate components of GDP merely provides a general overall framework or initial stage in the formulation of a comprehensive development plan.

Aggregate planning models are indicative of the potential growth path of the economy and can be used to generate various scenarios ranging from pessimistic to optimistic. They can also be used to determine optimal accumulation paths far into the future. It is one of the most well-known models in economics employs the calculus of variations to find the optimal savings rate, the one that maximizes the discounted value of future consumption.

#### **Self-assessment exercise**

Identify and explain the planning model adopted by Nigeria and many other African Nations after their independence.

## 2.4 The Sectoral Planning Model

The sectoral model, to M. P. Todaro, comprises two fundamentally different approaches to development programming. The first approach, attempts to divide the economy into two or more main sectors such as agriculture and non-agriculture, or the consumption goods sector, the investment-goods sector, and the export sector, etc., with a view towards formulating a complete plan based on the co-ordinated activities of these principal sectors of the economy. We shall call this more detailed approach the complete main-sector planning model. A second approach has been to concentrate on levels of production and consumption, not of the entire national economy either as a unique entity or as a composite of a few main sectors, but rather to investigate the possibility of growth in a single individual sector. In this type of approach, which we shall call the singlesector project model, growth prospects in isolated sectors are assessed on their own merit and specific industrial projects are drawn up on the basis of this partial analysis.

The single-sector project approach is most often undertaken in those economies where statistical data for an aggregate or complete main-sector model are lacking even though detailed information may exist for one or more individual sectors. The main drawback is that the development plan, if based exclusively on a sectoral project approach, often loses its desirable aspects of internal consistency, and more important, overall feasibility. Rather than a well co-ordinated programme of action, the plan could easily emerge as a haphazard collection of assorted development projects with no apparent interconnections.

The project approach to planning has been utilized primarily in African-type economies where the industrial sector is still in its infancy and statistical data is often crude and incomplete. The earlier five-year plans of Ghana (1959-64), Nigeria (1963-68), Kenya (1964-69/70), Tanzania (1964-69/70) and Uganda (1961/62-65/66), could be described generally as sectoral project plans although considerable effort was exerted by the Planning Ministries of these countries to co-ordinate as best they could the individual investment projects in the light of the limited statistical information available.

M. L. Jhingan gave Todaro's sectoral model a similar name as Multisector Planning Model. They are designed to connect macroeconomic aggregates with the sectors constituting the operational content of the plan. The Mahalanobis Two-Sector and FourSector

Models are of this type. Multisector models are also set in terms of input-output models. Further, optimising or linear programming models are also multisector planning models. They extend the consistency models of the input-output type to optimization of income or employment or any other quantifiable plan objective under the constraints of limited resources and technological conditions of production. Such models can be static or dynamic. Static models solve the systems of equations for optimal solution in relation to a single year, while dynamic models explain the optimal growth path over entire plan period.

### **2.4.1 Inter-industry Planning Model**

The third and most sophisticated approach to planning, to M.P. Todaro, is the interindustry approach in which the activities of all productive sectors of the economy are interrelated with one another in the context of a set of simultaneous linear equations expressing the specific production processes of each industry. Direct and indirect repercussions of exogenous changes in the demand for the products of any one sector on output, employment, and imports of all other sectors are traced throughout the entire economy in an intricate web of economic interdependences. Given the planned output targets for each sector of the economy, the inter-industry model can be used to determine intermediate material, import, labour, and capital requirements with the result that a comprehensive economic plan with mutually consistent production levels can be constructed. Interindustry models range from simple input-output models, usually consisting of from ten to thirty sectors in the developing economies and from thirty to four hundred sectors in advanced economies, to the more complicated linear programming activity analysis models where checks of feasibility and optimality are built into the model in addition to the criterion of internal consistency that is the distinguishing feature of the input-output approach.

Interindustry models, especially of the programming variety, are primarily applicable in economies that have achieved a minimum degree of industrial development as characterized by a significant volume of interindustry transactions. However, simple input-output models have been put to a number of useful tasks in those developing economies which have begun to move along the path of industrialization.

## **2.5 Decentralized model**

These models have sector or project level variables which are used to prepare models for individual sectors or projects. Such models are useful

in the early stages of a country's economic development when information is available for only individual sectors or projects.

## 2.6 Linear Programming

Generically, linear programming models belong to a class of models in which price plays a secondary role. It is not that prices are entirely absent, but rather that they are computed as dual variables in a scheme that holds the relationship between prices and quantities fixed. As an example, linear programming was used in various planning models that tried to maximize employment by choosing a sectoral pattern of output consistent with a foreign exchange constraint or some other supply-side limitation.



### 1.7 Summary

Planning models are tools or techniques for shaping, guiding and controlling development plans through the interaction of their endogenous and exogenous variables.

We have got to know that a planning model is an organized set of relationships that describes the functioning of an entity, whether it be the individual household or firm, the national economy, or the world economy, under a set of simplifying assumptions.

Models are meant for drawing up of plans for economic development. A model explains and predicts past and future events under a set of simplifying assumptions. A model may have endogenous variables such as national income, consumption, saving, investment and exogenous variables such as prices, exports, imports, technological changes, etc. These variables interact with each other which eventually lead to Model Targets, used in the drawing of an actual plan." Planning models include aggregate, decentralization, main sector, multi-sectoral, regional and project specific models. Models assist in checking plan targets, setting of targets, evaluation and selection, of projects and help policy decisions.



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## 1.9 Possible Answers to self-assessment exercise (s)

### Self-assessment exercise

Identify and explain the planning model adopted by Nigeria and many other African Nations after their independence.

#### Answer

The model adopted by Nigeria in her First National Development Plan after independence ie 1962 – 1968 was Sectoral Planning Model. The model was found to be suitable for a young developing nation with lack of development in many sectors while the country is equally facing funding problem. In addition there was lack of statistical data or the data available was often crude and incomplete for an aggregate or complete main-sector model even though detailed information may exist for one or more individual sectors. The industrial sector was in its infancy. Hence some selected key sectors such as the agriculture sector, the consumption goods sector, and the export sector, etc., were given priority with a view towards formulating a complete plan based on the coordinated activities of these principal sectors of the economy. The planning model adopted was designed to connect macroeconomic aggregates with the sectors constituting the operational content of the plan.

## UNIT 3      POLITICS OF DEVELOPMENT PLANNING

### Unit Structure

- 3.1 Introduction
- 3.2 Intended Learning Outcome
- 3.3 Main Content
  - 3.3.1 The Concept of Politics in Planning
  - 3.3.2 Nature of Politics in Development Planning
  - 3.3.3 Political Behaviour of the Planner
- 3.4 Case Study on Politics of Planning
- 3.5 Summary
- 3.6 References/Further Readings/Web Resources
- 3.7 Possible Answers to self-assessment exercise (s)



### 3.1 Introduction

Power and politics, according to Bayezit18, are deeply embedded in planning. Hence the idea of controlling cities and nations via planning is as old as the city-states. Foucault (1976) is quoted by Bayezit that every political debate in the eighteenth century onwards included discussions on urbanism, architecture and facilities of common life. Yet, it is not only through planning or infrastructure that power becomes tangible but also through a range of political techniques (Castells, 1997), quoted by Bayezit. Therefore, instead of speaking of the influence of power and politics in planning, it is important to refer to the mutual relationship between these three notions, thus, discuss the trilogy of power, politics and planning.

Although planning and politics share many individual stakeholders, planners and politicians often end up answerable to different stakeholder groups and working to different timeframes.

One criticism sometimes levelled against politicians is their inability to see beyond the next electoral cycle. This criticism is particularly acute when dealing with 25 or 50 year growth targets, which may spell significant change for key electorates. Planners on the other hand are often used as a scapegoat for bad (or lack of) decision making.



### 3.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- What politics in planning is
- Appreciate the nature of politics in development planning
- State the various implications of political behavior in planning



### 3.3 Main Content

#### 3.3.1 The Concept of Politics in Planning

Politics and by implication, politics of planning is the use of strategy and tactics to compel or cajole elected officials, voters and special interest groups toward the goals you have set or have had set for you.

#### 3.3.2 Nature of Politics in Development Planning

Richard sees the art of planning to be about policy making, politics and power. Hence power of politics, planning and economy are taken as important determinants of socio-spatial inequalities. For instance, Harvey (2006) as quoted by Bayazit states that, the clash of different powers, e.g. economic and political, generates uneven geographic development. In this sense, socio-spatial inequalities are explored through the relationship of these powers. To Richard, however, you do not have to be a politician to play political hardball. How can we achieve anything if we do not want to know the damn rules of the game? We go around telling people that our truth will set them free, but we are clueless about the political reality needed to achieve it. In any culture there are ways to achieve cultural change, but you must understand the local rules before you can achieve anything. Quite the contrary, we have a bad habit of taking enlightened statutory goals and making them tedious, onerous and overly complex through an administrative rule-making process.

We tend to leave the larger political sea changes to the primary special interest protagonists who are polarized between the development industry and the environmental constituency.

Most planners use the word “political” as a pejorative term. It usually is used when referring to elected officials who get in the way of us doing our job. The latter is usually caring out development codes or land use plans created by past elected officials. We see no inherent lack of logic

on our part when we do not want the current elected officials to change the rules created by previous elected officials.

Many of the more politically astute planners eventually change careers and become community development directors, city managers or county administrators. It would be fair to characterize such people as “paid politicians.” Political, strategic and organizational planning skills are as important as land use planning skills to such people. For some reason, such people become appointed officials and do not want to be an elected official. This is probably because they like being their own boss and do not function well as part of a governing body.

### 3.3.3 Political Behaviour of the Planner

The Planner as a “political animal” should be guided by the following:

1. Learn to lobby and negotiate behind the scene.
2. If you expect good public policy to reveal itself in a public hearing, then you are gambling with the outcome. Good public policy is created by the dialogue and collaboration that occurs before the public hearing.
3. Working behind the scenes does not mean you lie or misrepresent the facts. Indeed, it will be the strength of your word and character that people will come to rely on.
4. Develop a broader understanding of how the other government agencies and special interest organizations involved actually function.
5. Identify both the visible and the invisible movers and shakers.
6. Determine what it is a decision-maker is passionate about and what it is they want to achieve.
7. Let those with the political power think that your great idea is their great idea.
8. By the way, here is some parting political advice from the Chinese warlord Sun Tzu:

“Plan for what is difficult while it is easy, do what is great while it is small. The difficult things in this world must be done while they are easy, the greatest things in the world must be done while they are still small. For this reason sages never do what is great, and this is why they achieve greatness.”

As planners there are a few things that we can do to help maintain the necessary balance between procedural certainty and political flexibility to ensure that the impact of political actions, be they legislative changes or imposed growth targets, do not affect our ability to continue to deliver truly sustainable development.

Recognise the political drivers – Planning does not exist in a bubble, being aware of the political landscape, including electoral cycles and public opinion can help you a much better understanding of what development is likely to be approved, where and importantly, when.

This is important whether you're working for council, government or for a consultancy.

- a. **Keep your eye on the big picture** – planners is supposed to plan for everyone. Take a collaborative, not combative, approach when negotiating an outcome. Remember that each level of government may have its own agenda but that when a good outcome is delivered, everyone wins.
- b. **Be part of the conversation** – Political mandate is derived from local communities. Involvement with the conversations that inform public opinion or political policy doesn't have to be adversarial and shouldn't be left to the last minute. With planning and community engagement being increasingly interconnected there are some organisations that offer a useful resource for engaging with people in a meaningful way.
- c. **Advocate** – When the conversation turns to planning and the action (or inaction) of planners, don't be afraid to advocate for your profession. Planning is too often used as a scapegoat by the press and by politicians to explain why something has (or has not) happened. There are many avenues through which you can make your voice heard and offer a counterargument. Planners help make the world a better place, be proud of what you do.

### 3.4 Case Study on Politics of Planning

(The Case of Istanbul Municipal Council, Turkey) After the opening of the Istanbul Metro in September 2000, surroundings of its stations have become attractive areas for investment. Although a number of shopping malls opened within close proximity to the Büyükdere axis regardless of the Metro connection before the Metro was built, some investments have been made considering this advantage. These include Metrocity, a shopping mall, office and residence complex comprised of three buildings with 24-26 floors, opened in 2003 at the Levent Metro station. Later on in 2005, Cevahir Shopping Mall, the biggest shopping mall in Europe and the second biggest in the world (in 2007) opened at the Şişli/Mecidiyeköy station. In 2006, Istanbul also gained an extraordinary building structured like a canyon, comprised of four floors of shopping mall and separate buildings for offices and flats. Kanyon combined the features of street-shopping and shopping in a mall with its peculiar

design (Kanyon AVM, 2011). All three buildings have direct access to the Metro stations and passengers can access the shopping malls without going over ground.

In a personal interview with a real estate developer (2011) it has been mentioned that investors see the metro link to the shopping malls as an advantage, likewise, customers prefer shopping malls with connection to the Metro. Therefore, it is possible to state that the Metro creates additional urban rent by offering direct access to and from the shopping malls.

Later developments such as the Diamond of Istanbul, Dubai Towers, Trump Towers, Zorlu Center and other residential and office buildings are projects that have been subject to legal actions as a result of the ways in which they were authorised by the Municipal Council despite not being a part of the local development plans. As a result of exclusive construction rights given to these plots, values increase and the economic gain for the investors of these buildings becomes larger compared to the other investors in the area. Therefore, inequalities occur.

From the quotation above, we can understand that town planners sometimes do favour certain projects and allocate a highly valuable plot of land for its execution.

### **Self-Assessment Exercise**

Examine critically the reasons for government relocating some public structures like motor parks, markets and mechanic workshops in a town or a city.

Planning process and infrastructure development in Istanbul are used in order to explain socio-spatial inequalities in the context of politics of planning. In Istanbul, plan amendment process has become a major issue especially within the last decade. The Municipal Council of the Istanbul Metropolitan Municipality makes decisions on the future of the development of the city in limited time, with limited participation and regardless of the approved Urban Master Plan decisions. In this sense, the municipality (re) distributes the wealth and urban rent and yet, no regular scheme is applied for the participation of different interest groups to this process. Therefore, tension between different interest groups has climbed in some years. For instance, professional chambers such as the chamber of urban planners and chamber of architects have sued the municipality on a number of occasions. At a time, public will to protect an urban park (Gezi Park) in its current form against government's plans of demolishing it and resurrecting old army barracks

to be used as a shopping mall/hotel complex, once triggered a country-wide resistance.

This shows some elements of democracy in the planning process. However, power relationships between different actors in the process are likely to influence the decision making process. In terms of democracy... it is based on pluralism (not on consensus). Decisions (proposals) are brought to the agenda of the Council based on Mayor's or ruling party's will. Council decide to say yes or no to these decisions (mentions that the ruling party would have the majority anyway, therefore, they would have the final word). Meanwhile, people who are opposing to the decision can present their positive or negative views. They may mention that they do not agree with the decision. If they are in the planning commission, they can place declaratory clause to the decision; if they are not powerful enough in the commission they can address to the council in their party groups and reason their objections.... Have they got other alternatives? Well, they can take the decision to the court, object (further) or address to the media. That is how the system works. [...] In any case, if the Mayor does not want the decision to be made, he would not send it to the Council. Even if he does send it, he would ask the ruling party to object the proposal.

It can be understood from this statement that the Mayor and therefore, the members of the Municipal Assembly from ruling party, are the most powerful actors in the decision making process. Thus, these groups are the drivers of the agenda on plan amendments. Yet, it is arguable to what extent the members of the Municipal Assembly engage with these planning decisions. Based on an observation of the decision making process in a district municipality during the fieldwork, it is possible to state that the decisions are made in a very short time and without much discussion



## 1.5 Summary

Politics is part and parcel of planning. In fact there is high degree of synchronization between planning and politics. Politics according to political theorists, is a game that determines who gets what, how and when and that, “a political behavior is a goal-seeking behavior”. Planning on the other hand involves decision on how to allocate scarce means to competing or unlimited wants. Decision itself involves choice – a choice of ends or goals of who and what to be satisfied. A good planner, therefore, is the one who uses the best diplomatic or political ways of balancing satisfaction among competing demands.

Politics of planning is the use of strategy and tactics to compel or cajole elected officials, voters and special interest groups toward the goals you have set or have had set for you. The politics begins from the policy making ground that determines who gets what, how and when in the plan. Hence power of politics, planning and economy are taken as important determinants of socio-spatial inequalities. In Nigeria for example, where there is a sharp competition between the three major regions – North, East and West, planning officials, despite being guided by planning principles, more often than not try to scramble for projects to be allocated to their regions. Even locating the headquarter of an organization or a capital city of a new region is subjected to political dictates.

In view of these anomalies, the study unit considered some guidelines for Political Behaviour of the Planner. This include Learning to lobby and negotiating behind the scene because it is noted that good public policy is created by the dialogue and collaboration that occurs before the public hearing. In the lobbying exercise the planner should identify both the visible and the invisible movers and shakers. He should let those with the political power think that his great idea is their great idea.



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## 1.7 Possible Answers to self-assessment exercise (s)

### Self-assessment exercise 1

How would you support or oppose the actions of the Minister of the Federal Capital Territory of Nigeria of demolishing some structures in Abuja city from 2003 to 2007?

#### Answer:

The following points can be given to support the action of the minister:

1. Contrary to original town plan, some plots are allocated to individuals and organizations by corrupt town planning officials.
2. Influential people or organizations exert pressure sometimes on the town planning officials to get a plot of land in a highly valuable area in the town or city against the original plan.
3. Areas marked for recreational grounds or public parks and gardens are occupied by some individuals.
4. Some structures are put on terminal streets that lead to other structures behind.
5. In Nigeria, even public school lands are encroached by individuals.

The following points can be advanced against the action of the minister:

1. Some structures belonging to individuals or organizations wrongly secured are demolished only to be re-allocated to other individuals or close relatives of the town planning officials.

### Self-assessment exercise 2

Examine critically the reasons for government relocating some public structures like motor parks, markets and mechanic workshops in a town or a city.

Planning process and infrastructure development in Istanbul are used in order to explain socio-spatial inequalities in the context of politics of planning. In Istanbul, plan amendment process has become a major issue especially within the last decade. The Municipal Council of the Istanbul Metropolitan Municipality makes decisions on the future of the development of the city in limited time, with limited participation and regardless of the approved Urban Master Plan decisions. In this sense, the municipality (re) distributes the wealth and urban rent and yet, no regular scheme is applied for the participation of different interest groups to this process. Therefore, tension between different interest

groups has climbed in some years. For instance, professional chambers such as the chamber of urban planners and chamber of architects have sued the municipality on a number of occasions. At a time, public will to protect an urban park (Gezi Park) in its current form against government's plans of demolishing it and resurrecting old army barracks to be used as a shopping mall/hotel complex, once triggered a country-wide resistance.

This shows some elements of democracy in the planning process. However, power relationships between different actors in the process are likely to influence the decision making process. In terms of democracy... it is based on pluralism (not on consensus). Decisions (proposals) are brought to the agenda of the Council based on Mayor's or ruling party's will. Council decide to say yes or no to these decisions (mentions that the ruling party would have the majority anyway, therefore, they would have the final word). Meanwhile, people who are opposing to the decision can present their positive or negative views. They may mention that they do not agree with the decision. If they are in the planning commission, they can place declaratory clause to the decision; if they are not powerful enough in the commission they can address to the council in their party groups and reason their objections.... Have they got other alternatives? Well, they can take the decision to the court, object (further) or address to the media. That is how the system works. [...] In any case, if the Mayor does not want the decision to be made, he would not send it to the Council. Even if he does send it, he would ask the ruling party to object the proposal.

It can be understood from this statement that the Mayor and therefore, the members of the Municipal Assembly from ruling party, are the most powerful actors in the decision making process. Thus, these groups are the drivers of the agenda on plan amendments. Yet, it is arguable to what extent the members of the Municipal Assembly engage with these planning decisions. Based on an observation of the decision making process in a district municipality during the fieldwork, it is possible to state that the decisions are made in a very short time and without much discussion.

## UNIT 4 PROGRAMME PLANNING

### Unit Structure

- 4.1 Introduction
- 4.2 Intended Learning Outcome
- 4.3 Main Content
  - 4.3.1 Basic Concepts in Project/Programme Planning
  - 4.3.2 Results-Based Management
  - 4.3.3 The Project/Programme Cycle
- 4.4 Tools and Techniques of Programme Planning
  - 4.4.1 Limitations
- 4.5 The Planning Phase in the Project/Planning Programme Cycle
  - 4.5.1 Project/Programme Implementation
  - 4.5.2 Monitoring and Evaluation
- 4.6 Summary
- 4.7 References/Further Readings/Web Resources
- 4.8 Possible Answer to Self-Assessment Exercise (s)



### 4.1 Introduction

What constitutes a “programme” and what constitutes a “project” depends to a large extent on the context. An intervention that is seen as a “programme” in one context, such as a National Society’s HIV/AIDS programme, may be considered a “project” in another context, for example when a health programme incorporates an HIV/AIDS project, a TB project and a first-aid training project. A “strategic plan” is the document resulting from this process. One of the key functions of the strategic plan is to guide and influence the development of more detailed planning at the operational Programme Development plan has the capacity of developing people to meet the stringent demands of delivering effectively. Its methods aim at providing cost effective solutions that can provide measureable benefits in the shortest possible time.

The best way to start development planning is to take advantage of evaluation tools for individuals, groups and companies. These services let you know exactly where your level of ability is now. Once you have a clear view of the sort of delivery ability you need to achieve can then identify a number of different ways to achieve it.

This could include:

- Qualification based training with a range of specialist suppliers – we can help you select the best in the organization

- Targeted training for specific people in your team based on established Body of Knowledge or Technical Competence.
- Development objectives that included training, online study, multimedia, white papers & relevant texts or appropriate conference events

The plan is discussed & agreed with the individual and their line manager and can form the basis of their personal development targets moving forward.

The planning can also be used to identify the sort of skills that you need to bring into your organisation and short-list potential candidates.

Greater part of this study unit is drawn from the International Federation of Red Cross and Red Crescent Societies, Guidelines for assessment in emergencies, 2008, and Vulnerability and capacity assessment (VCA), 2006.



## 4.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- Describe the different stages of the planning phase of the “project/programme cycle” within the context of Results-Based Management (RBM).
- Give an overview of the various components of RBM and explain how to integrate and apply this approach in practice.
- Summarize briefly the other key phases of the cycle (assessment, implementation and monitoring, evaluation)



## 4.3 Main Content

### 4.3.1. Basic Concepts in Project/Programme Planning

Here, we give working definitions of concepts in the context of Project/Programme Planning as follows:

#### Plan

A plan (e.g. for a geographical area or for a technical area) is the highest level of operational planning. It groups several programmes (and their respective projects, activities, etc.) with a view to achieving part of an organization’s strategic objectives. Examples include the annual or two-year plans of some National or International Societies. These plans

represent the overall operation to be implemented through various programmes.

### **Programme**

A programme is a set of coordinated projects implemented to meet specific objectives within defined time, cost and performance parameters. Programmes aimed at achieving a common goal are grouped under a common entity (country plan, operation, alliance, etc.). Examples include a health and care programme consisting of an immunization project and a community-based first-aid project or a disaster management programme consisting of a community-based capacity building project, a school-based awareness-raising project etc.

### **Project**

A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. Projects aimed at achieving a common goal form a programme. An example would be a community-based first aid project to expand the reach of first aid in a region or a disaster risk reduction project to increase awareness of disaster preparedness and response measures. These projects would consist of various activities, like those described below. Projects can equally be described as programme components.

### **Activity**

An activity is a combination of several tasks, all of which target the same objective. Activities are the lowest level of actions that need to be planned. Tasks are the simplest actions that make up activities. Examples of activities include organizing a community meeting (scheduling the time, finding a location), developing communication materials, training volunteers in certain techniques, or organizing the distribution of relief supplies. Examples of tasks include writing a letter, checking a warehouse inventory or ordering stock. The activities to be undertaken in an intervention are organized according to the different levels of intended results an intervention sets out to achieve (outputs, outcomes and goal) within that intervention.

### **Programme Planning**

Programme planning is a key activity during the Definition Phase of a programme. There are many ways to approach it, but ultimately, it is about ensuring that the projects and activities needed to deliver the outcomes and Benefits are organised in a way that is coherent and manageable. Programme plans take many different forms dictated by the nature of the programme, the available tools and the preferences of the individuals concerned. Effective programme planning is the key to ensuring that the Programme Manager and Business Change Managers

are able to track, control and deliver the programme objectives and benefits.

**The Benefits of a robust Programme Plan include:**

- a. An integrated view of the projects, activities and Benefits so as to understand the relationship between them and the knock-on effects of changes to one part of the plan on other parts
- b. Minimizing the risk to the programme by using the plan as a tool to control and monitor delivery
- c. Ensuring that individual project and activity plans work within the constraints of the Programme
- d. Building confidence among senior stakeholders, the Programme Manager and Business Change Managers , that there is a workable plan to deliver the programme and to achieve the Benefits
- e. Ensuring a demonstrably coherent approach to delivery
- f. Managing expectations in terms of overall delivery timescales

### **4.3.2 Results-Based Management**

“Results-Based Management” (RBM) refers to an overall approach to managing projects and programmes that focuses on defining measurable results and the methodologies and tools to achieve those results. RBM supports better performance and greater accountability by applying a clear logic: plan, manage and measure an intervention from government or from other sources with a focus on the results you want to achieve. “Results” are the intended or unintended effects of an intervention, and they can be positive or negative, depending on multiple factors. In RBM, intended positive results are used as the basis of planning, while an effort is made to anticipate any potential negative results so that they can best be avoided or minimized.

The intended results of an intervention are often referred to as “objectives”. Results and objectives can be classified according to their level of importance, with the lower-level objectives defining the changes that need to occur in order for the higher-level objectives to be achieved. By setting out in advance the intended results of an intervention and ways in which to measure whether they are achieved or not, we can see more clearly whether a difference has genuinely been made for the people concerned.

### **4.3.3. The Project/Programme Cycle**

The project/programme cycle depicts the management of an intervention through a sequence of interrelated phases that help define and think through the design and management of an intervention. The phases are

broadly progressive, with each one leading into the next. However, the phases are also interrelated and may at times overlap. The type, duration and importance of activities related to each phase will vary depending on the context. For example, if the initial assessment was very brief, there may be a need to obtain supplementary information during the planning phase. Similarly, information gathered during implementation and monitoring will be relevant for a later evaluation or a possible second instance of assessment, if the intervention continues beyond one cycle.

The different phases of the project/programme cycle are defined as follows:

**Initial assessment:** This phase is a process to understand the current situation and find out whether or not an intervention is required. This is done by identifying the key factors influencing the situation, including problems and their causes, as well as the needs, interests, capacities and constraints of the different stakeholders. When an intervention is required, an assessment can include an initial analysis and proposal of the type of intervention that could be carried out.

**Planning:** The planning phase is the main topic here. It is a process to define an intervention's intended results (objectives), the inputs and activities needed to accomplish them, the indicators to measure their achievement, and the key assumptions that can affect the achievement of the intended results (objectives). Planning takes into consideration the needs, interests, resources, mandates and capacities of the implementing organization and various stakeholders. At the end of the planning phase, a project plan is produced and ready to implement.

**Implementation and monitoring:** During implementation, activities are carried out to achieve the intended results (objectives). Implementation is specific to each particular area of intervention, be it water and sanitation, first aid, organizational development, emergency response or humanitarian advocacy.

**Monitoring** is defined here as “the routine collection and analysis of information in order to track progress, check compliance and make informed decisions for project/programme management”. Monitoring systems should be established during the planning phase to allow collection of information on the progress made in achieving the objectives during implementation. The resulting progress reports inform decisions on whether or not an intervention needs to be changed or adapted as the situation evolves.

**Evaluation:** The “evaluation” phase is defined as “an assessment, as systematic and objective as possible, of an ongoing or completed

project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors.”As with monitoring, it is critical that reliable indicators are identified during the planning phase for the purposes of evaluation at various stages of the project/programme. Evaluation in turn informs the new planning process, whether it is for the continuation of the same intervention, for the implementation of a new intervention or for ending the intervention.

#### **4.4. Tools and Techniques of Programme Planning**

For an intervention programme and projects to be successful, it is important that each phase of the cycle includes the involvement of the people the intervention seeks to help. It is also important to ensure the relevant participation of all those involved in different aspects of the planning and implementation of the intervention, as well as of decision makers in governance and management and of stakeholders in other organizations or neighbouring communities. During each phase of the project/programme cycle, various tools and techniques that encourage analysis and reflection are used to support well informed and participatory decision-making at every stage. The planning phase of the project/programme cycle, outlines some of the analytical tools and techniques commonly used in developing an intervention. These include analysis of stakeholders, problems and their causes, objectives, and alternative options for intervention. The methods described can help project managers identify the factors that may affect the success of an intervention. However, it is important to remember that the usefulness of these methods will depend on how well they are adapted to each specific situation. Certain tools are recommended, some with specific step-by-step instructions. These are provided in particular for those new to project/programme design and who require detailed guidance. In every case, the methods and steps are intended only as a guide, which can and should be adapted as necessary for different situations.

##### **4.4.1 Limitations**

The practice of RBM may be limited if the tools are not used as intended. The logical framework (logframe) matrix is often used in the planning phase. The logframe (which shall be discussed later) is probably the planning tool that is best known and most used by humanitarian and development agencies and donors. As a result, it can often be created in a mechanical or bureaucratic way rather than as a practical, logical and flexible tool to define the key elements of a potential intervention. To counter this problem, it is important to focus



as much on the “analysis stage” as the “design stage” and ensure meaningful participation in both stages. Moreover, logframes should be adapted to the changing situation when necessary and not be allowed to trap a project/programme into a fixed way of working that has ceased to be relevant. Lastly, it is useful to remember that the project/programme cycle methodology is primarily designed for an intervention that has the following characteristics:

- a. It is a mechanism to solve a specifically defined problem.
- b. It has a specified timeframe, completion date and performance parameters.
- c. It takes advantage of existing opportunities in the context and of local capacities.
- d. It has a fixed amount of resources.
- e. It benefits a specific group.
- f. It is carried out by a team with a team leader.

The core logic of RBM is useful in many models of working but may often need to be applied differently for ongoing, non-project “service-delivery” models, such as running a blood donor clinic or providing long-term primary health care.

The project/programme cycle model provides an appropriate set of methods, tools and principles to put the “results-based management” approach into practice in humanitarian and other interventions.

## **1.5 The Planning Phase in the Project/Planning Programme Cycle**

As mentioned earlier, the aim of the planning phase is to define programme or project intended results (objectives), the inputs and activities needed to accomplish them, the indicators to measure their achievement, and the key assumptions that can affect the achievement of the results (objectives). Planning takes into consideration the needs, interests, resources, mandates and capacities of the implementing organization and various stakeholders. At the end of the planning phase, a project plan is produced and ready to implement. The planning phase can be divided into several stages and steps, in a number of different ways. For the purposes of this unit, the phase is organized as follows:

### **Analysis stage**

Situation and problem analysis – This involves identifying the main strengths, interests, needs, constraints and opportunities of the implementing team and of key stakeholders and identifying the problems that need to be solved and their causes and consequences.

The aim of the first steps in the analysis stage is to understand in more detail the information gathered during the assessment phase. It is often a

transitional step between initial assessment and design, but exactly what steps are necessary will depend on how the initial assessment was carried out. The conclusions and recommendations of the assessment should be used as the basis for a more detailed analysis of the problems to be tackled. If the information collected appears to be inaccurate, incomplete or biased, it may be necessary to redo some of the assessment steps, using the relevant methodology and tools.

**Development of objectives** – This involves developing objectives based on the identified problems and verifying the cause-effect relationships. Selection of objectives – This involves identifying the different options available to achieve the main objective and determining which one the implementing team or agency is best suited to tackle.

### **Design stage**

Logical framework (logframe) matrix – This involves refining the intervention's objectives, identifying the assumptions, indicators and means of measuring them, and developing a summary of activities. Activity scheduling – This involves determining the sequence of activities, estimating their duration, setting milestones and assigning responsibilities.

**Resource planning** – This involves determining the inputs needed and budget on the basis of the activity schedule. Developing a monitoring system for the intervention.

### **Situation and problem analysis**

The aim of the first steps in the analysis stage is to understand in more detail the information gathered during the assessment phase. It is often a transitional step between initial assessment and design, but exactly what steps are necessary will depend on how the initial assessment was carried out. The conclusions and recommendations of the assessment should be used as the basis for a more detailed analysis of the problems to be tackled. If the information collected appears to be inaccurate, incomplete or biased, it may be necessary to redo some of the assessment steps, using the relevant methodology and tools.

It is therefore useful for the people who carried out the initial assessment to participate in this stage of the planning phase. As a general rule, if the assessment team has already completed some of the steps outlined here (e.g. stakeholder analysis or problem analysis) and there is a consensus on the conclusions and recommendations between all those involved in the assessment and the planning of the intervention, these steps do not need to be repeated or supplemented.

### **Tools for analysis**

Situation analysis requires tools to summarize, compare, prioritize and organize data. Many different tools can be used – those provided here are examples only and are not necessarily the best tools to use in every situation. A tool is only useful if used at the right time and in the right way. The same tool can also be used at different times. This manual proposes three tools to analyse the situation in which a team intends to intervene:

1. **Stakeholder analysis**– to assess the problems, interests and potential of different groups in relation to the conclusions of the assessment
2. **SWOT analysis**– a tool with a wide range of uses, including, as suggested here, to assess the capacity of the implementing agency or team
3. **Problem tree analysis**– to get an idea of the main problems and their causes, focusing on cause-effect relationships.

The above tools can be supplemented or replaced by other tools, as long as the minimum criteria are met.

### **Stakeholder Analysis**

A “stakeholder” in this context is a person or group of people who have an interest in the intervention that is being planned. “Stakeholder analysis” is a technique used to identify and assess the interests of the people, groups or institutions that the intervention seeks to help and of others who may significantly influence the intervention’s success. The overall aim of stakeholder analysis is to ensure that the intervention takes place in the best possible conditions, by aligning it realistically with the needs and capacities of the stakeholders.

Whatever tool is used for situation analysis, it should, as a minimum:

1. Foster participation, including of the people the intervention aims to help, the whole planning team and other National or international bodies staff and volunteers concerned.
2. allow the team to take decisions on how to intervene
3. include self-assessment, to identify the implementing agency’s or team’s own capacity to intervene
4. Allow room for creativity, to plan the changes needed to improve the situation.
5. gather both qualitative and quantitative data, as well as objective and subjective information

**Minimum criteria for situation analysis** 17 One way to conduct this analysis is by drawing up a comparative table.

First, the stakeholders must be identified and they can be categorized as follows:

- a. Institutions that will potentially be involved in the intervention: the implementing Ministry, United Nations agencies, other government ministries or agencies, NGO delegations etc.
- b. Target groups, for example vulnerable groups or potential beneficiaries, such as “mothers with young children”, “youth population under 30 years old” or, for a capacity building project, “the youth members of selected associations”, etc.
- c. Others, for example various associations, local groups, schools, local NGOs, community leaders, the media, etc.

**Second, the problems,** interests, needs, potential, interaction and other relevant factors are identified and analysed for each stakeholder. The factors to be considered for each stakeholder may vary from context to context, but some key factors would normally include:

- a. **Problems:** What are the key problems identified in the assessment and affecting the stakeholder in question? (e.g. poor health care/education, poor crop yield, high unemployment, etc.)
- b. **Interests:** What motivates the stakeholder group? (e.g. music and dance, sport, technology, recognition, etc.)
- c. **Potential:** How can the stakeholder group contribute to resolving the issues identified? (e.g. high level of commitment in areas of interest, voluntarism, idealism, free time, knowledge of the environment, etc.)
- d. **Interaction:** How can the implementing team relate to this group? Which channels of communication can be used? (e.g. youth associations, community centres, Red Cross Red Crescent members or trainers, school, families, etc.)
- e. **Others’ actions:** Is any other association, organization, group, etc. already implementing a project or action that targets the selected group? If so, identify them and their actions to avoid any overlap, as well as to establish the basis for a possible collaboration and to save effort and resources.
- f. **Government actions:** Is there any previous or current government project/programme or service targeting this group? If so, the team should discuss with those implementing the project/programme to see if it is sufficient as it is or if it needs to be reinforced, improved or replaced.

Ideally, the whole exercise would be carried out in a participatory session with representatives of potential stakeholder groups, including potential beneficiaries, relevant government agency staff and volunteers, and other government officials. The effective use of participatory planning methods and group facilitation tools can help ensure that the

views and perspectives of different stakeholder groups are adequately represented and understood.

The arrangement below is based on assessment information from a disaster-prone community in a (fictional) country “Xland”, in the “Eastern District”. The aim of the analysis is to find out more about the roles of the various stakeholders in relation to disaster response and disaster risk reduction. The assessment was carried out by the Xland disaster management team.

#### **4.5.1 Project/Programme implementation**

Once the main aspects of the programme have been designed following the steps outlined above, the next step is to define:

1. How the objectives will be achieved (activities and timeframe)
2. The resources that should/will be mobilized to achieve them (resource schedule, budget and cash flow)
3. The monitoring (and evaluation) system – how information on the indicators will be collected, analysed and used to guide the progress of the intervention

#### **4.5.2 Monitoring and evaluation**

We started this section with Results-Based Management (RBM), which focuses on planning for measurable results. Such an approach helps us and others better assess, and hopefully appreciate, the value of our work. It then outlined the four phases of the project/programme cycle and examined in detail the analysis and design stages of the planning phase in which measurable objectives are identified and defined. These objectives are the building blocks of projects and programmes and are summarized in a logframe matrix. The logframe also defines the indicators and their means of verification to measure the achievement of the objectives, and the key assumptions that can affect their achievement. The assessment and planning phases lay the groundwork for the implementation of projects/programmes.

With implementation, the project/programme cycle enters the next two phases, which include monitoring and evaluation.

Monitoring and evaluation (M&E) build on the logical framework developed during the planning phase. Therefore, these phases will be our focus. However, it seems fitting to touch briefly on some of the key points that concern M&E. Monitoring refers to the routine collection and analysis of information in order to track progress, check compliance and make informed decisions for project/programme management. It focuses on what is being done and how it is being done. Therefore, as stressed in

this manual, it is essential that objectives are well designed, with SMART indicators to measure ongoing processes and results. Reliable monitoring allows project/programme teams to identify trends and patterns, adapt strategies, and make decisions regarding human, financial and material resources to enhance project/programme effectiveness.

Evaluation refers to the periodic collection and analysis of information that forms the basis of “an assessment, as systematic and objective as possible, of an ongoing or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decisionmaking process of both recipients and donors.”

As with monitoring, it is critical that reliable indicators are identified during the planning phase for the purposes of evaluation at various stages in the project/programme, whether it is a mid-term or a final evaluation. Evaluation in turn informs the new planning process, whether it is for the continuation of the same intervention, for the implementation of a new intervention or for ending the intervention. As with monitoring, it is critical that reliable indicators are identified in the planning phase to inform the evaluation of the project/programme.

An important tool for monitoring is an M&E plan (sometimes called an “M&E planning matrix”). The M&E plan expands on the elements in the logframe matrix to identify key informational requirements for each indicator. It is a critical tool for planning and managing data collection, analysis and use. The M&E plan takes the logframe one stage further to support project/programme implementation and management.

A critical difference between monitoring and evaluation is in their respective focuses: monitoring tends to focus on operational implementation, while evaluation focuses on the effects or impact of the implementation. Monitoring and evaluation are integrally linked, as monitoring provides information that can also inform evaluations. Therefore, it is best to plan for these two critical functions as part of a coherent, comprehensive M&E system.

Monitoring and evaluation form the basis for clear and accurate reporting on the results achieved by an intervention. When objectives and indicators are clearly defined during the planning phase, and a comprehensive M&E system is set up to collect information on progress, reporting is greatly facilitated. In this way, reporting is no longer a headache, but becomes an opportunity for critical analysis and

organizational learning, informing decision-making and impact assessment.



## 1.6 Summary

A programme is a collection of series of unit of activities related closely to one another meant to achieve a single goal. Each unit of activity addresses a single objective out of the total goal. Thus a goal is divided into smaller objectives. The objective in the unit of activity is achieved through a project. The major components of the programme planning cycle are: initial assessment stage, planning stage, implementation and monitoring stage and evaluation stage.

A Programme Plan can be summarized to contain the following eight elements Situation, Objectives, Audience, Strategy, Tactics, Calendar/Timetable, Budget,

Evaluation Situation: A clear understanding is needed of the situation that led to the conclusion that a certain program is needed:

1. Is there a problem or negative situation that needs to be overcome? Eg. Market share/sales are down etc.
2. Is there a need to reinforce an ongoing effort to preserve an organization's reputation and public support?
3. Is this a one-time project? Eg. New library opening Objectives
4. What is the desired outcome?
5. Does it really address the situation?
6. Is it realistic and achievable?
7. Can success be measured in meaningful terms?
8. Does it meet the general SMART criteria.

Audience/Beneficiaries Programs should be directed toward specific and defined audiences/beneficiaries or the public.

Use survey research to identify key public concerns by such demographics as age, income, where people live, social strata, education, consumption of specific products Strategy.



## 1.7 References/Further Readings/Web Resources

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## **1.8 Possible Answer to Self-Assessment Exercise (s)**

### **Self-assessment exercise 1**

Discuss in a group the various issues that have been identified in the assessment.

### **Answer**

### **Self-assessment exercise 2**

Identify and agree on the core problem(s) to be addressed.



## UNIT 5 PROCEDURE FOR PLAN PREPARATION – THE CASE OF STRATEGIC PLANNING

### Unit Structure

- 5.1 Introduction
- 5.2 Intended Learning Outcome
- 5.3 Main Content
  - 5.3.1 Concept Clarifications
  - 5.3.2 The Three Main Levels of Strategic thinking
  - 5.3.3 Some ingredients of strategic thinking:
- 5.4 Decision making
- 5.5 Signposts of creative thinking:
- 5.6 Strategic Planning Process.
- 5.7 Some Strategic Office Tips:
- 5.8 Summary
- 5.9 References/Further Readings/Web Resources
- 5.10 Possible Answer to Self-Assessment Exercise (s)



### 5.1 Introduction

This study unit has direct link with unit 4 already discussed. As such, some aspects of planning procedure have already been taken care of under strategic planning in that unit.

Strategic Planning, in essence, begins when an organization or government agency or the government itself becomes obsolete, out of modern realities or overtaken by modern events or competitors. It may then require a complete or partial overhaul of its vision, mission, goals, objectives, structure, process and even new customers. All these will require new strategies, negotiations and renegotiations, frame breaking and remodeling etc. The ability of management to realize the relevance or otherwise of an organization or its obsolescence in the context of modern realities involves the following: creative and strategic thinking, strategic planning and how they lead to the emergence of projects for inclusion in the National, state or local development plan. Of course, this requires full participation of all key personnel in the organization.

The strategic objectives should be linked to prioritized sectors of intervention based on the capacities of the organization and other stakeholders and should include a time frame and outline evaluation mechanisms. Strategic planning also includes choosing and designing a framework which sets out the best courses of action to achieve the stated objectives.

Greater part of this unit is drawn from the work of Professor Zakari Okworie of Ahmadu Bello University, Zaria, 2010.



## 5.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- grab the basic concepts in strategic planning process
- outline the three main Levels of Strategic thinking
- explain the decision making in planning
- state the planning process and procedure.



## 5.3 Main Content

### 5.31 Concept Clarifications

The Concept of Strategic Plan Strategic planning is the process of deciding where an organization wants to get to and why, then choosing from the different courses of action available to ensure the best chance of getting there. It helps an organization to define a clear way forward in response to emerging opportunities and challenges, while maintaining coherence and long-term sustainability. It usually covers the long term (roughly a minimum of three or four years, up to ten years). It guides the overall direction of an organization by defining its vision and mission and the goals or strategic objectives necessary to achieve them.

**Creative:** Having the capacity or ability, being able to produce or use new and effective ideas or thoughts to achieve results.

Here it involves the key personnel of the organization coming up with new ideas and thoughts on how to move the organization forward.

**Strategic:** The process or technique of utilizing all elements of an organization to plan ahead in order to achieve the objectives of the organization. (Okwori, 2010) Specifically the major difference between creative thinking and strategic thinking are as follows:

**Creative thinking** = Thinking in new ways / innovation

**Strategic thinking** = Thinking ahead / forecasting

### 5.3.2 The Three Main Levels of Strategic thinking

**Internal strategic alignment:** How do you position yourself to think and act strategically? Assess your weaknesses and strengths- what do you have the capacity to do and what are your plans for doing things?

**Interpersonal strategic thinking:** What is your strategy for dealing with other people and to get the results you want to get? What are the best ways of working together to get the best of your fellow personnel?

**Task oriented strategic thinking:** What are your plans for a project you intend to do? How are you preparing your mind for the task before you physically do it, so that you know ahead of time what to expect?

#### Self-Assessment Exercise

1. What are your plans for a project you intend to do?
2. How are you preparing your mind for the task before you physically do it, so that you know ahead of time what to expect?

### 5.3.3 Some Ingredients of Strategic Thinking

#### Thinking in parameters

There are more than one side to a story, more than one road to the market, more than one solution to a problem so strategically you need to understand all relevant parameters and thereby increasing the scope and perception of your base thinking.

#### Consequence analysis

Every action we take, every choice we make whether good or bad, has consequences. Strategic thinking requires that we learn to think about a wide range of possible consequences that may result out of our intended action.

#### Risk/reward analysis

A non-biased assessment and ability to weigh the risks and rewards that will accompany our intended actions is important to strategic thinking.

#### Question analysis

What is the question behind the question? For everything there must be underlying intentions that are not apparent (why did he say no or yes for example) will get you to the actual problem or task.

#### Symptom-Cause analysis

Problems usually present their symptoms, if you tackle the symptom without tackling the problem, the problem remains and the symptoms

will reappear. So understand the difference between cause and symptom. That will give you a huge edge in strategic thinking.

## 5.4 Decision Making

The essence of strategic thinking or of any thinking at all is to take decisions or implement what you have planned. Strategic thinking should lead to informed choices, and informed choices leads to informed decisions. Creative thinking is an integral part of strategic thinking because for both thinking skills are futuristic. Without creative thinking, strategic thinking becomes a simple replay of old ideas and is ineffective.

## 5.5 Signposts of Creative Thinking:

**Creative Recall:** We have accumulated experiences of life before getting this job. We have seen actions taken by people and the consequences of such actions. The ability to recall past experiences of ourselves or others and bring it to bear on our present anticipated action is critical to creative thinking. Learning from past mistakes-good judgment comes from experience. Recalling past experience enables you to explore new ways instead of repeating the same thing.

**Magic if:** going on an imaginative trip provides various visualizations of a desired future. What happens if I say this? What happens if I say no or yes? What happens if I reply this way or that way? What do the rules allow me to do? What do the rules not allow me to do?

**Scenarios:** creative thinking requires building scenarios- possible ways in which things can happen, possible ways in which people can react to it and possible consequences of such a scenario. Build all possible scenarios and settle for the one with the least negative consequence.

**Creative intelligence:** is skill in using past experiences to achieve insight and deal with new situations. People high in creative intelligence are good at combining seemingly unrelated facts to form new ideas.

**Practical intelligence:** relates to people's ability to adapt to, select, and shape their real-world environment. It involves skill in everyday living ("street smarts") and in adapting to life demands, and reflects a person's ability to succeed in real-world settings. An example given by Sternberg of practical intelligence is of an employee who loved his job but hated his boss. An executive recruiter contacted the employee about a possible new job. Instead of applying for the job, the employee gave the recruiter the name of his boss, who was subsequently hired away from the company. By getting rid of the boss he hated instead of leaving the job

he loved, the employee showed adaptation to his real world environment. Creative and strategic thinking leads to strategic planning and implementation.

## 5.6 Strategic Planning Process

**Steps in the strategic planning process:**

### **One: Information gathering and needs assessment**

- a. Up to date information and data on the socio-economic, political, cultural and historical context of the catchment area and of the country.
- b. Assessment of the needs of your catchment area and nation which the institution needs to satisfy or key into

### **Two: Values clarification**

What are the beliefs that your institution holds high and worthy as principles for existence? Values are determined through the following questions:

- a. What do you value most about your institution
- b. What are the core factors that give life to your institution
- c. What are your best practices

### **Three: Establishing the Vision**

This is the mental picture of the desired future of your institution

- a. should have a specified time frame, 5 years/
- b. based on values and realities of your institution's internal and external environment
- c. stated with clarity and certainty

Visions are determined through the following questions:

- a. What are the most important hopes/wishes which would heighten the health and vitality of your institution?
- b. What would you like your organisation to be in the next 5 years/

### **Four: Determining the mission**

The mission statement expresses the underlying design, aim or thrust of an organisation. As the purpose of the organisation and its roadmap, it is anchored on the vision of the institution.

Mission is determined through the following questions

- Why do we exist?
- What is our service/
- Whom do we serve?

### **Five: Organisational Assessment/SWOT analysis**

After formulating the mission, the next thing to do is to carry out an organisational assessment.

- This involves the assessments of the strengths and weaknesses of your institution in relation to your stated vision and mission.
- Strengths and weaknesses are internal to the organisation
- The assessment of opportunities and threats which are the external factors that will challenge your institution

At the end of the assessment you should identify and prioritize needs and problems within and outside the institution. SWOT analysis will then be used to generate strategic options



## 5.7 Summary

From what we have learnt so far, we notice that the procedure for plan preparation involves review of vision and mission, identifying the value requirements that determine the goal, objectives, activities, persons responsible, resources needed, expected results, success indicators and final cost. At the end of this process, a project emerges.

Strategic planning defines what an organisation wants to be and do, what it is all about, who it wishes to serve, what it intends to get out of it's efforts, how specifically it should move over time and it determines the most effective means to achieve goals - within limited resources and conditions it must operate in. This implies 3 things.

1. Strategic analysis which focuses on seeking understanding of the institution's strategic options,
2. Strategic choice which enables choosing between possible courses of actions,
3. Strategic implementation which involves putting a chosen course of action into effect

Projects related to strategic planning emanates when an existing organization or a country becomes obsolete, out of modern realities or overtaken by modern events or competitors that may warrant a complete or partial overhaul of its vision, mission, goals, objectives, structure, process and even new relations. All these will require new strategies, negotiations and renegotiations, frame breaking and remodeling etc. These may involve creative and strategic thinking, strategic planning leading to the emergence of a project projects. It requires the involvement of all concerned in the organization. Hence strategic planning is conceived as a process in which the direction and scope of a country, an organization or institution is channeled over a long term so that it matches its resources to its changing environment and its stakeholders in order to meet stakeholder expectations. In the business

world, it involves the planning of all the activities of a business to ensure competitive advantage and profitability.



## **5.8 References/Further Readings/Web Resources**

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Nagarajan, K., (2012)., *Project Management, (6<sup>th</sup> ed.)*. New Age International Publishers, New Delhi.

Nicholas, J. M. & Steyen, H. (2008). *Project Management for Business, Engineering, and Management, Principles and Practice, (3<sup>rd</sup> ed.)*. Butterworth Heinemann, U.K.



## 5.9 Possible Answer to Self-Assessment Exercise (s)

### Self-Assessment Exercise 1

What are your plans for a project you intend to do?

#### Answer

#### Steps in the strategic planning process:

#### One: Information gathering and needs assessment

- a. Up to date information and data on the socio-economic, political, cultural and historical context of the catchment area and of the country.
- b. Assessment of the needs of your catchment area and nation which the institution needs to satisfy or key into

#### Two: Values clarification

What are the beliefs that your institution holds high and worthy as principles for existence? Values are determined through the following questions:

- d. What do you value most about your institution
- e. What are the core factors that give life to your institution
- f. What are your best practices

#### Three: Establishing the Vision

This is the mental picture of the desired future of your institution

- a. should have a specified time frame, 5 years/
- b. based on values and realities of your institution's internal and external environment
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Visions are determined through the following questions:

- a. What are the most important hopes/wishes which would heighten the health and vitality of your institution?
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#### Five: Organisational Assessment/SWOT analysis



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- This involves the assessments of the strengths and weaknesses of your institution in relation to your stated vision and mission.
- Strengths and weaknesses are internal to the organisation
- The assessment of opportunities and threats which are the external factors that will challenge your institution

At the end of the assessment you should identify and prioritize needs and problems within and outside the institution. SWOT analysis will then be used to generate strategic options

### **Self-Assessment Exercise 2**

How are you preparing your mind for the task before you physically do it, so that you know ahead of time what to expect?

#### **Answer**

There is more than one side to a story, more than one road to the market, more than one solution to a problem so strategically you need to understand all relevant parameters and thereby increasing the scope and perception of your base thinking.

#### **Consequence analysis**

Every action we take, every choice we make whether good or bad, has consequences. Strategic thinking requires that we learn to think about a wide range of possible consequences that may result out of our intended action.

#### **Risk/reward analysis.**

A non-biased assessment and ability to weigh the risks and rewards that will accompany our intended actions is important to strategic thinking.

#### **Question analysis**

What is the question behind the question? For everything there must be underlying intentions that are not apparent (why did he say no or yes for example) will get you to the actual problem or task.

#### **Symptom-Cause analysis**

Problems usually present their symptoms, if you tackle the symptom without tackling the problem, the problem remains and the symptoms will reappear. So understand the difference between cause and symptom. That will give you a huge edge in strategic thinking.

**Module 2 Project Preparation and Planning**

- Unit 1 Project initiation and Designing
- Unit 2 Project Preparation/Planning
- Unit 3 Project Feasibility Study

**UNIT 1 PROJECT INITIATION CONTENT****Unit Structure**

- 1.1 Introduction
- 1.2 Learning Outcome
- 1.3 Main Content
  - 1.3.1 Steps in Project Initiation
  - 1.3.2 Preparing the Project Initiation Document
  - 1.3.3 Objectives Setting
- 1.4 Determining the Approach or Methodology
  - 1.4.1 Scheduling and Budgeting
  - 1.4.2 Delegating the Work
  - 1.4.3 Project Design
- 1.5 Steps to Effective Project Design
  - 1.5.1 Project Design for the Nonprofit Industry
  - 1.5.2 Project Design for the Education Industry
  - 1.5.3 Expert Tips for Effective Project Design
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answer to Self-Assessment Exercise (s)

**1.1 Introduction**

The Project Initiation Phase is the 1st phase in the Project Management Life Cycle, as it involves starting up a new project. You can start a new project by defining its objectives, scope, purpose and deliverables to be produced. You'll also hire your project team, setup the Project Office and review the project, to gain approval to begin the next phase.

The Project Initiation Phase is the most crucial phase in the Project Life Cycle, as it's the phase in which you define your scope and hire your team. Only with a clearly defined scope and a suitably skilled team, can you ensure success.

The most important thing to remember about the initiation process is that it does NOT involve starting work on creating any of the 'products'

of the project. It is concerned exclusively with clarifying the project's objectives and what will be needed to achieve them.

Substantive part of the materials in this study unit are drawn from Buck Institute for Education (BIE) and Government of Canada Public Services and Procurement, Guidelines for the Preparation of Project Plans or (Project Plan Document/Report), Dr. Shawn Cunningham, Project preparation a very important phase of successful project, and Brett Harned, and TeamGantt, A guide to project management.



## 1.2 Learning Outcome

By the end of this unit, you will be able to:

- appreciate the nature and content of Project Initiation Document
- prepare Project Initiation Document
- prepare a Project Design
- distinguish between project design in the public and in the private sectors.



## 1.3 Main Content

### 1.3.1 Steps in Project Initiation

Projects are the cornerstone of all business activities in small companies. Government and firms must complete various projects to achieve their goals. Business owners and managers have only one attempt executing a project successfully. Hence, the process must be carefully thought out and planned. The initiation process in project management includes the necessary steps to getting the project launched. There are several key phases of the project management initiation process.

### 1.3.2 Preparing the Project Initiation Document

The Project Initiation Document (PID) – or the Definition Document – is one of the most important artifacts in project management because it provides a foundation for the project. It specifies why the project is important, what will be delivered, when it will be delivered and how. It's the contract between the project management team and the steering committee – or sponsor – if you like.

Unfortunately many project managers don't take the time to write a proper PID. They write a document which is far too generic and

therefore doesn't bear any real meaning. The purpose of writing a PID is not to tick a box so that you can say you have done it, but to ensure that everybody understands the premise of the project. A good PID should answer the following questions:

**Why are we undertaking the project?** It's important to understand the background of the project, the motivation for undertaking it and it's objectives. A good project manager is not only interested in delivering an output or a capability to their customer, but interested in the wider context and the benefits that this capability will ultimately bring about.

**What are we delivering?** A good PID is as specific as possible about what is in scope and what is out of scope of the project, and it makes use of flow diagrams and Product Breakdown Structures to visually illustrate the boundaries. It also clarifies the project's success criteria, i.e. everything that must be fulfilled in order for the project to be considered a success.

**Who is responsible?** It's important to clarify who plays which roles on the project so that nothing falls through the cracks. Specify who takes the role of project manager, team leader, sponsor, supplier and user representative. You should also document who the main stakeholders are and who the steering committee comprises of.

**How will the project be delivered?** When you kick off a project you have to determine which approach you will use. Will you use a waterfall or an agile methodology? How will you communicate with the stakeholders? How will you test the quality of the products or services you are delivering and how will you keep on top of risks, issues and changes to scope?

**When will the project be delivered?** Unless you use a very structured waterfall methodology, you are unlikely to have an in depth schedule of what will happen when. For the PID it will suffice to include a milestone plan which highlights the main phases and activities of the project. As most people are visually minded it is a benefit if you also include a visual roadmap. The more graphical you can make the PID the better.

**What are the risks, issues and constraints?** Projects often derail because of unforeseen risks, so make sure you get them out in the open as early as possible. Include a snapshot of the project's top 10 risks and issues and assign owners and mitigating actions. Also remember that constraints and dependencies often turn out to be risks.

**How much is it likely to cost?** It is good practice to include a cost estimate in the PID along with any budgetary constraints. Provide the

assumptions your team used when they came up with the estimate as well as details about how often you will review the estimates.

When it comes to completing the PID, make sure that you don't do it in isolation, but that you involve the team as much as possible. After all, it's the team that will do most of the work. Write the document in plain English and avoid project management speak. Jargon alienates your readers.

And one final point. When you've written the PID, don't just send it out via email and expect your stakeholders to read it. Set up walk-through sessions where you take them through a Power Point version of the PID highlighting the main points.

### **1.3.3 Objectives Setting**

The first phase of the project management initiation process is establishing an objective. This is when managers meet and decide what information they need from the project. Government or an organization may have multiple objectives each addressing one project. For example, a state government with a goal of addressing the wellbeing of the citizens may want to provide good drinking water, good medical care, qualitative education for the children etc. These constitute multiples of objectives out of the goal, each objective to be achieved through a project. Hence determining the objective constitutes the first step in designing a project. Objectives are essentially the outcomes government or an organization wish to obtain from completing projects. There must be well-defined scope for a project to be successful and all the objectives must be clearly defined.

## **1.4 Determining the Approach or Methodology**

The government must determine its approach to a specific project to bring it to fruition, which is part of the initiation process. The approach includes listing the methods and tasks required for the project. There are many options at the disposal of the government for executing the projects. They can be carried out through direct labour, through contract or through Public-Private-Partnership (PPP). The method of executing the project must be clearly identified. The next step would be determining all the steps or tasks involved in executing the project right from the project design down to writing the final report on the project.

### **1.4.1 Scheduling and Budgeting**

A time frame must be established for completing all tasks, as most projects have deadlines. Government officials involved must estimate

the amount of time it takes to complete individual tasks. For example, if the method chosen is PPP, the tasks can include: identifying the private partners, meetings between the government and the private partners, signing of Memorandum of Understanding or deed of partnership, financial contribution, initial take off of the project, monitoring the activities, completing the project, evaluation and reporting. The various outlined tasks have their associated costs. These component costs are put together to form the project budget.

### **1.4.2 Delegating the Work**

The officer in charge of the project must delegate work during the project initiation process before any work commences. For example, identifying the private partners may involve going out of the country to solicit for them. Experts in that respect can be delegated to handle it. Delegation of work is usually the last phase of the initiation process in project management. The project kickoff ensues immediately after all project initiation.

### **1.4.3 Project Design**

Project design is an early phase of the project where a project's key features, structure, criteria for success, and major deliverables are all planned out. The point is to develop one or more designs which can be used to achieve the desired project goals. Stakeholders can then choose the best design to use for the actual execution of the project.

The project design phase might generate a variety of different outputs, including sketches, flowcharts, site trees, prototypes, photo impressions and more.

In our society today, we are confronted with social agendas such as declining or high birthrate, aging population, energy issues, issues of public health, and conflicts. All of which we do not have a definitive answer. What we need is creativity and visionary mind to generate ideas and projects anew in order to respond to unprecedented social challenges. Through the process of Project Design we invent visionary concepts, formulate and conceptualize ideas that are innovative in answering global problems.

Project Design is a creative process to envision and in creating a feasible concrete project plan of what we desire to realize in the society. It is a cycle of processes to generate ideas, to conceptualize the ideal project, develop a feasible plan to achieve what we envision, to deliver and to realize the innovative framework we designed.

Project design is a crucial stage in a project's life cycle because it identifies key elements and sets the overall tone. However, it's one stage that's often rushed or overlooked. For your project to be successful, you must first understand the steps involved in project design, as well as how to document them. Creating a project design can help you avoid pitfalls down the road and also set a reasonable budget from the outset. To create a truly effective and reasonable project design it's imperative to include multiple team members and stakeholders during the planning phase .

Although project design is one of the earliest stages in the life of a project, exactly when it occurs varies by organization. During project design, an outline of the project is created, including:

- The organization(s) responsible for completing it
- A description of the project
- Goals, outcomes, and objectives, and when they will be completed
- Major deliverables, products, and/or features
- Success criteria, and/or monitoring and evaluation guidelines
- Budget estimates

It's important to involve your team and other key stakeholders in project design. This will help ensure important details are included, and that your project is realistic and achievable. Your project design should be carefully documented, and a variety of visual aids may be incorporated, as well.

## **1.5 Steps to Effective Project Design**

Regardless of your industry, there are some basic steps you should follow during the project design phase. These steps will help you create an effective project design document, and work more effectively with all parties involved.

### **Define Project Goal**

First and foremost, you should meet with your team and key stakeholders to define the ultimate goal or outcome of your project. This might be the product that is going to be developed, the service that will be provided, or the problem your project will solve.

Consider the needs and expectations of all stakeholders and/or beneficiaries when determining your goals, and get their approval early on. Make sure your team members weigh in on the accuracy and feasibility of the goals you define, as well. Remember, the more of this you can figure out ahead of time, the easier your project will be to manage later.

### **Determine Outcomes, Objectives, and/or Deliverables**

After the primary goals have been established, break each down into smaller, more manageable pieces. In some industries, such as nonprofit and education, these pieces are objectives or outcomes—for example, solutions to problems that have been identified for the population you’re trying to help, or learning goals that students need to achieve. In other industries, such as project management and software development, the smaller pieces may be deliverables, such as a marketing plan, or a prototype of the software.

During the design phase, some organizations break down outcomes, objectives, and/or deliverables even further into the tasks and activities required to complete them. Others save the task/activity breakdown for a later phase of the project life cycle, such as during project scheduling. It’s up to your organization to decide what works best.

Whatever your process, it’s helpful to use the SMART acronym when identifying outcomes, objectives, and/or deliverables.

#### **Make sure they are:**

**Specific:** Be as clear and direct as possible so that later, you can plan the tasks that will be performed to achieve them. Provide specific guidance on which resources are involved and their roles.

**Measurable:** Outcomes, objectives, and/or deliverables must be quantifiable. This way, you’ll be able to measure results and track progress.

**Achievable:** Make sure goals can realistically be achieved given the resources, budget, and time frame available.

**Relevant:** All outcomes, objectives, and/or deliverables should logically result in achieving project goals and producing intended results.

**Time-Bound:** Provide a timeline for when they will be achieved/completed.

“You can get caught up in the minutiae of large projects, but you have to work from the outside in toward the details. Break up large sub-projects into smaller pieces.”



### **Identify Risks, Constraints, and Assumptions**

Now that you've determined what you want your project to achieve, identify anything that could stand in the way of its success. Document any risks and constraints on budget, time, or resources that could affect your team's ability to reach goals, milestones, and outcomes. Then try to resolve as many of these problems as you can. This will help prevent delays once the project is underway.

It's also good practice to document any assumptions made during the project design phase. These will come in handy when you create a Statement of Work (SOW) and/or project schedule, and will also help you estimate costs more accurately.

“All projects are built on assumptions, and smart project managers know this. At the start of the project, the scope for assumptions is unlimited. Smart project managers capture these within the design process, then deal with them in a very disciplined manner.”

For example, if you assume that a necessary piece of equipment will be available when the project reaches the installation phase, this should be noted. That way, if the person who makes the schedule discovers the equipment isn't available until a later date, you'll be informed and can adjust the timeline and budget accordingly—before the actual work begins.

### **Prepare a Visual Aid**

Once you've determined your goals, outcomes, and risks, you can prepare a visual aid to represent part or the entire project. Visualizations are particularly common in the creative, construction, nonprofit, and software development verticals. However, using visualizations can be useful when managing any type of project since they provide team members and stakeholders an easily understandable snapshot of the project's goals, outcomes, deliverables, products, services, and/or functionality. Visual aids may include:

- Sketches or drawings
- Plans, schematics, or rough blueprints
- Flow charts
- Site trees
- Gantt charts
- Screenshots or screen designs
- Photos
- Prototypes
- Mind maps
- Whiteboard drawings

The type of visual aid you choose may depend on your industry. In project management, Gantt charts, mind maps, and whiteboard drawings are often used to visualize early-stage project designs. In software development, diagrams, trees, charts, or maps of the software architecture and/or functionality are common (more on this in the software development section below). Prototypes or models may be created for product development projects. While flow charts are common in the nonprofit realm.

In construction project management, blueprints, drawings, schematics, and/or plans are produced, which are then reviewed by an engineer or architect. Once approved, working drawings are created out of the preliminary plans, which are used when performing the actual construction.

### **Ballpark Your Budget**

It's important to know the budget right from the start. Even if you don't have a complete picture of the costs and incomes your project will generate, create a budget in as much detail as you can. The clearer you can be about your budget during the project design phase, the less likely you are to experience unexpected cost overruns later.

Estimating your budget will also help you determine the feasibility of the project. If the cost is more than your client, customer, funding source, or partnering entity can spare, the project can't realistically be undertaken.

### **Determine Approval and Monitoring Processes**

Now that you have a picture of the project's goals, risks, and budget, decide how success will be determined. List the criteria you'll use to judge whether deliverables, outcomes, and the final product have been achieved. You should also determine what processes must be followed in order for the project and its elements to be approved, and who is responsible for approval.

“The goal of the design phase is to have a definite understanding of what success looks like to the project sponsors and key stakeholders,” Not really what the success means to you.

For projects that are quite technical or complex, you may also want to add a stage for “proof of concept.” This allows the preliminary design of a product or service to be tested for viability before the project advances to the next phase. Performing this stage can save a lot of time and money if the test isn't successful. If your proof of concept is feasible, this can reassure clients, stakeholders, and/or funding sources they have made a good investment.

## **Use Proper Project Design Documents**

Of course, you must also use the proper documentation to capture all this information. In project management, the output of the design phase may be as simple as a Gantt chart, flow chart, work chart, or hierarchy chart that is carried into the project planning phase. However, many projects do not have a formal design phase. Instead, there is an initiation phase, in which a detailed project plans, project charter, or project initiation document (PID) is created. The approach you take will depend on your organization.

### **1.5.1 Project Design for the Nonprofit Industry**

Project design for nonprofits - especially organizations working in foreign and/or underdeveloped countries - can be an extremely complex process, with equally complicated documentation. Project designs and documents may vary based on your organization, target population, and the rules and regulations of the area where you're operating. However, there are some elements common to most nonprofit projects, which we'll cover here.

Nonprofit project design centers on problems and solutions: it involves identifying issues that impact a target population, instead of finding opportunities for your organization to lessen or eliminate them. Based on information from United Nations agency the International Labour Organization, renowned nonprofit the International Youth Foundation, and other industry experts and resources, here is the basic approach to nonprofit project design:

#### **Analyze the situation and identify problems.**

Conduct a "situation analysis" or "needs assessment," which involves clearly identifying your target group so you can gain a deep understanding of their needs. Your target population includes direct recipients—those who will benefit from the immediate outcomes of your project—as well as the ultimate beneficiaries, or those who will be impacted by your project in the long term.

Analyze all available data to get a clearer picture of your target population. Look at demographics, social and cultural factors, politics, the local infrastructure, economic conditions, and any other issues unique to the area or population. You can find this information in existing reports and research, and from direct observation, interviews, and/or focus groups with members of your target group.

Next, identify the major problems affecting this group, as well as the causes and negative effects of those problems. Look for any notable

strengths and weaknesses in the target population, as well as in your own organization. This exercise will help you identify which problems your organization could have the greatest impact on, and prove the need for your project to donors and stakeholders.

For example, maybe one of the problems is that your target population experiences a higher prevalence of certain communicable diseases. One cause of the problem might be poor education about disease prevention. The effects could include higher mortality and unemployment rates. If your organization excels at educating people about proper health care, you have an opportunity to reduce the impact of this problem.

**Assess your stakeholders' capabilities.**

Your next step is to identify and analyze other current and potential stakeholders, which may include your organization's funding sources, local and regional government agencies or entities, and other nonprofit groups working in the area. Entities or organizations that can help you better reach your target population are known as "entry points," and should be identified as such in your project design documentation.

Conducting a stakeholder analysis shows you which groups might have an interest in your project and its outcomes. It will also reveal:

- a. Which groups could help or hinder your project
- b. What resources they have
- c. Their level of influence or authority over the population and the project
- d. How high a priority your project is to them

This will allow you to choose the right organizations to partner with, and identify risks posed by those who could restrict your work.

**Identify the long-term and short-term outcomes you want to achieve.**

Now that you know the problems, identify the solutions your project will provide. As with any project, you should first identify the ultimate goal or outcome of your project and then break it into smaller outcomes and objectives that will help you reach that goal.

Nonprofit projects must establish both long-term, strategic outcomes (also known as "development objectives"), as well as nearer-term objectives. Some organizations only identify "immediate objectives," while others also include "intermediate objectives" that serve as a bridge between the longest- and shortest-term goals.

When identifying your outcomes, use SMART criteria. Then, phrase them as positive statements that demonstrate how your organization will

decrease or eliminate the impact of the problem for your target population. For example: “Implement a program to educate 1,000 people in a rural town in Uganda about how to protect themselves from communicable diseases by the end of the project.”

### **Self-Assessment Exercise**

1. What are the Expert Tips for Effective Project Design?
2. Enumerate procedure for Project Design for the Education Industry

### **Create an implementation or work plan.**

Here, you’ll outline the activities that need to be performed in order to achieve outcomes. Identify the long- and near-term objectives the activities will impact, as well as any outputs they will produce. The activities should also meet SMART criteria. It’s a good idea to put these activities in a timetable, as this will make scheduling easier.

Next, list the inputs (staff, financial, and equipment resources) required to carry out the tasks, as well as the costs, or output, the activities will accrue. Using this information, you can create a preliminary budget. Be sure to work with your organization’s financial specialist to ensure your budget estimates are accurate.

### **Make a monitoring and evaluation (M&E) plan.**

Nonprofits are accountable to stakeholders and donors and therefore must closely monitor and evaluate the results of their work. “Monitoring” refers to tracking whether activities are being properly executed on a regular basis. “Evaluation” means quantifying the impact of the activities and inputs on the project’s outcomes and outputs. Evaluations are done less frequently—usually at the end of key phases or milestones.

The M&E plan outlines how your organization will collect, enter, edit, analyze, and interpret project data. To create a plan, choose “indicators” (characteristics that will show whether the desired results have been achieved) and “targets” (the amount of progress you expect to make toward completing an objective in a certain amount of time). These should be specific and quantifiable, and may align with project milestones.

In your plan, identify the tools and methods that will be used for data collection and analysis; who is responsible for M&E; where it will be performed; the M&E budget; and how reporting will be handled. Also define the process for potential follow-up actions.

Once your nonprofit project design is complete, you can use it as the framework for a formal proposal, which will help your organization secure funding in a later stage. For further guidance, download our nonprofit project design template.

### **1.5.2 Project Design for the Education Industry**

In recent years, there has been an increasing focus on outcomes in the education industry. Some schools are breaking out of the test- and textbook-based format, and turning to alternative teaching models that emphasize achieving learning objectives over grades and test scores. There are several models and frameworks that can be used to design education projects, but all of them involve a focus on results.

While nonprofit project design centers on problems and solutions, education project design focuses on questions and answers. In project-based learning, teachers help students learn necessary knowledge and skills by designing projects that engage them in independent research and inquiry, resulting in the presentation of a final learning product.

While every project will vary, the following steps are generally recommended in any type of education project design.

#### **Identify the learning outcomes.**

The projects you design should impart students with important knowledge and skills that help them achieve learning outcomes. These outcomes should be based on learning standards, and must cover key subjects for the class and grade level. The project should also facilitate teaching and assessment of the skills students need most to succeed in the modern world (i.e., problem-solving, collaboration, communication, and the use of technology). Identify the primary skills and outcomes that your project will help students achieve.

For example, a learning outcome might be: “Students will be able to articulate which social, political, and economic factors contributed to the onset of the Boko Haram Insurgency”

The Institute for Meaningful Instruction creates curricula and instructional material for teachers using nonlinear instructional design (NLID), which is a framework within which project-based learning can take place. With NLID, instructors and project designers first determine the learning outcomes and content they want to teach. Then they work backwards to determine the course material, evaluations, and performance criteria that will be used.

#### **Self-assessment Exercise**

1. Enumerate procedure for Project Design for the Education Industry
2. What are the Expert Tips for Effective Project Design?

### 1.5.3 Expert Tips for Effective Project Design

project design. These five tips will help you create effective project design documents for any industry.

- **Design projects with the ultimate goal in mind.** As we've discussed, perhaps the most important thing to remember when designing projects is to start with the ultimate goal or outcome and work backwards. Identify the end result you want your project to achieve, and then break it into smaller chunks that each contribute to the ultimate goal.
- **Meet with all stakeholders.** It's important that all parties involved be consulted during the project design phase. Hold regular team meetings, and make sure to include all relevant stakeholders in at least the initial session.

“Bring all of the stakeholders ... into the discussion,” “Aligning on goals and pulling innovative ideas from each stakeholder will help to streamline the process. On countless projects, suggestions or questions come from the most unsuspecting folks, which can help to redefine the whole project.”

The importance of communication with stakeholders is emphasized. Meeting at least every other week to discuss any issues is suggested. “Most projects fail not because the intent, design, or idea was not viable, but because the team was lacking in communication and understanding,” “Work with your stakeholders to agree on the goal, the process, the risks, and the responsibilities.”

**Consult industry and/or professional association resources.** Find available project management resources for your industry or specialty to guide you during the project design phase. Reach out to the local professional organization for your industry, and talk to someone on the board to see if they can introduce you to a seasoned expert in your industry who has experience with project management. There is no substitute for learning from an experienced professional.”

**Consult internal resources.** Regular team meetings are a cornerstone of project management. These meetings keep everyone on track as the project design phase progresses, and allow you to consult with staff members who can inform the process. Your organization's internal documentation may also provide you with useful information. Also,

communicate heavily, and ensure you follow your organization's approval processes.”

**Cazad, of Character.org**, suggests that you “determine a point person for each aspect of the project. Outline initial steps for each person, and the process of how they work together. Maybe a weekly debrief meeting is best. Maybe collaborative living documents ... work well enough.” She also suggests referring to “survey results, notes, and documentation from projects past, budgets (past and current), [and] previous projects' calendars.”

**Review and revise as you go.** Project design is a complicated process, and your design documentation may need to be updated and edited as you go. Don't get frustrated if you find yourself making changes, as this is standard practice.



## 1.6 Summary

Project initiation is the original beginning of project preparation followed by project design, although they have certain areas in common. Many projects do not have a formal design phase. Instead, there is an initiation phase, in which a detailed project plan, project charter, or project initiation document (PID) is created.

Going by the lessons we have learnt so far, we get to know that project initiation together with project design involve studying, discussing and analyzing (with clients and project staff). The project definition has to be written and final objectives set. Next is to list imperatives and desirables that lead to generating alternative strategies. These alternatives have to be evaluated before a course of action is chosen out of them. Similar projects executed somewhere have to be verified in terms of their structural approach. Here, the past experience of the project team also comes to play an important role in the success of the project. Finally the project team have to be sure they are pursuing the real opportunities or addressing the correct problem.





## 1.7 References/Further Readings/Web Resources

Government of Canada - Public Services and Procurement, Guidelines for the Preparation of Project Plans or (Project Plan Document/Report), [www.tpsgcpcwgsc.gc.ca/biens-property/sngp.../guide-eng.html](http://www.tpsgcpcwgsc.gc.ca/biens-property/sngp.../guide-eng.html)

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Thirwal A. P., (n.d). *Growth and Development: With Special Reference to Developing Economies*, Seventh Edition, Palgrave, Macmillan.

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## 1.8 Possible Answer to Self-Assessment Exercise (s)

### Self-Assessment Exercise 1

Enumerate procedure for Project Design for the Education Industry

#### Answer

In recent years, there has been an increasing focus on outcomes in the education industry. Some schools are breaking out of the test- and textbook-based format, and turning to alternative teaching models that emphasize achieving learning objectives over grades and test scores. There are several models and frameworks that can be used to design education projects, but all of them involve a focus on results.

While nonprofit project design centers on problems and solutions, education project design focuses on questions and answers. In project-based learning, teachers help students learn necessary knowledge and skills by designing projects that engage them in independent research and inquiry, resulting in the presentation of a final learning product.

While every project will vary, the following steps are generally recommended in any type of education project design<sup>27</sup>.

#### **Identify the learning outcomes.**

The projects you design should impart students with important knowledge and skills that help them achieve learning outcomes. These outcomes should be based on learning standards, and must cover key subjects for the class and grade level. The project should also facilitate teaching and assessment of the skills students need most to succeed in the modern world (i.e., problem-solving, collaboration, communication, and the use of technology). Identify the primary skills and outcomes that your project will help students achieve.

For example, a learning outcome might be: “Students will be able to articulate which social, political, and economic factors contributed to the onset of the Boko Haram Insurgency”

The Institute for Meaningful Instruction creates curricula and instructional material for teachers using nonlinear instructional design (NLID), which is a framework within which project-based learning can take place. With NLID, instructors and project designers first determine the learning outcomes and content they want to teach. Then they work

backwards to determine the course material, evaluations, and performance criteria that will be used.

### **Choose the driving question that the project will answer**

Upon completing the project, students should arrive at the answer to a “driving question” that helps them achieve the intended learning outcomes. In order to encourage critical thinking, the question should be reasonably challenging for students in their respective grade levels to answer. It should also be open-ended, with more than one “right” answer, so students have the freedom to inquire and explore.

Driving questions serve as the project’s thesis, and help students understand why they are doing the work. They should be phrased in clear, specific language so they are easy to understand. Perhaps most importantly, driving questions should inspire passion and excitement about answering them.

Examples of driving questions might be: Why are civil rights important? or Was the Iraq War justified?

### **Structure the project to enable a process of continued inquiry.**

Not only should your project help students answer a driving question that you supply, it should also provoke them to ask and answer questions of their own. Remember, all project design involves breaking larger components of work into smaller ones that contribute to achieving the ultimate goal. Therefore, students should use the driving question to brainstorm smaller questions that help them arrive at the ultimate answer.

You may start this brainstorm with the whole class, but the goal is for students to engage in the inquiry process on their own—in other words, answering one question should prompt students to ask themselves another. This pattern of discovery and exploration continues throughout the life of the project, until the driving question is answered. It can also be helpful to focus on real-world questions that affect students’ lives; this will better engage the class and drive learning goals home.

### **Give students “voice and choice.”**

As the BIE describes, education project design should allow students to have a “voice and choice.” That means students get a say in the questions they ask and answer, the resources they use, how they manage their time, their process for completing and organizing tasks, who is on their team, and other important elements. This helps the project feel more meaningful to individual students.

What’s more, the tools, resources, tasks, and evaluation standards you use should mimic real-world conditions as closely as possible. Instead of

simply giving students a textbook to look up the answers in, they should be encouraged to drive their own research and find their own answers through sources they choose. These sources could include anything from watching a documentary film to talking with members of the local community.

**Include time and guidelines for reflection, feedback, and revision.**

Both during and after the project, incorporate opportunities for students and teachers to reflect on the learning, give and receive feedback, and make necessary revisions. Include guidelines in your project design document for when, how, and with whom reflection and feedback sessions should occur. Sessions should be well-structured, and should occur at key points throughout the project life cycle. The goal is to help students understand what.

**Self-Assessment Exercise 2**

What are the Expert Tips for Effective Project Design?

**Answer**

These five tips will help you create effective project design documents for any industry.

**1. Design projects with the ultimate goal in mind.**

As we've discussed, perhaps the most important thing to remember when designing projects is to start with the ultimate goal or outcome and work backwards. Identify the end result you want your project to achieve, and then break it into smaller chunks that each contribute to the ultimate goal.

**2. Meet with all stakeholders.**

It's important that all parties involved be consulted during the project design phase. Hold regular team meetings, and make sure to include all relevant stakeholders in at least the initial session.

“Bring all of the stakeholders ... into the discussion,” “Aligning on goals and pulling innovative ideas from each stakeholder will help to streamline the process. On countless projects, suggestions or questions come from the most unsuspecting folks, which can help to redefine the whole project.” The importance of communication with stakeholders is emphasized. Meeting at least every other week to discuss any issues is suggested. “Most projects fail not because the intent, design, or idea was not viable, but because the team was lacking in communication and understanding,” “Work with your stakeholders to agree on the goal, the process, the risks, and the responsibilities.”

**3. Consult industry and/or professional association resources.**

Find available project management resources for your industry or specialty to guide you during the project design phase. Reach out to the local professional organization for your industry, and talk to someone on the board to see if they can introduce you to a seasoned expert in your industry who has experience with project management. There is no substitute for learning from an experienced professional.”

**4. Consult internal resources.**

Regular team meetings are a cornerstone of project management. These meetings keep everyone on track as the project design phase progresses, and allow you to consult with staff members who can inform the process. Your organization’s internal documentation may also provide you with useful information. Also, communicate heavily, and ensure you follow your organization's approval processes.” **Cazad, of Character.org**, Suggests that you “determine a point person for each aspect of the project. Outline initial steps for each person, and the process of how they work together. Maybe a weekly debrief meeting is best. Maybe collaborative living documents ... work well enough.” She also suggests referring to “survey results, notes, and documentation from projects past, budgets (past and current), [and] previous projects' calendars.”

**5. Review and revise as you go.**

Project design is a complicated process, and your design documentation may need to be updated and edited as you go. Don’t get frustrated if you find yourself making changes, as this is standard practice.

## UNIT 2 PROJECT PREPARATION/PLANNING

### Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcome
- 2.3 Main Content
  - 2.3.1 The Concept of Project Plan and Project Planning
  - 2.3.2 Preliminary Project Plan (PPP)
  - 2.3.3 Project Management Plan (PMP)
- 2.4 Executive Summary
  - 2.4.1 Project Background
  - 2.4.2 Scope Management
  - 2.4.3 Time Management
  - 2.4.4 Cost Management
  - 2.4.5 Financial Management
  - 2.4.6 Change Management
  - 2.4.7 Risk Management
  - 2.4.8 Procurement Management
  - 2.4.9 Quality Management
  - 2.4.10 Safety Management
  - 2.4.11 Human Resources Management
  - 2.4.12 Communications Management
  - 2.4.13 Environmental Management
  - 2.4.14 Claims Management
  - 2.4.15 Signatures
- 2.5. How To Write A Project Plan In
- 2.6 Summary
- 2.7 References/Further Readings/Web Resources
- 2.8 Possible Answer to Self-Assessment Exercise (s)



### 2.1 Introduction

Every project tells a story about its goals, team, timing, and deliverables - and it requires detailed project planning and management to get the story right. Some of those stories are short and to the point while others are long essays. No matter the length or level of the story an outline is required. In the project management world, this outline of the stories is called a project plan.

Project preparation or planning comes after project initiation. It serves as the roadmap towards formulation and implementation of the project. The Project Plan takes on two forms during the life of the project. It initially starts out as the “Preliminary Project Plan” and can have specific annexes updated as more information becomes available. At the

beginning of the Delivery Stage, the “Project Management Plan” is prepared to detail the delivery plan to the end of the project.

Throughout the life of the project, client requested scope modifications and their associated impact should also be noted in the appropriate sections of the plan. The project team must periodically validate and/or modify assumptions as the project evolves. In general, as the project evolves, risks should be more accurately defined as well as their potential impact should be better understood and mitigated. Also, in the various sections of the project plan such as scope, schedule and cost, include the source of information for later reference in case verification of information is required (i.e. project leader, project manager, client, consultant, quantity surveyor, etc.)

Most of the materials used in this unit are drawn from: World Version, Guidelines for the Preparation of Project Plans (574)



## 2.2 Learning Outcome

By the end of this unit, you will be able to:

- Grab and differentiate between the concept of project plan and project planning
- Be able to prepare a preliminary project plan (PPP) and project management plan (PMP)
- Master the art of writing a project plan in 10 simple steps



## 2.3 Main Content

### 2.3.1 The Concept of Project Plan and Project Planning

The Project Plan is the document that defines the plan (systematic method) that will be used to meet the project objectives. It will include why this project is being initiated, what is to be done, who will be involved in its development and delivery, when it will be done and how it will be done. In addition to these basic questions, it includes cost information, monitoring and control strategies. Thus a project plan, also known as a project management plan is a document that contains a project scope and objective. It is most commonly represented in the form of a Gantt chart, to make it easy to communicate to stakeholders.

Project planning is the process of establishing the scope, defining the objectives and steps to obtain them. It is one of the most important of

the processes that make up project management. The output of the project planning process is a project management plan.

### 2.3.2 Preliminary Project Plan (PPP)

The Preliminary Project Plan (PPP) is prepared by the person carrying out the role of the Project Leader. The purpose of the PPP is to focus on the plan (systematic method) that will be taken to develop the project to the end of the Project Identification Stage at which point Project Approval/Expenditure Authority (PA/EA) will be obtained or denied. Please note that many of the sections and information provided in the Statement of Requirements (SoR) can be used and further developed to help complete the PPP. Experts can equally be consulted for further guide.

#### The Key Aspects of the PPP

**Project Background** - Description of the project background, describing the context for the project, the identified need and the reasons for initiating the project. Content for this section is largely based on the “Purpose” and “Background” sections of the SoR.

**Scope Management** – Problem/Opportunity Definition and any project constraints/issues. The content of this section should be based on the “Problem/Opportunity Definition” section of the SoR. The Scope Documents will be divided into small packages to create the Activity List and Milestone List, as well as a Work Breakdown Structure (WBS).

**Time Management** – From the Activity Lists and Milestone Lists, a Project Schedule will be developed. In the PPP, a schedule must be developed up to PA/EA, and an overall milestone list reflecting activities to the end of the project is required. However, any known schedule constraints (e.g. fixed end date, lease expiry) should always be reflected.

**Cost Management** – The level of detail for this section is subject to the adequacy of information to generate a Cost Plan for the proposed project.

Note that the intent is to provide an initial budget for the project with expected cash flows for delivery of the project. As a minimum, copy the spending breakdown provided in the approved Statement of Requirement document and provide an estimate / timeline of how the funds for those cost items / activities will be disbursed.

**Financial Management** – Must outline approved seed funding (received with the Approved SoR) and anticipated costs to complete to PA/EA submission.



**Quality Management** – Description of how the records management system is to be established and maintained, description of the project review methods and description of the project monitoring and reporting methodology.

**Human Resources Management** - Who will be the project team for this stage and their roles and responsibilities. In the preliminary stages of the plan a simple outline of the project team and roles can suffice. The roles and responsibilities should however be developed in detail as the project approaches PA/EA.

Once the Identification Stage is completed and the project is approved at PA/EA, the PPP will be used to transition the project for the next stage by the project delivery team.

### 2.3.3 Project Management Plan (PMP)

The Project Management Plan (PMP) is prepared by the Project Manager, respecting overall objectives defined in the PPP and project approvals obtained by the Project Leader. The Project Leader is to validate and sign the PMP.

The purpose of the PMP is to define the project objective and scope for the approved solution, as well as how it is executed, monitored, and controlled during the Delivery Stage. The PMP details project activities from the Planning Phase to Project Completion and ensures that the project objectives and requirements provide sufficient detail to allow for the preparation of complete project instruction to the project team.

## 2.4 Executive Summary

(This section is to be prepared last after all relevant sections are treated)  
The summary is intended to provide the reader with a quick overview and good understanding of the essential aspects of the project. While Writing this section, keep in mind that the purpose of the Preliminary Project Plan is to bring the project to PA/EA, and the purpose of the Delivery Stage Project Management Plan (PMP) is to provide sufficient detail to allow for the preparation of complete project instruction to the project team, summarize the project objectives, current scope of project and its source, forecast cost estimates and schedules, sensitive issues and potential risks. Indicate the environment of the project: government-owned, leased space, etc. Describe the key issues driving the project that have been evaluated and analyzed and that clearly demonstrate problem/opportunity need and how it provides best value while meeting economic or political objectives. “Cut and paste” from the Statement of

Requirements (SoR)/ Tenant Requirements Package (TRP) / Investment Analysis Report (IAR) if necessary but be sure the statements are concise. Avoid pointing the reader to the full SoR/IAR since this is an executive summary and the reader should not have to go elsewhere to obtain the summary. It would be a useful source of information for an individual preparing a ministerial briefing note.

### **2.4.1 Project Background**

#### **For PPP**

Provide background information to describe the context for the project, the identified need and the reasons for initiating the project. This section should closely resemble the “Background” section of the SoR. Indicate in this section if other projects are related to this one. Is this project planned to be a multi-year and/or a multi-phase project?

#### **For PMP**

Reiterate the problem/opportunity driving the project and summarize the results of the project Identification Stage (e.g. results of feasibility studies and recommendations of the IAR). Summarize the solution chosen that will be used in the project to deliver the option selected from the IAR.

### **2.4.2 Scope Management**

#### **Problem/Opportunity Definition (for PPP only)**

Describe the major objectives of the solution required to meet the defined problem/opportunity. The content for this section should closely resemble the “problem/opportunity” section of the SoR. The project objectives should also relate to the criteria the client would use to evaluate the project. Topics might include:

Space Based: (samples of issues)

1. Geographic Boundaries
2. Access to public transit, parking
3. Suitability of space
4. Source of funds
5. Timing - Lease expiry
6. Security
7. Space Reduction
8. Special purpose space
9. New client program with additional FTEs requiring space
10. Swing Space
11. Strategies - Policies - Regulations - Standards violations
12. Potential for non-compliance with space standards
13. Etc.

**Asset Based: (samples of issues)**

1. Source of Funds
2. Health & Safety
3. Emergency power
4. Environment and Sustainable Development
5. Heritage considerations
6. Structural: capacity
7. Operating & Maintenance Cost Reduction
8. Procurement
9. Timing
10. Security
11. Strategies - Policies - Regulations - Standards violations (e.g. accessibility)
12. Etc.

**2.4.3 Time Management**

Describe how the Project Team will use proper industry standards and practices in development and maintenance of schedules and documents.

**Schedule and Development**

Describe how the Project Team will work together to develop all schedules (e.g. Gantt chart) with sufficient detail or summary activities and logic to reasonably portray the project.

Describe how all schedules will maintain the same Work Breakdown Structure (WBS) as well as Milestones and Milestones Dates.

The current project schedule should be either annexed to the PPP or PMP, or if it is filed electronically, the location should be indicated in this section.

**Major Milestones**

Use the identified deliverables and Control Points as the Major Milestones within the project. These milestones will be used in Project Performances and General Reporting

**2.4.4 Cost Management**

Project Cost Plan and Cash Flow

**For PPP**

This section is limited to the amount of spending authority from the approved Statement of Requirements. Therefore, as a minimum, provide

a breakdown of the approved spending authority and indicate the timeline of how the funds for each cost item / activity will be disbursed.

### **For PMP**

Provide the Cost Plan for the project with itemized breakdown into appropriate major components such as:

1. Construction Works
2. Fit-up Works
3. Consultant Fees
4. Other Fees and Disbursements
5. Risk Allowances – as identified in the Risk Management Plan
6. Other Ancillary Costs
7. Client costs
8. Taxes
9. Escalation

Client costs must be included in order to reflect the total cost of the project to the federal government.

Following the Cost Plan, prepare a forecasted Cash Flow reflecting the expected expenditures / spending in relation to the project schedule for each of the major components. For projects with a multiple year duration, the Cost Plan and Cash Flow must be presented in both constant dollars (without escalation) and in current dollars (escalated for inflation, i.e. constant dollars x appropriate cost indices for the year that the expected expenditures/spending will occur).

Utilize the Project Cost Plan template and attach a copy to this Project Plan

## **2.4.5 Financial Management**

### **Funding Strategies**

Describe the funding approvals required and the planned steps to obtain funds and approvals. (i.e. local, regional, HQ or other). Indicate if the project is single funded or multi-funded. The information in this section should reflect what has been outlined in the last section of the SoR.

### **Approved Funding**

Provide a summary of approved funding. Indicate whether the approved funding is from an internal or from a client department. Is the funding part of existing corporate plans? If so, provide the reference (e.g., provide the related Minute number).

## **2.4.6 Change Management**

### Scope Management

Describe the tools, techniques and approach to be taken to control changes in scope, to determine who will have authority for such change, to identify who will pay for additional fees/costs, and to monitor the impact on other aspects such as the budget, schedule, and risks associated with the approved changes. Note that in the Preliminary Project Plan this section may not be highly developed.

## **2.4.7 Risk Management**

Risk analyses and plans are to be prepared following some guidelines and the some Risk Management Knowledge Area. Include a summary of the major risks identified and their potential impacts relative to cost, schedule, quality and political objectives of the project. Describe the planned responses to mitigate, minimize or avoid impacts on costs, schedules and quality. The potential impact costs associated with the risk analysis should also be included in the cost estimates shown in the Cost Management section. Review the Risk Management Plan periodically and amend the Risk Management Plan to include new risks as they appear throughout the life of the project.

## **2.4.8 Procurement Management**

This section covers the plans to procure the goods and services needed for the successful identification and delivery of the project.

## **2.4.9 Safety Management**

Describe the actions proposed to meet the due diligence aspects of construction safety. If the construction takes place in areas occupied by federal employees or where the public might have access, how will their safety be ensured? What interaction will be required with provincial jurisdictions? Confirm who is the constructor? Who has the constructor's responsibilities? Is this a leased facility or government-owned building? Do we have a health and safety officer assigned to this project? What is this person's role and responsibilities?

## **1.4.10 Human Resources Management**

Provide a project organizational chart that shows the individuals required for all aspects of the project (appropriate for the scope and nature of the project). Ensure the type of services are listed as defined in the Work Breakdown Structure (WBS), including but not limited to the following:

- a. Project management
- b. Contracting and procurement
- c. Real estate services
- d. Consulting services (Architectural, Interior Design, Mechanical, Electrical, and Structural)
- e. Specialist consulting (Audio-Visual system, courtroom design; vibration analysis consultant, cabling consulting (voice, data, image), etc.)
- f. Geotechnical consulting
- g. Cost-estimating services
- h. Scheduling services
- i. Functional and Technical programming
- j. Interior Environment Consulting (acoustics, thermal comfort, lighting, art gallery, archives, etc.)
- k. Laboratory/Bio-safety Specialist
- l. Commissioning agent services
- m. Testing services
- n. Communication and information technology (IT) services
- o. Public relations services
- p. Environmental services
- q. Hazardous waste management services
- r. Wind and snow studies
- s. Metallurgical services
- t. Security systems
- u. Health and Safety Consultant
- v. Horticulturist (interior and exterior planting)
- w. Review committees (state and federal levels)

List the resources required from internal or external sources, such as real estate, IT, and environmental services. Who are the third parties? If need be with multi-source funded projects, different coloured backgrounds in the staff boxes could be used to distinguish who pay for who (Consultants, specialists, contractors, suppliers, etc.)

Include a team master list in the annexes to identify the name, department, position, phone number, email address, fax number, cellular number, etc. This can be very useful for a new member when they join the team.

#### **Self-Assessment Exercise**

- |   |
|---|
| <ol style="list-style-type: none"> <li>1. What is Work Breakdown Structure in project management?</li> <li>2. Try to prepare one related to any project you know</li> </ol> |
|---|

### **2.4.11 Communications Management**

“Internal communications” refers to communications between parties to the project. The internal communications plan should describe the type

and manner of communications between members of the project team, including consultants, clients and contractors. Is it email, fax, or letters? Describe the lines and methods of communication, the types and frequency of reports, the requirements for ministerial briefing notes, and other forms of communication to be provided and to whom. What common software suite will be used as the standard written communication package between all team members? (This is more of an issue when dealing with OGD clients.)

The author is free to break this section down into subheadings to deal with each team component separately, i.e.

- in-house PSPC communication
- consultant team
- clients
- contractors
- landlord
- service providers
- etc.

This section could be augmented with a graphic “Project Communication Diagram” with solid lines and dotted lines to show the type of communication that is expected. No line means no communication.

“External communications” refers to communications with those outside the immediate project team. Planning for this type of communications can be politically sensitive and will require input from the communications officer. Provide details on how information will be handled for the media, members of the public, government public relations, members of Parliament, OGDs, agencies or specialist interest groups. Include planning for any opening, sod-turning or ribbon-cutting ceremonies in this section. If the communications plan is complex, include the main elements of the communications plan in this section and attach the complete plan as an annex.

#### **2.4.12 Environmental Management**

All projects must have an environmental review. The responsibility for conducting an environmental assessment for an environmental project rest with the Ministry of Environment, but other agencies or consulting firms may be called on to do it on behalf of the Ministry. Expert reviews can also be carried out. The type and extent of reviews required must be determined in consultation with environmental experts.

### 2.4.13 Claims Management

Provide information on the planned strategies for claims prevention. Describe proactive strategies, such as alternative dispute resolution mechanisms and escalation ladders to resolve potential claims quickly and at the lowest level. Describe any planned partnering sessions or education of consultants and contractors on specialized work. Claims often stem from poor-quality or unclear documents. Therefore, plans for mitigating claims arising from this risk should be covered in the quality management section.

In the event of a formal claim, update the Project Management Plan with the description of the claim and the settlement amount; how it was funded (Ministry, client, shared responsibility, etc.)? What mechanism was used for the payment? Who was involved in the negotiations and their position title at the time of the negotiation? Was litigation required? Indicate under what file number the claim and settlement documents reside.

### 2.4.14 Signatures

The Project Leader and the Project Manager (Leasing Representative, Property Manager - delete where not applicable) agree to deliver this project in accordance with this (Identification or Delivery Stage) Project Plan and amend the annexes of the (PPP or PMP) periodically as project parameters change. Their signature below indicates they have received the document and verified the project parameters (time, scope, cost) to be correct as presented.

## 2.5 How to write a project plan in

- Step One:** Understand the scope and value of your project plan
- Step Two:** Conduct extensive research
- Step Three:** Ask the tough questions
- Step Four:** Create your project plan outline
- Step Five:** Talk with your team
- Step Six:** Write your full project plan
- Step Seven:** Execute your plan in Team Gantt
- Step Eight:** Publish your plan
- Step Nine:** Share your plan with the team and make sure they read it!
- Step Ten:** Prepare to keep planning

At its core, a project plan defines your approach and the process your team will use to manage the project according to scope. Every project needs a plan; not only does it go a long way toward keeping teams honest in terms of scope and deadlines, a plan communicates vital



information to all project stakeholders. If you approach it as something more than a dry document and communicate that aspect of it differently to everyone involved, it can and will be seen as integral to your project's success. The fact is, a plan is more than dates. It's the story of your project and you don't want it to be a tall tale! Like any well written story, there are components that make it good. In fact, any solid plan should answer these questions: What are the major deliverables? How will we get to those deliverables and the deadline? Who is on the project team and what role will they play in those deliverables? When will the team meet milestones, and when will other members of the team play a role in contributing to or providing feedback on those deliverables? Use those questions as a check after you've created your plan, and keep reading. A solid plan is created after you've done your research about the team, your clients, and your project and have determined all of the factors that will make that plan change. you should build the plan with inevitable changes or delays in mind. Make sure that you ask about the factors that could delay your project.



## 2.6 Summary

Project planning is a process that establishes the scope, objectives and steps in managing a project. The end result of this process produces a Project Plan which is a document that contains the scope and objective. There are three major aspects of project planning considered in this study unit. These are: Preliminary Project Planning, Project Management Planning and 10 simple ways of preparing a project plan. The Preliminary Project Plan (PPP) is the first stage followed by Project Management Plan (PMP). Sometimes, the PPP is subsumed into the PMP to be only one process. In documentation, the first section of the PMP is the Executive Summary. In the process, however, it is the last thing to prepare because it gives the summary of all that is contained in the process.

Project Plan is a document that defines the plan's systematic method that will be used to meet the project objectives. It is a document that contains a project scope and objective. Project planning, on the other hand, is the process of establishing the scope, defining the objectives and steps to obtain them. The output of the project planning process is a project management plan. Preliminary Project Plan (PPP) is prepared as part of the Project Identification Stage at which point Project Approval/Expenditure Authority (PA/EA) will be obtained or denied. The Key Aspects of the PPP are: Project Background, Scope Management, Time Management, Cost Management, Financial Management, Quality Management, Human Resources Management.

The Project Management Plan (PMP) is made up of Executive Summary, Project Background, Scope Management, Time Management, Cost Management, Financial Management, Change Management, Risk Management, Procurement Management, Quality Management, Safety Management, Human Resources Management, Communications Management, Environmental Management, Claims Management and Signatures. The study unit ended up with how to write a project plan in 10 simple steps.



## **2.7 Reference/Further Reading/Web Resources**

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Thirwal A. P., (19.....), Growth and Development: With Special Reference to Developing Economies, Seventh Edition, Palgrave, Macmillan.

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## 2.8 Possible Answer to Self-Assessment Exercise (s)

### Self-Assessment Exercise 1

What is Work Breakdown Structure in project management?

#### Answer

The Project Management Plan (PMP) is prepared by the Project Manager, respecting overall objectives defined in the PPP and project approvals obtained by the Project Leader. The Project Leader is to validate and sign the PMP.

The purpose of the PMP is to define the project objective and scope for the approved solution, as well as how it is executed, monitored, and controlled during the Delivery Stage. The PMP details project activities from the Planning Phase to Project Completion and ensures that the project objectives and requirements provide sufficient detail to allow for the preparation of complete project instruction to the project team.

In a nutshell, The Work Breakdown Structure (WBS) will not be detailed at the beginning of the project but will become more detailed as the project progresses from the identification to the delivery stages and through the various phases within each stage. Refer to appropriate roadmap for a description of key activities required for each Phase.

Describe the approach to subdividing the scope elements down into manageable work packages that organize and define the total project scope. Use the scope documents, approval documents and project team meetings to identify the packages. This process will develop the activity list for the project.

## **Self-Assessment Exercise 2**

Try to prepare one related to any project you know

### **Answer**

For PMP

Provide the Cost Plan for the project with itemized breakdown into appropriate major components such as:

1. Construction Works
2. Fit-up Works
3. Consultant Fees
4. Other Fees and Disbursements
5. Risk Allowances – as identified in the Risk Management Plan
6. Other Ancillary Costs
7. Client costs
8. Taxes
9. Escalation

Client costs must be included in order to reflect the total cost of the project to the federal government.

Following the Cost Plan, prepare a forecasted Cash Flow reflecting the expected expenditures / spending in relation to the project schedule for each of the major components. For projects with a multiple year duration, the Cost Plan and Cash Flow must be presented in both constant dollars (without escalation) and in current dollars (escalated for inflation, i.e. constant dollars x appropriate cost indices for the year that the expected expenditures/spending will occur).

## UNIT 3 PROJECT FEASIBILITY STUDY/APPRaisal

### Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcome
- 3.3 Main Content
  - 3.3.1 Market Feasibility
  - 3.3.2 General Economic Indicators
  - 3.3.3 Patronage/Demand Estimation
  - 3.3.4 Demand Estimation Techniques
- 3.4 Supply Estimation
  - 3.4.1 Technical Feasibility
  - 3.4.2 Financial Feasibility
  - 3.4.3 Project Cost Estimation – Foundation for Financial Appraisal
  - 3.4.4 Components of Capital Cost of a Project.
- 3.5 Economic and Financial Analysis and Project Viability
  - 3.5.1 The Social Cost of Investment
  - 3.5.2 Cost and Risk Assessment
  - 3.5.3 Critical Success Factors
  - 3.5.4 Project Appraisal
  - 3.5.5 Project Appraisal Report
- 3.6 Summary
- 3.7 Reference/Further Reading/Web Resources
- 3.8 Possible Answer to Self-Assessment Exercise (s)



### 3.1 Introduction

Most investment proposals pass through the stage of checking out the feasibility and large projects usually need a feasibility test to be carried out before a handsome amount is committed. Project feasibility is a test where the prima facie viability of the investment is evaluated and the evaluation is based on secondary but comprehensive data. Hence rough estimates based on others' experience form the basis of the viability check in the project feasibility report.

In the private sector, there are basically three types of feasibility evaluated in the project feasibility report, namely,

- a. market feasibility,
- b. technical feasibility,
- c. Financial feasibility.

When projects are evaluated by government or government agencies, additional feasibilities include:

- d. economic and
- e. Social feasibility.

In the private sector, Market Feasibility is carried out in detail while Technical feasibility and Financial Feasibility are less emphasized. In the public sector, however, all feasibilities are carried out with more emphasis given to economic and social feasibilities.



### 3.2 Learning Outcome

By the end of this unit, you should be to:

- The concept of project appraisal or feasibility studies.
- How to carry out and analyze Market Feasibility, Technical Feasibility, Financial Feasibility, Economic Viability/Appraisal, The Social Cost of Investment, Risk Assessment, Critical Success Factors,
- Project Appraisal in the Public Sector, and
- Project Appraisal Report Writing.



### 3.3 Main Content

#### 3.3.1 Market Feasibility

A market feasibility study aims at assessing the sales potential of a proposed product. Product whose sales potential is high are less risky to invest in.

#### 3.3.2 General Economic Indicators

General Economic Indicators The demand potential for any product is likely to have some kind of association with a few economic indicators. So a change in demand and a change in one particular or some economic indicators may take place simultaneously, or with lead or lag. Some of the important economic indicators include:

1. gross domestic product,
2. per capita income,
3. income disparity,
4. rate of urbanization,
5. population growth rate,
6. literacy rate,
7. government spending and
8. money supply

For example, the per capita income, especially of the upper middle class has exploded the demand for a car in Nigeria and India in the 90s. The demand for consumer durable goods like white goods and electronics is also linked with income trends.

### 3.3.3 Patronage/Demand Estimation

Projection of project patronage or demand for its products is the most important step in a project feasibility study. Salient points related to patronage or demand estimation are briefly enumerated below.

1. the end user profile
2. the study of influencing factor
3. regional, national and export market potential
4. Infrastructure facilities which may facilitate or constraint patronage or demand.
5. Forecasting the patronage or demand

### 3.3.4 Demand Estimation Techniques

A number of methods and techniques are available for forecasting the future. These can be separated into two broad classes; quantitative techniques and qualitative techniques. **Quantitative Techniques** This forecast is directly based on historical data and can be carried out in a mechanical fashion. It assumes that the past trend and relationship will continue in the future also.

**Qualitative techniques** aim at forecasting change in a basic pattern as well as the pattern itself. These techniques are used for forecasting the turning point in a pattern; for example, the expected decline in demand of a product, which has touched the maturity point.

The choice of forecasting techniques is of vital importance because historical data analyzed by them may have different patterns, and also the future for which the forecast is made may have some of the factors in variation, compared to what they were during the relevant period of the historical data.

This section, only attempts to point to the student that one cannot just take “any techniques” for forecasting. A need based choice would minimize errors in judgment.

## 3.4 Supply Estimation

Unlike demand, supply estimation is more difficult. Past trends of supply of goods to the project can be studied and further extrapolated. Projections so made, need to be adjusted with the help of addition

information like the project undertaken in the economy, import possibility as governed by import policy, import tariff and international prices.

1. Information regarding the entry barrier is also useful.
2. A long gestation period and a high capital to labour ratio in an industry may create a natural entry barrier.
3. The government licensing policy, the availability of required input like materials and skilled labour also cause entry on barrier, product category where entry barrier is high is unlikely to see sudden spur in supply, offering more comfortable position to existing players.

### 3.4.1 Technical Feasibility

Various factors are analyzed in checking the technical feasibility of a proposed project. They are listed below.

- a. Availability of commercial exploited technology and its alternative
- b. The transplantability of technology into the local environment.
- c. The suitability of the technology involved must be assessed in the light of the available quality of material, quality of power, skilled personnel, atmospheric conditions, quality of water and other factors like:
  1. Technological innovation rate in the product.
  2. Production process.
  3. Capacity utilization rate and its justification.
  4. Availability of raw material and other resource like power, gas water, compressed air, labour, etc.
  5. Requirement of plant and equipment and fabrication facilities.
  6. A feasible product mix with possibilities joint and by products.
  - vii. Facilities for affluent disposal.
- d. A broad based evaluation of the technical aspects of project is carried out at the project feasibility stage along the lines listed above.
- e. The commercial side of technical details is also studied simultaneously so that the commercial exploitability of technology can be evaluated.

### 3.4.2 Financial Feasibility

The first step in project (investment) appraisal is always to identify the flows involved:

- First there is the investment cost in the initial period.
- Second, there are the operating costs, for example labour and raw materials.
- Third, there is the value of the output (sales multiplied by price).



- Fourth, there is the question of the life of the project.
- The value of the flows must then be discounted to obtain their present value because everything has an opportunity cost. Demand and price estimate are derived from the market feasibility study.

Project cost and operating cost are derived from the technical feasibility study. The estimates need to be supplemented with:

- a. tax implementations depending upon the prevailing tax laws, and
- b. Financial cost emanating from the financing alternative considered for the project.

These provide enough information for the calculation of the financial bottom line of the project. The financial analysis includes quite a few assumption, working and calculations.

Some are briefly described below:

1. Projections are made for price of products, the cost of various resources required for manufacturing goods, and capacity utilization. Use of the thumb rule or actual data of some comparable projects are generally included in the estimates.
2. The period of estimation is determined, and the value of the project at the terminal period of estimation is forecast. The period of estimation should be justified by factor like the product life cycle, business cycle, ability to forecast, period of debt funds, etc
3. Financing alternatives are considered and a tentative choice of financing mix is made together with assumption regarding the cost of funds and repayment schedules

### **3.4.3 Project Cost Estimation – Foundation for Financial Appraisal**

In project financial appraisal, correct estimation of the capital cost of the project is essential. Under-estimation leads to project running short of funds after work has started and all project activities may be grounded especially if all other sources of additional funding are unavailable. Over-estimation also leads to more funds available than required which can prompt the project promoters to divert the extra funds for other uses not related to the project. That can also have negative impact on the project. This emphasizes the need for a correct estimate of the project cost.

### **3.4.4 Components of Capital Cost of a Project.**

Land, Land development and Buildings. Main factory building, Ancillary factory buildings, Administrative buildings, Laboratory,

Godowns, Toilet blocks, Overhead/underground water storage tanks, Canteen, rest rooms, guest houses, Quarters for essential staff etc. Plant and machinery, Electricals, Transport and erection charges, Knowhow/Consultancy fees o Miscellaneous assets, Preliminary and preoperative expenses, Provision for contingencies, Margin money for working capital.

### **3.5 Economic and Financial Analysis and Project Viability**

First of all, let us consider the secondary (or indirect) costs and benefits that may arise from public projects, and then consider how to adjust the market prices of goods and services and factors of production in order to take account of their economic value to society at large.

#### **There are three major indirect effects to consider:**

First there is the economic impact of the project on the immediate vicinity of the project.

- a. Some projects, of course, such as an irrigation scheme, are designed to have an impact on the immediate vicinity, and their benefits would be counted as direct benefits, but other projects will have incidental indirect effects, both positive and negative.
- b. A new road, for example, which is designed to cut travel time, may raise output in the immediate vicinity.
- c. This is a positive benefit. On the other hand a new darn to generate electricity may flood arable land and reduce agricultural production. This is a negative indirect effect.

Second, there are the price effects upon local markets. If, for example, prices fall as a result of a project, this represents a gain in consumer surplus, and this needs to be added to the value of the project.

A new road that reduces supply costs will reduce the price of local supplies and represent an indirect benefit of the road.

Third, there are the consequences of a project for other sectors that supply inputs to the project. If a project demands more inputs, this is income to the supplier. For example a new darn will require local materials; a new factory will demand steel, and so on. These repercussions need to be taken account of.

Beyond the secondary (or" indirect) effects of projects, the market prices of goods produced and the factors of production used may not reflect their value to the economy as a whole. The prices need adjusting to reflect their true economic value to society.

In economic appraisal (as opposed to financial appraisal), we now have to redefine the variables in the net present value formula to ascertain whether a project is profitable to society at large. The terms 'economic viability' and 'financial viability' are not different, from the perspectives of companies. However, from the national angle and from the viewpoint of the economy as a whole, economic feasibility and financial feasibility are not considered to be the same. Cost and benefits to the nation due to the proposed project are considered in the economic feasibility test.

The following, among other factors, differentiate economic viability from financial viability: Tax revenue, generation of employment, savings of foreign exchange.

The government and government agencies calculate the economic indicators of a project before permitting the project or financing it. Techniques for checking economic viability have been described.

### **3.5.1 The Social Cost of Investment**

If investment is wholly at the expense of consumption, the social cost of the investment may be measured by the current sacrifice of consumption. If however, investment in one project is partly at the expense of another investment, part of the costs of the sacrifice of consumption is deferred until the time at which the displaced investment would itself have yielded consumption.

### **3.5.2 Cost and Risk Assessment**

Basic indicators of financial viability used in profit and cash flow estimates.

1. They may be subject to risk or uncertainty.
2. The evaluation of risk is also necessary.
3. There are many methods of risk analysis and risk management.
4. However, at the stage of the project feasibility study, two main methods are applied: (a) Breakeven point, and (b) Sensitivity analysis.

### **3.5.3 Critical Success Factors**

The success of a project depends on the actual outcome of some key variables. These key variables are called critical success factors. An inaccuracy and uncertainty surrounding these factors may render a project unattractive. Each industry has its own critical successful factors identified from the experience of businesses. For example, in the case of a cement project, the key success factors are:

- availability of wagons,
- freight charges,

- supply of power and
- supply of coal, The above factors generally constitute 65% of the variable cost and 40% of realization.

In the case of an aluminum project, power which account for' more than 60% of realization is the' critical success factor. Some of the factors are project specific, and they are also specific to the economy and location.

Risk is studied in the light of possible variations in critical success factors. For the choice of location and to study the risk of a project, it is essential to identify the critical factors, which determine the success of project as follows:

- a. Availability of raw material (limestone in the case of a cement project).
- b. Supply and cost of electricity power (in the case of an aluminum project)
- c. Transportation facilities (for any bulk goods producer) iv. Supply of skilled manpower (in case of the information technology industry)

Other variables could be the critical success factors. They are product and region specific. The right choice of location may reduce the cost of a project and the uncertainty regarding the availability of resources. However, if some crucial factors are subject to volatile changes, then the impact of their variability on the net profitability of a project has to be separately analysed.

### **3.5.4 Project Appraisal**

When we talk about 'public investment' we are talking mainly about public infrastructure projects (such as roads and water supplies) and public enterprises projects (such as steel mills, power plants and so on). But there are other categories of state supported investment where social cost-benefit analysis may be applied, such as private sector projects financed by public credit(for example, small-scale industries financed through state development bank) and private sector projects subject to public control (for example, transport and mining ventures).

When discussing project appraisal there is a distinction to be made between financial, economic and social appraisal:

1. Financial Appraisal has to do with the financial flows generated by the project itself and the direct cost of the project measured at market prices.
2. Economic appraisal has to do with adjusting costs and benefits to take account of costs and benefits to the economy at large,

including the indirect effect of projects that are not captured by the price mechanism.

3. Social appraisal has to do with the distributional consequences of project choice, both intertemporal (that is, over time) and infratemporal (that is between groups in society at a point in time).

### 3.5.5 Project Appraisal Report

A typical project appraisal report would consist of the following:

1. The term of reference
2. An engineering/technical study to see whether the project is technically feasible
3. A financial study to ascertain how much the project will cost in budgetary terms, at market prices
4. An appraisal of the economic costs and benefits, valuing outputs and inputs at social prices and including secondary impact on the economy and the effect on the distribution of income
5. Details of the administrative requirement of the project
6. Conclusions and recommendations.

#### Self-Assessment Exercise

1. Why does government give more emphasis on economic and social feasibilities?
2. Give some examples of social impact of a project



### 3.6 Summary

Project feasibility study is a vital aspect of project management in both the public and the private sectors. While the private sector is more critical about the technical and the financial aspects, the public sector is more concerned with the economic and social aspects. This is because the private sector is profit oriented and the public sector is service and welfare oriented. The Government is much more interested in the safety of her citizens as well as the contribution of a private sector project to the entire economy in terms of GDP, export, employment generation, technology transfer, etc. Hence a project can be technically and financially viable but if it does not take into account the social and the economic variables, it will never scale through for government approval, especially foreign investors into the country.

We have come to understand the importance of feasibility studies in project management in both the public and the private sectors. Market Feasibility goes a long way to identify the general economic indicators

of a project, the patronage or demand estimation of the project or its products as well as the supply estimation of the project input or raw materials. The study unit has also taught us much about the technical aspect of project feasibility together with financial feasibility. We get to know project cost estimation as a foundation for financial appraisal. We have equally got to know the components of capital cost of a project. The study unit taught us how to go about economic and financial analysis of a project in order to ascertain its viability. This paves the way for assessing the social cost of investment in a project and the risks involved in such investment. The Critical Success Factors – CSF or Means of Verification of success – MOV, or Success Indicators – SI have been learnt. All about project feasibility study is to come out with a report of the study or the appraisal. This has equally been treated in the study unit. We ended up with the conclusion on the major areas of interest in feasibility study in the private and the public sectors.



### 3.7 Reference/Further Reading/Web Resources

- Patel, B.M. (2000). *Project Management: Strategic Financial Planning, Evaluation and Control*, Vikas Publishing House, PVT Ltd., New Delhi.
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### 3.8 Possible Answer to Self-Assessment Exercise (s)

#### **Self-Assessment Exercise 1**

Why does government give more emphasis on economic and social feasibilities?

#### **Answer**

The government is interested in knowing how a given project can affect both the economy and the society in general positively or negatively.

#### **Self-Assessment Exercise 2**

Give some examples of social impact of a project.

#### **Answer**

1. Demographic impact
2. Environmental impact

**Module 3 Project Implementation and Monitoring**

Unit 1	Project Implementation
Unit 2	Plan Implementation
Unit 3	Monitoring and Evaluation
Unit 4	Development Planning Experience of Nigeria and Africa

**UNIT 1 PROJECT IMPLEMENTATION CONTENTS****Unit Structure**

- 1.1 Introduction
- 1.2 Intended Learning Outcome
- 1.3 Main Content
  - 1.3.2 The concept of project implementation and management
- 1.4 Organisational Requirement of a Project - The Matrix Organisation Structure
- 1.5 Linear Responsibility Chart (LRC)
- 1.6 Programme Evaluation Review Technique (PERT)
- 1.7 Summary
- 1.8 References/Further Readings/Web Resources
- 1.9 Possible answers to self-assessment exercise (s) within the content

**1.1 Introduction**

After a project has been designed and the required budget prepared, resources made available, the next thing is implementation. This refers to day to day activities at the project site that lead to the project goal attainment. Monitoring involves periodic assessment of the activities to ensure that actual performance matches with intended performance.

**1.2 Objectives**

By the end of this unit, you will be able to:

- familiarise with the concept of project implementation and management.
- converse with project Organisation structure
- converse with responsibility assignment through Linear Responsibility Chart (LRC)



- carry out project network analysis (PERT, CPM, Slack Time, Spillage etc.).



## **1.3 Main Content**

### **1.3.1 The Concept of Project Implementation And Management**

Project implementation and management is a planned effort that brings together and optimizes the resources necessary to complete a project successfully. One definition of a project management is that it is a set of activities with a specified development objectives, a starting point and completion point (i.e. time frame) and allocation of resources, a budget under the control of the manager and finally a management identify.

Project management writers by way of emphasis sometimes consider project management to encompass the planning and implementation tasks and activities that must be carried in order to achieve the project objectives on time and within the cost estimate and how to accomplish this under anticipated or under uncertain conditions or environment.

### **1.4 Organisational Requirement of a Project - The Matrix Organisation Structure**

The concept of matrix Organisation is very important in project engagement theory. In practical form the matrix Organisation is a combination of the traditional hierarchical functional structure and the horizontal structure of the project super imposed on each other. The matrix Organisation was developed as a result of the short comings of the traditional functional structure in project management. The initial practical use of this modern management oriented structure started in the aerospace industry and in research and development companies. However it can be effectively used in the Organisation and management of public sector projects. One important feature of the matrix Organisation is that it permits the project manager whether he is a government official or a business manager to manage across functional lines of authority. In the matrix structure a functional parent Organisation exists i.e. a government department, or ministry or private Organisation within which the project management reports to the chief executive in a line authority capacity as do the functional divisional head. Existing side by side with the functional parent Organisation is the project Organisation which is managed exclusively by the project manager.

**Self-Assessment Exercise**

1. Identify one major importance of the matrix structure Answer
2. What is the importance of the LRC?

**1.5 Linear Responsibility Chart (LRC)**

The L.R.C is a new techniques for Organisational analysis. It is a graphic method of analyzing and recording Organisational structure into job content and functional operating responsibilities on a single sheet of paper. Organisation ranging from large to small in government and industry can utilize the L.R.C as an aid in solving managerial problems relating to roles and relationships.

The L.R.C shows the extent or types of authority exercised by each manager/worker in performing an activity in which two or more in performing an activity in which authority and managers/ workers have overlapping authority and responsibility. It clarifies authorities relationships that are right when managers workers share to common activity function.

**1.6 Programme Evaluation Review Technique (PERT)**

In project management, we need to show the interdependencies between events and activities. These interdependencies must be identified so that a master plan can be developed that provides an up-to-date picture of operations at all times and is easily understood by all. Interdependencies are shown through the construction of networks.

Network analysis can provide valuable information for planning, integration of plans, time studies, scheduling, and resource management. The primary purpose of network planning is to eliminate the need for crisis management by providing a pictorial representation of the total programme.

**1.7 Summary**

Project implementation or management is facilitated by the application of specific management techniques like the LRC, the Matrix structure and PERT. Everything about a project is, thus, specific. It is carried out within a specific time frame; it has specific team of workers; specific budget; specific Organisation structure and management identity.

The study unit is made up of three major sections – the Matrix structure, the Linear Responsibility Chart (LRC) and Project Evaluation and

Review Technique (PERT). The major feature of the Matrix structure is its horizontal flow of authority as well as the project manager's direct access to the chief executive for the purpose of avoiding unnecessary bureaucracy. Thus the project and its environment interact with one another. The LRC is considered important in project management because it avoids role conflict, role overlap and role ambiguity. The PERT is a roadmap for the project scheduling and timing. It shows interrelationships between events and activities. Critical path is the longest time on a channel among other channels from the beginning to the end of the project. On the critical path, no delay of a single hour or a day can be tolerated. Any delay on that channel can cause the failure of the project. Beside the critical path, all other channels have slack times, meaning a delay in any of them can be tolerated without affecting the project completion deadline.



## 1.8 References/Further Readings/Web Resources

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## **1.9 Possible answers to self-assessment exercise (s) within the content**

### **Self-Assessment Exercise 1**

Identify one major importance of the matrix structure

#### **Answer**

It avoids bureaucratic bottleneck and allows free flow of project activities in order to meet project deadline.

### **Self-Assessment Exercise 2**

What is the importance of the LRC?

#### **Answer**

It avoids role conflict, role ambiguity and role overlap.

## UNIT 2 PLAN IMPLEMENTATION

### Unit Structure

- 2.1 Introduction
- 2.2 Intended Learning Outcome
- 2.3. Main Contents
  - 1.3.1 The Need for Implementation Plan
  - 1.3.2 The Implementation plan Document
  - 1.3.3 Six steps to Success of Implementation
- 2.4 The Implementation Process of Strategic Development Plans
- 2.5 Common Reasons for Failure of Strategic Plan Implementation.
- 2.6 Summary
- 2.7 References/Further Readings/Web Resources
- 2.8 Possible answer to self-assessment exercise (s)



### 2.1 Introduction

After the plan preparation has successfully been completed, the next stage is the implementation aspects. Plan Implementation, according to Webster's Collegiate Dictionary, is the process of moving an idea from concept to reality. The process and the associated activities involved in implementation have to be planned ahead of time. You cannot start planning for implementation while you are actually implementing.

Plan implementation commences with agreement on goals and criteria in the value formulation stage. The implementation process extends over a longer period of time, it deals with realities instead of concepts, it requires practical application and administration by many people, instead of blueprinting by a relative few, and it brings the leaders face to face with the necessity for many unpleasant decisions difficult to carry through. There are several elements involved in plan implementation. One of the elements in plan implementation in the public sector includes the execution of projects and the pursuits of particular policies relating to macro-economic variables and to specific sectors. Secondly, the compliance and fulfillment of policies which were either specified in the plan or implicit in it. The execution of projects done would not constitute plan implementation, it would also be necessary to pursue the policy which the projects was designed to promote. For example, if government policy calls for an increase in the volume of certain exports, the production of those items must be encouraged, transport must be available and impediments which may stand in the way must be overcome. Thirdly, is the retaining of maximum flexibility in adapting and modifying the plan as required by experience and changing circumstances and realistic annual programming and budgeting. Further,

there is the engagement in a continuous distribution of income conducive to national integration. Development planning in Nigeria and in many other countries, therefore, is a process aimed at paving way for the above features of economic development in terms of achieving the desired development.



## 2.2 Intended Learning Outcome

By the end of this unit, you will be able to:

1. Appreciate the need for Implementation Plan
2. Be able to prepare the Implementation plan Document
3. Master the steps to success of implementation
4. Be familiar with the implementation process
5. Know the common reasons for failure of plan implementation.



## 2.3. Main Content

### 2.3.1 The Need for Implementation Plan

An implementation plan breaks each strategy into identifiable steps, assigns each step to one or more people and suggests when each step will be completed using effective methods. If there is no effective method to carry out the strategic plan, the strategic plan is likely to collect dust and can lead to planning backlash creating the feeling that planning is a waste of time. In an industry where the scarcity of resources is always a key limiting factor, good planning is essential.

However, creating an implementation plan is challenging. It requires the planner to identify each step required to mount a particular strategy. This activity in itself is a good test of the plan. If one does not know how to implement a given strategy, then the strategy is likely not going to be implemented.

Creating an implementation plan does far more than simply test the ability of the Organisation to make a strategy happen, however. If one simply sorts the implementation plan by person, one has a list of all steps assigned to each staff or board member. This is their individual strategic work plan. Each person now knows exactly the role they play to implement the strategic plan. If one person's list is too long, perhaps that person has been assigned more than can reasonably be handled and the strategy is in jeopardy. If someone has too little assigned, then that person may be able to handle more of a load. In any event, this sort

allows the manager to communicate with each person knows what they are meant to accomplish and then to make sure every job has been completed on time.

But one can also sort the information in the implementation plan by completion date. This gives the staff and board leadership a strategic timetable. At any point in time, leadership can determine whether every step has been completed that was meant to have been completed. If tasks have not been completed on a timely basis, management must determine why. Did the strategy change? Did other events prevent timely completion? Did the project simply fall through the cracks? Does this imply other changes in the planning calendar must be made?

Too often some boards simply approve a plan and then ignore it. Too many board meetings never refer back to the plan that may have taken substantial time to develop. The implementation plan gives the board a tool to keep track of the progress towards implementing the plan. Each board meeting should include a review of the implementation plan. What has been learned to date? Should the strategy be adjusted in some way?

### **2.3.2 The Implementation Plan Document**

The Implementation Plan Document The Implementation plan is made up of the following components:

#### **Introduction**

This section describes the purpose of the plan and identifies the related policy to be implemented.

#### **Policy Overview**

Here you have to provide a description of the policy to be implemented and its programme.

#### **Policy Plan Description**

Next you think of providing an overview of the policy and problem it is intended to address. Provide a description of the nature of the problem.

#### **Assumptions and Constraints**

Describe the assumptions made regarding the development and execution of this document as well as the applicable constraints. Some items to consider when identifying the assumptions and constraints are:

- Schedule o Budget
- Resource availability and skill sets,
- Technology to be used,
- Constraints associated with some projects

**Policy Organisation**

Provide a description of the policy implementation structure and the major policy components essential to its implementation. Charts, diagrams, and graphics may be included as necessary to provide a clear picture of the policy.

**Glossary**

List all terms and abbreviations used in this plan. If it is several pages in length, it may be placed in an appendix.

**Management Overview**

This section of the Project Implementation Plan provides a description of how the implementation will be managed and identifies the major tasks involved.

**Description of Implementation** [This subsection of the Project Implementation Plan provides a description of the planned deployment, installation, and implementation approach. Include whether the system will be implemented using a direct labour approach or an contract approach.

**Points-of-Contact**

This subsection of the Project Implementation Plan identifies the System Proponent, the name of the responsible Organisation(s), titles, and telephone numbers of the staff who serve as points of contact for the system implementation. These points-of-contact should include the Business Sponsor, Program Manager, Project Manager, Quality Assurance Manager, Configuration Management Manager, Security Officer, Database Administrator, or other managers and representatives with responsibilities relating to the system implementation. The site implementation representative for each field installation or implementation site should also be included, if appropriate. Add additional lines as needed to the table. If the applicable team members are listed in the Project Management Plan, reference the appropriate section within that document.

**Major Tasks**

This subsection of the Project Implementation Plan provides descriptions of the major system implementation tasks. Add as many subsections as necessary to this subsection to describe all the major tasks. The tasks described in this subsection are not site-specific, but generic or overall project tasks that are required to install hardware, software, and databases, prepare data, and validate the system.



If several implementation approaches are being reviewed, then identify the advantages, disadvantages, risks, issues, estimated time frames, and estimated resource requirements for each option considered. These options could include:

- Incremental implementation or phased approach
- Parallel execution
- One-time conversion and switchover
- Any combinations of the above.

Include the following information for the description of each major task, if appropriate:

- What the task will accomplish
- Resources required to accomplish the task
- Key person(s) responsible for the task
- Criteria for successful completion of the task (e.g., “user acceptance”)

### Self-Assessment Exercise

1. Prepare a Task Description Chart of any project you know
2. What are the reasons for Failure of Strategic Plan Implementation?

### 2.3.3 Six steps to Success of Implementation

**Step 1 – Somebody has to be responsible** If no one has the responsibility and corresponding authority to make the plan come to life, it’s damned from day one. The adage two heads are better than one doesn’t apply here - committees are even worse. One specific person must be responsible for seeing the plan through.

This doesn’t mean one person has to do all of the work – most of the time this is impossible. But a single individual must be held accountable for pushing the plan forward. Additionally, the power, judgment and authority to make the plan work need to abide with this person. Judgment is critical - if this individual lacks the acumen to tweak the plan in accordance with changing public sector landscape, disaster could result.

**Step 2 – Develop metrics throughout the plan** Without measures, the chances of successful completion are minimal. Mid-course measures become the catalyst for revisiting the plan. Setting milestones– holds everyone to the straight and narrow path of implementation.

**Step 3 – If issues develop, understand the root causes and make adjustments** It’s not enough to know the plan isn’t working. We have

to get to the root cause of the issues. This can be derived by asking – Why, how, what? Let us understand that every plan comes with unexpected issues. Unanticipated conditions are part of the plan environment – economic, political, social and new technologies. Rather than lamenting failure or worse yet sticking with a bad plan, we must search for the root causes of the issues. Making wise adjustments to the plan is crucial to long term success.

Ask questions to better understand the situation– things like:

- Why are we falling behind our milestones?
- What has changed since we laid out our plan?
- What must change to get back on track? How can we bring other resources into the equation?

**Step 4 – Insist on individual compliance with the plan** Are there individuals who refuse to follow the plan? Many a great plan fail because a few individuals distort the execution. Whether done in the open or covertly underground, these must be addressed.

It's not uncommon for a long-term team member to oppose some aspect of the plan. Except in the most blatant of cases this manifests itself with half-hearted or delayed activities. For instance, they may selfishly try the plan once and announce failure. This is incredibly frustrating and damaging to morale.

**Step 5 – Instruct, educate and coach throughout the plan** Catastrophe awaits those who ignore the human element. The plan – no matter how basic – must contain a mechanism for instruction of those involved in execution. As we contemplate the education piece - let's remember; human learning requires repetition. There is a good reason for our repeated expose to the same TV adverts or Radio jingles – Launch your plan with an instructional session and repeat that session at points along the way. Provide metric related updates for the group. And, for those who lag behind – provide personalized coaching. Remember – good coaches motivate each person according to that person's personality. Some people need encouragement while others need a mere.

**Step 6 – Look to others for implementation tips** Implementation tips flow from a number of places – basically anyone who has been on a similar road of implementation. People like benchmarking partners and consultants sometimes fill this role. Understanding the pot holes on the road to executing your plan eliminates a great deal of frustration and save countless hours spent reinventing the wheel.

## 2.4 The Implementation Process of Strategic Development Plans

A strategic plan is of little use to an Organisation without a means of putting it into place. In fact, implementation is an essential part of the strategic planning process, and Organisations that develop strategic plans must expect to include a process for applying the plan. The specific implementation process can vary from Organisation to Organisation, dependent largely on the details of the actual strategic plan, but some basic steps can assist in the process and ensure that implementation is successful and the strategic plan is effective.

1. **Evaluate the strategic plan.** The first step in the implementation process is to step back and make sure that you know what the strategic plan is. Review it carefully, and highlight any elements of the plan that might be especially challenging. Recognize any parts of the plan that might be unrealistic or excessive in cost, either of time or money. Highlight these, and be sure to keep them in mind as you begin implementing the strategic plan. Keep back-up ideas in mind in case the original plan fails.
2. **Create a vision for implementing the strategic plan.** This vision might be a series of goals to be reached, step by step, or an outline of items that need to be completed. Be sure to let everyone know what the end result should be and why it is important. Establish a clear image of what the strategic plan is intended to accomplish.
3. **Select team members to help you implement the strategic plan.** Make sure you have a team that “has your back,” so to speak, and understands the purpose of the plan and the steps involved in implementing it. Establish a team leader, if other than yourself, who can encourage the team and field questions or address problems as they arise.
4. **Schedule meetings to discuss progress reports.** Present the list of goals or objectives, and let the strategic planning team know what has been accomplished. Whether the implementation is on schedule, ahead of schedule, or behind schedule, assess the current schedule regularly to discuss any changes that need to be made. Establish a rewards system that recognizes success throughout the process of implementation.
5. **Involve the upper management where appropriate.** Keep the Organisation’s executives informed on what is happening, and provide progress reports on the implementation of the plan. Letting an Organisation’s management know about the progress of implementation

makes them a part of the process, and, should problems arise, the management will be better able to address concerns or potential changes.

## 2.5 Common Reasons for Failure of Strategic Plan Implementation

**Lack of ownership:** The most common reason a plan fails is lack of ownership. If people don't have a stake and responsibility in the plan, it'll be business as usual for all but a frustrated few.

**Lack of communication:** The plan doesn't get communicated to employees, and they don't understand how they contribute.

**Getting mired in the day-to-day:** Owners and managers, consumed by daily operating problems, lose sight of long-term goals.

**Out of the ordinary:** The plan is treated as something separate and removed from the management process.

**An overwhelming plan:** The goals and actions generated in the strategic planning session are too numerous because the team failed to make tough choices to eliminate non-critical actions. Employees don't know where to begin.

**A meaningless plan:** The vision, mission, and value statements are viewed as fluff and not supported by actions or don't have employee buy-in.

**Annual strategy:** Strategy is only discussed at yearly weekend retreats.

**Not considering implementation:** Implementation isn't discussed in the strategic planning process. The planning document is seen as an end in itself.

**No progress report:** There's no method to track progress, and the plan only measures what's easy, not what's important. No one feels any forward momentum.

**No accountability:** Accountability and high visibility help drive change. This means that each measure, objective, data source, and initiative must have an owner.

**Lack of empowerment:** Although accountability may provide strong motivation for improving performance, employees must also have the authority, responsibility, and tools necessary to impact relevant measures. Otherwise, they may resist involvement and ownership.



## 2.6 Summary

Whether we are just implementing a new plan or mid-way through a rough and rocky old implementation, following religiously the laid down planning process maximizes our success. However, we have to know that even the best of plans must be monitored closely during the implementation and necessary adjustments made for unforeseen circumstances.

In this study unit, we saw the need for implementation plan and the Implementation Plan Document which contains Policy Overview of the plan, Policy Plan Description including some assumptions and Constraints. The document also contains management overview of the plan with detailed description of implementation. The major tasks in the plan are identified including what the task will accomplish, resources required to accomplish the task, key person(s) responsible for the task, and criteria for successful.

completion of the task. We also discussed in the plan document, implementation schedule, implementation support, documentation of the required personnel and their training requirements. Performance monitoring and requirements of the plan implementation site including risks and contingencies have been discussed. The unit finally considered six steps to success of implementation, the implementation process of strategic plans and common reasons for failure of strategic plan implementation.



## 1.7 References/Further Readings/Web Resources

Jhingan, M. L., (2011). *The Economics of Development and Planning*, (40<sup>th</sup> ed), Vrinda Publications (P) Ltd, Delhi.

Patel, B.M., (2000). *Project Management: Strategic Financial Planning, Evaluation and Control*, Vikas Publishing House, PVT Ltd., New Delhi.

Thirwal A. P., (n.d) , *Growth and Development: With Special Reference to Developing Economies*, (7<sup>th</sup> ed.), Palgrave, Macmillan.

Nagarajan, K., (2012). *Project Management*, (6<sup>th</sup> ed.), New Age International Publishers, New Delhi.

Nicholas, J. M.& Steyn, H., (2008). *Project Management for Business, Engineering, and Management, Principles and Practice*, (3<sup>rd</sup> ed.), Butterworth Heinemann, U.K.



## 1.8 Possible Answer to Self-Assessment Exercise (s)

### Self-assessment exercise 1

Prepare a Task Description Chart of any project you know

#### Answer

Examples of major tasks are the following:

- Provide overall planning and coordination for the implementation
- Provide appropriate training for personnel
- Ensure that all manuals applicable to the implementation effort are available when needed
- Provide all needed technical assistance
- Schedule any special computer processing required for the implementation □ Perform site surveys before implementation
- Ensure that all prerequisites have been fulfilled before the implementation date
- Provide personnel for the implementation team
- Acquire special hardware or software
- Perform data conversion before loading data into the system
- Prepare site facilities for implementation

Consider addressing the changes that may be necessary once the system has been implemented. These changes may include, but are not limited to, personnel and technology equipment alignment, and contractor support

### Self-Assessment Exercise 2

What are the reasons for Failure of Strategic Plan Implementation?

#### Answer

**Lack of ownership:** The most common reason a plan fails is lack of ownership. If people don't have a stake and responsibility in the plan, it'll be business as usual for all but a frustrated few.

- **Lack of communication:** The plan doesn't get communicated to employees, and they don't understand how they contribute.

- **Getting mired in the day-to-day:** Owners and managers, consumed by daily operating problems, lose sight of long-term goals.
- **Out of the ordinary:** The plan is treated as something separate and removed from the management process.
- **An overwhelming plan:** The goals and actions generated in the strategic planning session are too numerous because the team failed to make tough choices to eliminate non-critical actions. Employees don't know where to begin.
- **A meaningless plan:** The vision, mission, and value statements are viewed as fluff and not supported by actions or don't have employee buy-in.
- **Annual strategy:** Strategy is only discussed at yearly weekend retreats.
- **Not considering implementation:** Implementation isn't discussed in the strategic planning process. The planning document is seen as an end in itself.
- **No progress report:** There's no method to track progress, and the plan only measures what's easy, not what's important. No one feels any forward momentum.
- **No accountability:** Accountability and high visibility help drive change. This means that each measure, objective, data source, and initiative must have an owner.
- **Lack of empowerment:** Although accountability may provide strong motivation for improving performance, employees must also have the authority, responsibility, and tools necessary to impact relevant measures. Otherwise, they may resist involvement and ownership.

## UNIT 3 MONITORING AND EVALUATION

### Unit Structure

- 3.1 Introduction
- 3.2. Intended Learning Outcome
- 3.3. Main Contents
  - 3.3.1. Monitoring
  - 3.3.2 Monitoring Mechanism
  - 3.3.3 Evaluation
- 3.4 Project Monitoring Guide (Status Update/ Periodic Review)
- 3.5 Summary
- 3.6 References/Further Readings/Web Resources
- 3.7 Possible answer to self-assessment exercise (s)



### 3.1 Introduction

Monitoring and Evaluation are key processes in project implementation and should be conducted on a regular basis. Care should be taken to ensure that the M&E is not reduced to mere inspection and/or supervision of works and other visible parameters but should encompass the physical, financial, social, cultural and economic with a special consideration for the participatory processes. This should include capacity building and institutional strengthening inputs, planning processes- especially formulation of Community Development Plans (COPs) - to ensure that M&E is seen as a learning process rather than a policing tool.

To monitor a policy and the projects under the policy, some data about the policy must be obtained. A good implementation plan will suggest some ways in which ongoing data about the policy can be generated in the regular course of policy maintenance, for example, from records, documents, feedback from program clients, diary entries of staff, ratings by peers, tests, observation, and physical evidence.



### 3.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- introduce project monitoring and evaluation processes
- familiarize with project monitoring guide and evaluation report.





### 3.3 Main Content

#### 3.3.1. Monitoring

Project development objectives and its attendant goals are being met. It involves periodic continuous review and surveillance by project implementers to ensure that project deliverables are proceeding as planned. It helps in knowing the level of progress made, identifies implementation problems and proffer solutions, ensures that activities are performed on schedule and within the allocated budget. Thus a monitoring and evaluation system should be built into the project in order to permit periodic appraisal of the project's performance, physical outputs, benefits, expenditures and impacts.

Furthermore, monitoring guarantees stakeholder satisfaction, places safeguards to ensure that project outputs and outcomes correspond to stated objectives, enables a more responsive, accountable and transparent system of operation and allows for modification, and detects potential problems and allows for modifications.

Monitoring formats for assessing resource use and other critical path" indicators have been developed by experts. Unfortunately, in the past, most projects have been inadequately monitored and evaluated, and results were often poorly documented and disseminated. Many of the difficulties were due to lack of methodology and to the time and mechanisms needed for such activities.

#### Self-Assessment Exercise

1. Clearly differentiate between monitoring and valuation..
2. Itemize and discuss the mechanisms needed for monitoring project.

#### 3.3.2 Monitoring Mechanism

The Mechanisms needed for monitoring project may include the following:

1. **A data base and monitoring unit** should be established within the project to collect, collate and analyse data for the use of evaluations. This can be done by using various methods of data collection.
2. **An independent evaluation body** to undertake periodic appraisal work. Its members may be drawn from national planning agencies, universities, research institutes, interest groups and local communities, etc., in addition to project staff.

3. **Independent evaluations** should be carried on even after the project is completed. Depending upon the availability of data and resources, the whole or part of the project should be evaluated periodically. The lack of information on long-term results is a major concern to many planners, government authorities and funding agencies.
4. **Annual and final reports on monitoring and evaluation results.** Achievements should be clearly set out and compared to the original goals.
5. **Indicate when the Key Performance Indicators (KPI)** must be updated (scope, time, cost). In some countries, projects over \$1M must have their KPI updated quarterly at a minimum for national reporting.
6. **Schedule Monitoring and Control:** Describe how the Project Team will follow the approved schedule and monitor and control the project progress.
7. **Describe how the Project Team** will provide Project Status, Variance Reporting and Cash flow Projection reporting and determine the frequency of reporting.
8. **Cost Monitoring and Control:** Variances between the current budget estimates and approved funding will be reported on a monthly basis. Describe the methodology and/or tools for cost control and management of changes.
9. **Describe the criteria, methods and techniques** to be used to evaluate whether and how well the completed project meets the stated objectives.
10. **Determine what strategy** will be used for documenting and communicating lessons learned as the project evolves (this should not be left until the end of the project).

### 3.3.3 Evaluation

Evaluation is an objective and systematic process of assessing the relevance, effectiveness and impact of a project in the context of the project development objectives. It reviews implementation process in terms of inputs, activities, implementation management and emerging results (outputs, effects and impacts). It makes use of information generated by the monitoring and reporting system and focuses on the achievements of overall project targets and objectives to generate lessons about project design, which can be used in subsequent projects or in modifying aspects of the project being evaluated.

Project evaluation is the last step in the project execution process. It may ask deep and wide-ranging questions, such as:

1. Was the problem correctly identified, or was the correct problem identified?

2. Were any important aspects overlooked?
3. Were any important data left out of the analysis?
4. Did this influence the analysis?
5. Were recommendations properly implemented?
6. Is the project meeting the desired specification?
7. Are there any needs for modification, change, or re-design?
8. What should be done differently next time?
9. When policies fail to have the intended effect, it is usually due to one of two types of failure: theory failure, or program and project failure?

### **3.4 Project Monitoring Guide (Status Update/ Periodic Review)**

#### **A. Status Summary**

- a. Is project on track for delivery as expected?
- b. What is final date for delivery?
- c. What are final cost estimates?
- d. Status against any other high-level shipping goals
  - Manufacturing rate
  - Delivery
  - Partners, etc.

#### **B) Progress**

- a. List achievements and progress since last status update was given
  - Address schedule implications
- a. Highlight those things that made progress possible
- b. Attention Areas

#### **i. List delays and problems since last status update was given**

List corrective actions being taken  
Address schedule implications

#### **ii. Make sure you understand**

Issues that are causing delays or impeding progress  
Why problem was not anticipated

If customer will want to discuss issue with upper management

#### **iii. Attention Areas**

List delays and problems since last status update was given
 

- List corrective actions being taken
- Address schedule implications

iv. **Schedule**

List top high-level dates

Keep simple so audience does not get distracted with details

Distribute more detailed schedule if appropriate

Make sure you are familiar with details of schedule so you can answer questions

v. **Deliveries**

List main critical deliverables

Yours to client

Yours to outside services

Outside services to you

Other departments to you

**Understand your confidence rating to each deliverable**

Indicate confidence level on slides if appropriate

vi. **Costs**

List new projections of costs

Include original estimates

- Understand source of differences in these numbers

be ready for questions

- If there are cost overruns

summarize why

list corrective or preventative action you've taken

set realistic expectations for future expenditures

**Technology**

- List technical problems that have been solved
- List outstanding technical issues that need to be solved
- Summarize their impact on the project
- List any dubious technological dependencies for project

Indicate source of doubt

Summarize action being taken or backup plan

**Resources**

Summarize project resources;

Dedicated (full-time) resources

Part-time resources –

If project is constrained by lack of resources, suggest alternatives

Understand that customers may want to be assured that all possible resources are being used, but in such a way that costs will be properly managed

**Goals for Next Review**

Date of next status update

**List goals for next review**

Specific items that will be done

Issues that will be resolved

Make sure anyone involved in project understands action plan

**3.5 Summary**

Public sector managers and planners should realize that planning is a continuous effort from initiation down to evaluation. In many countries, original planners are also required to be involved in project implementation, monitoring and evaluation. That will help to address mistakes originating from the planning process. Experience thus gained can be used for the planning of similar projects in the future.

Monitoring a policy and the projects under the policy require some data about the policy. Monitoring is a continuous or periodic process of assessing the extent to which project development objectives and its attendant goals are being met. It involves periodic continuous review and surveillance by project implementers to ensure that project deliverables are proceeding as planned. There is the need for a data base and monitoring unit as an independent evaluation body Key Performance Indicators (KPI) must be updated.

Evaluation is an objective and systematic process of assessing the relevance, effectiveness and impact of a project in the context of the project development objectives.

Project Monitoring Guide gives status update and summary of the project activities. Updated progress is given pointing out attention areas with schedule implications, cost of the project as well as the technology situation, asset and other resources on the ground. Stakeholder's input is also required in the report.



### **3.6 References/Further Readings/Web Resources**

Patel, B.M., (2000). *Project Management: Strategic Financial Planning, Evaluation and Control*, Vikas Publishing House, PVT Ltd., New Delhi.

Thirwal A. P., (n.d.), *Growth and Development: With Special Reference to Developing Economies*. (7<sup>th</sup> ed.). Palgrave, Macmillan.

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Nicholas, J. M.& Steyn, H., (2008). *Project Management for Business, Engineering, and Management, Principles and Practice*, (3<sup>rd</sup> ed.), Butterworth Heinemann, Uk.



### 3.7 Possible answer to self-assessment exercise (s)

#### Self-assessment exercise 1

Clearly differentiate between monitoring and valuation

#### Answer

Project development objectives and its attendant goals are being met. It involves periodic continuous review and surveillance by project implementers to ensure that project deliverables are proceeding as planned. It helps in knowing the level of progress made, identifies implementation problems and proffer solutions, ensures that activities are performed on schedule and within the allocated budget. Thus a monitoring and evaluation system should be built into the project in order to permit periodic appraisal of the project's performance, physical outputs, benefits, expenditures and impacts.

Furthermore, monitoring guarantees stakeholder satisfaction, places safeguards to ensure that project outputs and outcomes correspond to stated objectives, enables a more responsive, accountable and transparent system of operation and allows for modification, and detects potential problems and allows for modifications.

Monitoring formats for assessing resource use and other critical path" indicators have been developed by experts. Unfortunately, in the past, most projects have been inadequately monitored and evaluated, and results were often poorly documented and disseminated. Many of the difficulties were due to lack of methodology and to the time and mechanisms needed for such activities.

While **evaluation** on the other hand; is an objective and systematic process of assessing the relevance, effectiveness and impact of a project in the context of the project development objectives. It reviews implementation process in terms of inputs, activities, implementation management and emerging results (outputs, effects and impacts). It makes use of information generated by the monitoring and reporting system and focuses on the achievements of overall project targets and objectives to generate lessons about project design, which can be used in subsequent projects or in modifying aspects of the project being evaluated.

Project evaluation is the last step in the project execution process. It may ask deep and wide-ranging questions, such as:

1. Was the problem correctly identified, or was the correct problem identified?
2. Were any important aspects overlooked?
3. Were any important data left out of the analysis?
4. Did this influence the analysis?
5. Were recommendations properly implemented?
6. Is the project meeting the desired specification?
7. Are there any needs for modification, change, or re-design?
8. What should be done differently next time?
9. When policies fail to have the intended effect, it is usually due to one of two types of failure: theory failure, or program and project failure?

### Self-assessment exercise 2

Itemize and discuss the mechanisms needed for monitoring project

#### Answer

The Mechanisms needed for monitoring project may include the following:

1. **A data base and monitoring unit** should be established within the project to collect, collate and analyse data for the use of evaluations. This can be done by using various methods of data collection.
2. **An independent evaluation body** to undertake periodic appraisal work. Its members may be drawn from national planning agencies, universities, research institutes, interest groups and local communities, etc., in addition to project staff.
3. **Independent evaluations** should be carried on even after the project is completed. Depending upon the availability of data and resources, the whole or part of the project should be evaluated periodically. The lack of information on long-term results is a major concern to many planners, government authorities and funding agencies.
4. **Annual and final reports on monitoring and evaluation results.** Achievements should be clearly set out and compared to the original goals.
5. **Indicate when the Key Performance Indicators (KPI)** must be updated (scope, time, cost). In some countries, projects over \$1M must have their KPI updated quarterly at a minimum for national reporting.
6. **Schedule Monitoring and Control:** Describe how the Project Team will follow the approved schedule and monitor and control the project progress.



7. **Describe how the Project Team** will provide Project Status, Variance Reporting and Cash flow Projection reporting and determine the frequency of reporting.
8. **Cost Monitoring and Control:** Variances between the current budget estimates and approved funding will be reported on a monthly basis. Describe the methodology and/or tools for cost control and management of changes.
9. **Describe the criteria, methods and techniques** to be used to evaluate whether and how well the completed project meets the stated objectives.
10. **Determine what strategy** will be used for documenting and communicating lessons learned as the project evolves (this should not be left until the end of the project).

## UNIT 4 PLANNING EXPERIENCE OF NIGERIA AND AFRICA

### Unit Structure

- 4.1 Introduction
- 4.2 Intended Learning Outcome
- 4.3 Main Content
  - 4.3.1 Overview of National Development Planning in Nigeria
  - 4.3.2 The Need for Planning in Nigeria after Independence.
  - 4.3.3 Success of Earlier Plans in Nigeria
  - 4.3.4 Problems of Plan Implementation in Nigeria
  - 4.3.5 Brief on the Framework for Planning and Budgeting in Nigeria with Particular Reference to 1992 – 1994 Rolling Plan.
- 4.4 Institutional Framework for Planning
  - 4.4.1 The Planning Process in Nigeria
  - 4.4.2 Planning Methodology
  - 4.4.3 The Three-Year Rolling Plan Strategy
  - 4.4.4 The Budget Framework , .
- 4.5 Budgeting Process and Methodology
  - 4.5.1 Issues in Planning and Budgeting
  - 4.5.2 The Early Experience of Development Planning in Africa
  - 4.5.3 Failure or Success of Development Planning in Africa
  - 4.5.4 Challenges and Prospects of Development Planning in Africa
- 4.6 Summary
- 4.7 References/Further Readings/Web Resources
- 4.8 Possible Answer To Self-Assessment Exercise (s)



### 4.1 Introduction

Nigeria is a developing nation that got her independence from Britain in 1960. As a newly independent nation in the early 60s, she had the exuberance of a hungry lion in the jungle trying to catch many other animals as food. Unfortunately, the colonial economy was not nurtured for development of Nigeria. It was purely a market system built specifically to serve the colonial home market. With independence at hand, the national leaders saw the need to broaden the scope of the administration that could serve as a foundation for building the economy. This called for arrays of policies, planning, programmes and projects.



## 4.2 Intended Learning Outcome

By the end of this unit, you will be able to:

- To have an overview of development planning in Nigeria
- Appreciate the need for planning in Nigeria after independence
- The history of success or failure of earlier plans in Nigeria
- Be familiar with the problems of plan implementation in Nigeria
- Be able to relate Nigerian planning experience with other African countries.



## 4.3 Main Content

### 4.3.1 Overview of National Development Planning in Nigeria

The Nigerian experience as regards development planning can be discussed in the light of Long-Medium- and Short-term plan in the version of perspective, fixed and budgetary plans. Essentially, the recent epoch of national development plan in the country dates back to the period after the Structural Adjustment Programme (SAP). As an opportunity for reevaluating the planning system, the government introduced a new planning proposal which consisted of a fifteen to twenty-year perspective or Long-term Plan, a three-year Rolling Plan, and an Annual Budget that was to draw from the Rolling Plan (Okojie, 2002). As a significant innovation, following from the criticism in the form of lack of administrative utility for the implementation of plans (Marcellus, 2009), vagueness (Okojie, 2002), and no constitutional significance (Abasili, 2004) in the previous plans, the Perspective Plan was conceived to be more specific and elaborate. Though scheduled to take effect from 1990 along with the Rolling Plan, the ideology of a perspective plan was actually implemented in 1996 as a result of the setting up of a committee for Vision 2010. The Vision was to provide, as a recommendation, the focus for all plans, including the rolling and annual plans. The country's First national Rolling Plan (1990-1992) came into force in 1990 with the objective to afford the country the opportunity to revision in the midst of increasing socio-political and economic uncertainties. This supposedly medium-term plan, however, turned out to be an annual event which became almost undistinguishable from the annual budget. According to Okojie (2002), Rolling Plans have been prepared yearly at all levels of government including the local government level. Such that, at the end of about ten Rolling Plans from 1990 to 1999, Nigerians are no better off than they were during the years of fixed medium-term planning. The fixed medium-term planning in

Nigeria commenced with the First National Development Plan (1962-1968). It was followed, after the civil war, by the Second National Development Plan (1970-1974), the Third National Development Plan (1975-1980) and the Fourth National Development Plan (1981-1985). After a three-year brake which resulted from the Coup D'état that overthrew the country's second civilian administration in 1983 and a military government in 1985, the Fifth National Development Plan was rescheduled for the period 1988-1992. However, in late 1989, the then military government, headed by General Ibrahim Babangida abandoned the concept of a fixed five-year plan with the introduction of a three-year rolling plan in the context of more comprehensive fifteen to twenty-year plans.

In fact, national planning experience in Nigeria predates the 1960s. It was the period when planning activities were purely a function of the colonial administrators. Although not comprehensive in scope and depth, the foremost national plans in the country include the Ten-year Plan of Development and Welfare for the period 1946-1955, and the 1955-1960 Plan which, however, was extended to 1962. Nevertheless, as observed by the authors of the First National Development Plan (1962-1968), the pre-1960 plans were not plans in the true sense of the word. They were rather a series of projects which had been coordinated or related to any overall economic target. In essence, probably it was as a result of oversight or a deliberate action that all the planning documents thus far released in Nigeria have been silent on the Planning models employed or adopted. Thus, it has always been a difficult exercise to quantitatively assess the performance of any economic plan in Nigeria vis-à-vis the goals and objectives.

#### **4.3.2 The Need for Planning in Nigeria after Independence**

The backwardness of Nigeria economic growth and development could easily be traced to colonialism. The colonial government left the development of Nigeria to take place through the market mechanism, but since our market demands is pegged at their advantage, there was no way by which we can develop economically and this made successive governments after independence to plan for the future development of the country. However, various reasons could be attributed to the non-development of our market system:

Firstly is the subsistence type of production in the country. Few goods were able to pass through the market system and contributing to this was the poor transport and communication network which made markets to be small and fragmented. The resultant effect was that the 'price mechanism in which the system depends does not work to bring about the allocation of resources from one use to the other. Secondly, the

market system during the colonial days did not take account of social costs and benefits, that is projects that was not be profitable to private, business enterprises may be beneficial to the society as a whole; this is because it could lead to increase in employment, foreign exchange and attract companies to invest. Thirdly, in the market system the prices indicates how resources are allocated, but with the wide spread of income inequality in the country, the resources were often channeled towards the production of the needs of the rich rather than satisfying the needs of the poor who form the majority of the population in the country. The market system then concerned itself with what already exists, that is it was not strict, so that the government after independence decided to plan in order to effect some basic changes in the economy by developing first our market system. This was not to say completely that the colonial government did not evolve any plan (1946-1960) but the plan so initiated was meant to perpetuate their dominance for further exploitation because the plan embarked upon did not lay emphasis on the development of the country but rather interested in exporting raw materials to their countries and bring back the finished products at higher prices. It was in the light of the above non-development of our market system that made our government think of planning for the future economic and social base of the country in order to attain the desired growth and development.

### **4.3.3 Success of Earlier Plans in Nigeria**

The country has had four national development plans since independence in 1960. But the record would not be complete if we sidetrack the first plan 'drafted' for Nigeria during the colonial era. The plan tagged, "The Ten Year Plan for Development and Welfare for Nigeria, 1946"; was made to cover up to 1960. It was prepared at the request of the colonial office in London to guide it in its distribution of the aid called for by the colonial development welfare act of 1940. The total cost was to be N106.6 million of which N46 million were to be supplied by colonial development and welfare funds N31.6 million was to be raised as loan and the remainder to be obtained from Nigeria revenue sources. The target of this plan was to improve the general health and mental conditions of the people and to provide those physical facilities which may be regarded as the minimum necessary for the general improvements of the country and its populations. The priority then was placed accordingly on social services – water supplies, education and health and on transport and communication; small amounts were to be expended upon agriculture and forestry development. Industry was not given any significant attention but mention was only made of village industries, pottery and textile and improved palm oil extraction techniques. In 1951, however, the plan was reviewed to take account of the previous years success and in particular

the failure to reach the stipulated goal of the existing plan by that 1951. The revised plan remained the same as those of original one but its overall scope in real term was reduced. Two factors necessitated this, it was due to constitutional revision of 1954 which delegated vastly increased power to the regional governments rendering more difficult for the coordination of national government activities. Another factor that necessitated the renewal was the visitation of International Bank for Reconstruction and Development team in Nigeria in 1954 which issued a weighty report with many precise recommendations. The 1955-60 periods retained most of the features of the 1946-1954 with government taking exclusive responsibility of transport and communication with about 56% of total plan capital expenditure with the belief that a cheap and extensive system of communication is the greatest blessings which any country can have from the economic point of view. The newly created regions also have in their plans transport and communication taking a lion share of the planned capital expenditure. These plans were however financed by the sale of agricultural products through the marketing boards. This plan however was faced with some problems during her implementation. Chief among this was that actual expenditure run short of trained staff needed to oversee procurement of material, the need for preparation and issue of tenders to contractor etc. Despite the fact that the plans were presented only in broadcast outlines so as to maintain flexibility the ultimate composition of government expenditure bore no clear relationship to the projected composition. As was related, the 1946-56 made a total expenditure of N100 million out of which U.K was to provide N46 million. It was felt that the prevailing conditions in Nigeria then had no plan for balanced development and that this could only succeed if the people were put in a position where they could participate in and take advantage of economic activities. Emphasis was thereafter placed on the provision of water supply and health with about 25% capital expenditure earmarked for it and only 6.4% to industry and agricultural development. With rapid economic growth becoming a primary objective in subsequent plans, the emphasis in investment programmes was shifted from social services towards industrialization and modernization of the economy. Thus the ground was laid for the 1962-68 National Development Plan The National Development 1962-68 constituted the first attempt in Nigeria at comprehensive, integrated planning. For the first time projections were made and targets were formulated for the performance of the entire Nigerian economy both public and private sectors, capital and current needs. The objectives of this plan was to raise the growth rate of Gross Domestic Product from 3.9% per annum to 4.0% per year and this was aimed to be achieved through gross investment of 15% of gross domestic product per annum and directed to productive sectors. This growth rate was estimated to permit 1% per annum per capital private consumption. 2/3 of the total projected investment of N2,396.6 million

(excluding defence) is to be undertaken by the public sector (i.e. N33.6 million) and N400 million by the private sector and total investment of N779.0 to come from foreign sources. The implementation of this plan was interrupted from 1966 by the political and civil war. Hence the extension of the plan to cover the war period up to 1970. During this period annual budget was employed as the main instrument of control and allocation of development resources. The 1962-68 plan laid down 3 basic national objectives and goals, and the attainment of growth rate of 4.0 per annum over the plan period, a rise in the self sustaining growth not later than the end of Third Development Plan, attainment of a modernized economy consistent with democratic, political and social aspirations of the people and objectives which includes the achievement of a more equitable distribution of income both among the people and among the regions and the creation of job opportunities in the nonagricultural occupations. Highest priority of the plan was accorded to agriculture, industrial and technical training, (trade, primary production) with electricity and transport together they accounted for over 63.4% of total expenditure. The objectives of the plan are: (a) A united, strong and self reliant nation (b) A great and dynamic economy (c) An egalitarian society (d) A free and democratic society

The main instrument for achieving this planned objective has been public sector investment programmes. The sectoral allocations of planned capital expenditure in the plan broadly reflect these priorities enumerated above. The problems that bisected this plan was similar to the problem of 1955-60 plans- under-expenditure against planned was able to attain some degree of achievement. Despite the fact that up to date data was not available the plan made some significant improvement during the first two years of its implementation. For example the national gross domestic product was estimated to have risen by 5.7 a rate much higher than the projected 4.0% Investment in the country during its 2 years of operation fell short of the targets established for it. This was notably seen in the public sector. But private sector investment proceeded more rapidly than was estimated by the plan. Total private capital in flow from abroad over 1962-64 period were (at a little over N80 million) a little below the target level but were accelerated during the 1963-64 stimulated by the progress in the petroleum oil industry to annual rates above the predicted ones, so that the longer term prospect of the foreign private investment was reasonably bright. The domestically financed private investment was however the brightest in the first two years of the plan. The public sector was very poor in performance and accounted only for N150 million capital expenditure while the required total of planned capital expenditure which were to be evenly spread over the years was N264 million. Price increases which occurred during these plans period reduced the relative performance in real terms still further. The principal reason was however, due to unexpected low foreign aid

contribution as a result of which only 12% of the total public expenditure was financed by foreign aid as against 50% engaged by the plan. However marketing Board earned trading surplus was used in financing the domestic investment. The federal statutory corporations failed to earn any surplus expected from them because of their lagging investment programmes. Import bill was still rising despite the failure to attain our targets in the investment sector. Exports receipts were made to pay for this rising import bills, whose performance during the years far exceeded the expected projection. During the first 3 years, domestic merchandises exports totaled N320 million whereas the plan projected 105.4 million. This was due to a large extent of greater volume of petroleum oil exports than was anticipated. Of about 29% planned for transport and communication only 21% was actually realized. Facilities for water also attracted greater attention in the Regions than was originally planned. Work on the Niger Dam and Port Harcourt oil refinery proceeded on schedule whereas the proposed iron and steel complex was caught up in a welter of interrogational rivalries and competing foreign interests. It therefore remained under studies. The major problem of this plan period however include rising population which was generally to be growing rapidly than anyone had hitherto suspected. The urban was earners agitation for more wages which raised government expenditure programme, the creation of the Mid-West increased the need for administrative capital expenditures which carry no growth pay off in the face of rising unemployment. One of the most impressive features of the plan was that it was seen as the first of a series expected to bring the economy to the stage to 'take off' for self reinforcing growth. With the problems confronted by the First National Development Plan, the Second National Development Plan in 1970-74 was launched. This was a 4 years Development Plan. It was launched shortly after the end of the Civil war as a means of reconstructing the facilities damaged by war and promoting economic expenditure of 3.66 billion Naira during the four years distributed between the private and public sectors with the public accounting for 2.10 billion Naira and 1.56 billion Naira by the private sector. The plan

aimed at annual growth rate of 7% per annum as against the actual realized growth rate of 8.2% per annum. However the growth rate within this period experienced some fluctuations. For example it fell from 18.4% in 1971 – 72 to 7.3% in 1972 – 73, and rising thereafter to 9.5% and 9.5% in 1973 -1975 respectively. The decline in the growth rate in 1972 -73 was due to an absolute fall of about 7% in agricultural sector which was out of the consequences of the adverse impact of drought on agricultural activities especially in the northern part of the country and an unusual prolonged dry season in the southern part of the country. Another factor was a result of a fall in the rate of expansion of the mining and quarrying sector during the year, the growth fell from 40.4%



in 1971-72 to 18.44% in 1972-73. Although manufacturing sector experienced increased in growth rate of 24% but this does not complement the fall in the growth in the mining, quarrying and the agricultural sector. The promulgation of Enterprises Promotion Board imposed a short term constraint in expansion programmes and new investment in industry. The second national development plan projected the contribution of agriculture, mining and manufacturing as 42.2%, 13.4% and 12.4% of the constant price in 1973-74. However actual growth rate were 27.7%, 4.5% and 4.8% respectively in the Gross Domestic Product estimated at constant 1974-75 prices. While the importance of mining was very high during this period, the contributions of agriculture and manufacturing fell below expectations. Among the problems associated during this period were 1970-74 difficulties in getting feasibility studies on time, scarcity of technical competent partners and infrastructural constraints. Another importance of this plan was the growing dominance of building and construction as an item of capital formation. This was due mainly to the extensive reconstruction of facilities damaged by war and the implementation of the large road programmes of the Federal Government. There was an increase in the participation of the private sector to the growth rates with private contribution of 48.8% as against public contribution of 41.6%. The nominal investment programme of about N2 billion was revised upwards for a variety of reasons, the most important of which were inflation, changes in the scope of projects, introductory of new projects and revised costing in the process of project design and implementation of the revised capital programmes of N3.3 billion, N2.2 billion was disbursed by all the governments of the country at the end of fiscal year 1973-74. A partial fulfillment of about 67%. This was so because of time it took some of the states to organize and most of them even achieved 50% of their targets. The government devoted 49.1% of their total capital outlays to activities in the economic sector notably transport (33.1%) of total expenditure. The shares of social services, defenses, and general administration were 27.5%, 10.9% and 10.4% respectively. While the social services sector achieved their targets of total capital expenditure, the proportion of public capital expenditure disbursed in the economic sector fell below the 56.7% indicated in the 2nd National Development Plan. Poor performance of agriculture, commerce and finance was responsible for the capital expenditure distortions. From the above, one could not conclude emphatically that the plan did not achieve that much. Though it failed in some areas projected, it made some laudable achievements in some sectors of the economy. Such achievement includes the rehabilitation of abandoned agricultural plantation projects during the civil war particularly in the Eastern States which was brought back into production. Government intensified its extension services efforts and increased the supply of fertilized and other farm input requirements to farmers because of agricultural

importance to our economy. About 40,000 tons of fertilizer was distributed to farmers during this plan period. The marketing board was reformed which made it possible for farmers to earn high income as an incentive to increasing production. Irrigation facilities were provided and this was achieved through the construction of Yakubu Gowon Dam, Tiga by the Kano state government. Manufacturing industries damaged during the civil war was brought into production. For example, during the civil war the three cement factories closed especially that of Nkalagu, and Calabar were not only brought back to production but extensive expansion was made. About 2,200 miles of roads network were reconstructed while work started in other roads with combined length of 1600 miles. The airports of Enugu, was reconstructed, contracts for the construction of airports to Kano, Lagos, Jos, Ilorin and Calabar was awarded. The Nigerian Shipping Line brought two ships to replaced chartered vessels. The Nigerian Ports Authority completed the rehabilitation of war damaged Calabar Port. Nigeria Airways acquired the Boeing 707, two Boeing 737 and two Fokker 28 during this plan period. Education was also given a boost as this could be best illustrated with changes in enrolment at different levels of educational system. Primary school enrolment rose from 3.5 million in 1970 to about 4.5 million in 1973. At secondary level the enrolment doubled from 343,000 in 1970-71 to 649,000 in 1973-74. Federal government colleges were established numbering 20, four new college of technology and trade centres were established by the state governments. The federal government took over the University of Nigeria, Nsukka at the request of East Central State and South Eastern State Government. University enrolment also increased and stood at about 14,500 in 1970-71 to 25,000 in 1973-74 (72%) increase. This could also be traced to the establishment of more Federal Government College of Arts and Science at Mubi, Ogoja and Sokoto. In the social sector and welfare, the National Stadium was constructed. The Plateau and Bendel State Governments also established independent television stations while about 4 states launched their own independent newspapers. The health sector improved fairly in terms of expansion of facilities and substantial funds were made available to Teaching Hospitals at Ibadan, Enugu and Ilorin. All the teaching hospitals increased their bedding facilities. At the state level progress was made in the rehabilitation of medical services in the Eastern States.

In the mining sector, government established Nigerian Oil Corporation (now NNPC) through which it participated in the petroleum sector. The Enugu coalmine was rehabilitated and the Nigeria Mining Corporation was established by the Federal Government to prospect for, and exploit all solid minerals except coal which had its own corporation. In general administration, significant progress was made in the provision of residential and offices for government functionaries. The states also

performed very well in this area. Regional planning has achieved much, for example, Lagos state government expanded her water supply scheme and water supply facilities in Zaria and Katsina by the government of north central state. Export values exceed plan projections throughout the period under review. In 1973-74 the value of exports was N2.3 billion which almost doubled the figure of N1.25 billion indicated by the plan due to increase in both price and output of crude oil. Imports maintained an upward trend during the 1970-74 with singular exceptions in 1972-73. In response to economic slowdown of that year, import values fell from 1.079 billion in 1972-73 to N990.1 million. The reason being in the contraction of agricultural incomes consequent upon adverse impact of drought and forest fires on agricultural activity throughout the country. Fiscal and monetary measures were also adopted during this plan period to solve the problem of balance of payment. Indigenization policy was boosted by the establishment of Nigerian Enterprises Promotion Board which set out certain areas of the economy exclusively reserved for the Nigeria and Nigerians to have equity participation of not less than 40%. With all the failures and successes in mind, Nigerian government came up with the 3rd National Development Plan from 1975-80. The objectives were to be geared towards increase in per capita income (to raise standard of living); more even distribution of income, reduction in the level of unemployment, increase in supply of manpower, diversification of the economy, balanced development and indigenization of economic activity. The growth rate was the highest ever recorded – average 9.5% per annum. During the first year of the plan, the GDP recorded about 2.5% above the projected plan. At the beginning of the plan period, mining and agriculture were projected to contribute to about 45% and 23% of total GDP respectively and by 1980, it had assumed dominance, but their actual contribution was 37.5% and 19.0% respectively in that year. The GNP was projected to grow at annual growth rate of 9.0%. During this period, GNP accounted for 95% of the total GDP from a base of N14.66 billion in 1974-75. The current price GNP rose to N30.110 billion 1974-80, indicating an annual growth rate of 16%. This significant performance could be traced to the indigenization policy and consolidations of the national gains arising from the realized revenue.

The plan also made a lot of improvement in the banking and finance sectors, capital formation also increased tremendously and investment, construction and building continued to grow in size. Public finance also rose significantly during this plan period, this was out of the Federal Government assumption of full responsibility for primary education and teacher training throughout the country. The substantial government participation in the petroleum sector fetched more revenue to our coffers in terms of foreign reserve and this had a positive role to the economic activities. It contributed about 44% to GDP during this plan period.

However planning of Nigeria continue to face problem of technical manpower, lack of fund, executive capacity and lack of project evaluation of past plans. The fourth national development plan of 1981-85 was launched in 1981 and had as her main objective the building of a strong, dynamic and a democratic culture. The plan was aimed at increasing real income, even and equitable distribution of income, increased supply of skilled manpower and attainment of national self reliance. The aim was to invest N1000 for every individual in the country for the next four years. Overall growth rate was estimated at 7% per annum. The total of such investment was N82 million out of the sum N70 billion and was to be accounted for by the various government of the federation and their agencies. For the total plan budget, the Federal Government was to be responsible for N40 billion with state and local government handling N20 billion; N2500 billion was allocated to the Federal Capital Development Authority. The private sector was responsible for funding N11.500 billion. Agriculture was given high priority complemented with the Green Revolution programme of the government. 13% of total capital investment was to go into agriculture to generate 4% annual rate so as to eliminate shortages of goods and industrial raw materials. Direct assistance was given to farmers on the form of extension services, improved seeds, credits, fertilizers, tractors, grains stores etc. The government was directly involved in food production. Manufacturing was laid emphasis on a projected growth at annual rate of 15%. At the Federal level, manufacturing projects include; iron and steel, LNG, sugar, cement etc. Power was to provide adequate and uninterrupted supply nationwide and to generate additional 3000 megawatts to bring the capacity to 4600 by the previous year. Education was also accorded high priority, new Federal Technical Colleges, 7 more universities were established and about N2,000 million was used to expand the available 39 Federal Government Colleges, open university system was also opened with the headquarters in Abuja. The Federal Government and State Governments earmarked N3,700 million for housing. It involved housing construction by the Federal Ministry of Housing units were to be completed at Abuja. Government also intended to solve the problem of brain-drain by inducing qualified Nigerians abroad to come home and contribute to the development of the nation. Defense was also given a boost and considerable resources was allocated for the modernization of both defense capabilities and security agencies. The major problem of this plan was related to other problems the previous plans had been experiencing with yet another problem which was so pronounced this plan period, it was corruption at the highest scale through inflation and duplication of contracts.

#### **4.3.4 Problems of Plan Implementation in Nigeria**

Many problems are known to be hindering the implementation of development planning in Nigeria. Firstly, the Nigerian political system and its occasional upheavals hamper plan implementation. For example the implementation of the steel mill project was caused to be delayed for a long time because of inter-regional rivalry over its location. Also the bias towards the administrative sectors in the capital expenditure of the four mentioned development plans is partly attributable to the greatly expanded size of the armed forces which in turn is the by-product of the country's political crisis and as noted earlier the machinery of planning is made more complex by the federal nature of Nigeria's political structure. Secondly, resource constraint is another problem which to some extent has affected plan implementation in Nigeria. For example, some projects have to be abandoned in the 1962-68 planning due to lack of funds, much of which arose from the failure of external sources of finance to meet the expected contribution. Expected foreign aids often fall below actual expenditure and the resultant effect on our plans. Despite the fact that Nigeria has resulted to financing her plans from internally generated revenue, finance still continue to deal a below to our plans despite the oil boom. Thirdly, problem arising from paucity and poor quality of information which could be used for the exercise. This problem was discussed by an author on Nigerian plan implementation in his little book planning without facts. This inadequacy of the relevant information coupled with time lagged had our development planning to be ineffective. Fourthly, lack of skilled personnel to carry out the implementation properly. For instance, if plans were aimed at increasing agricultural productivity, then steps must be taken to ensure that fertilizers, pesticides, seedlings, tractors etc are delivered to farmers in every village at the right time. The purge of 1975, the war of 1966-68 and other political wrangling in the country swept off some experienced civil servants that help in plan implementation. Other problems that ever confronted plan implementation in Nigeria can be summarized thus; inflation, rural-urban drift, unemployment of executive capacities, port congestions, creation of states and the recession in developed countries often reduced the exportation of oil.

#### **4.3.5 Brief on the Framework for Planning and Budgeting in Nigeria with Particular Reference to 1992 – 1994 Rolling Plan**

Simply put, Development Planning may be defined as the process of charting the course of national developments setting objectives and targets and formulating policies, programmes and projects for the attainment of the desired state. It requires a perception of the direction of

movement; what it will take to move society to the desired direction, assessment of potentials for so doing, appreciation of constraints and drawing up of a programme of action that takes account of the potentials, and constraints. For a developing country, the goal of development planning usually revolves around the following objectives:

1. Improvement in productivity and total national output so that the basic necessities of life such as food, shelter, health services etc. can be met, and indeed guaranteed to all;
2. raising the level of gainful employment, and enhancing equitable distribution of incomes such that vulnerable groups are specially taken care of;
3. providing a framework and an environment that is conducive to the pursuit of higher goals at individual, corporate and national levels
4. overall improvement in the quality of life of the human person so that he or she can explore, develop, exploit and live a decent life within the limits of his capacity., assisted by the society or the State.

From the foregoing, it seems clear that development planning, whether at the Federal State or Local Government level should entail the following:

- a. Setting of objectives, strategies, goals and targets. For instance, self-sufficiency in food production may be an objective. The strategy for attaining this may be through direct and indirect government investment in farming, etc. The goal on the other hand could be the attainment of a desired level of growth in agricultural production while the specific target could be desired level of output with respect to each agricultural product.
- b. Formulating policies and programmes for the attainment of objectives. This involves policies that will provide an appropriate environment for the objectives to be achieved, For example<sup>3</sup> one major impact. of farmers,, boosting of agricultural prices and making agriculture generally more attractive as an occupation. The policies, programmes and projects that are designed to achieve this goal include enhancement of agricultural prices through excellent price support policies, establishment of river basin authorities, the ADF's and- other institutions to render services to farmers. Subsidization of agricultural inputs such as fertilizer, improved seeds extension services etc.
- c. Mobilizing resources for the improvement of programmes and projects. Resource mobilization includes mobilization of local resources such as labour., entrepreneurship, land and other natural resources as well as capital goods. It may also be in the form of mobilisation of financial resources through savings taxation, loans/credit support to priority programmes. Resources

mobilisation involves the allocation of resource amongst the different projects in line with the objectives and priorities of the plan.

The process of plan formulation requires clear directions significant amount of calculations in defining feasible growth paths and careful distribution of resources amongst competing demands such that overall return to investment is positive and maximal. Quite often the demands far out for the means for fulfilling them. This is where careful selection has to be made. Choice making may be facilitated by appraising each project using various techniques<sup>3</sup> although this is quite often not easy. Furthermore, the several demands can be ranked in order of superiority. Quite often, group and political pressures and considerations can lead to designing and implementation of projects that are weak or unproductive in socio-economic sense. Where this happens too often a the economy loses as returns to investment turn out to be very low and indeed negative;::This is made even worse where due to pressures, more projects that can be reasonably implemented were embarked upon and later abandoned due to lack of resources and capacity to implement. The "Sunk Costs" weigh heavily on new resources.

#### **4.4 Institutional Framework for Planning**

##### **a) The Planning Office**

The functions of the Planning Office with respect to preparation of development plans include the following:'

1. Preparation of Guidelines;
2. Issuance of Call Circulars for Submission of Projects and Programmes;
3. Mapping out the macro economic framework and the resources profile
4. Presentation of draft plan to the various levels of government and: publication of final draft of plan;
5. Project monitoring through quarterly returns and physical;,, inspection of key projects at the Federal, State, and Local Government level's;
6. Continuous liaison with all Federal agencies, State Ministries of Planning and Local Government Areas.

##### **b) Federal and State Executing Ministries/Agencies**

The 'federal agencies have the following main planning functions:

1. Preparation of plan submission for the 'Ministry in line with the Guidelines for the Plan and the Call Circular, The Planning Research and Statistics Department in each Ministry is responsible for co-ordination of the proposals and presentation of the Planning Office;

2. Monitoring of Plan programmes and projects and submission of quarterly Progress Reports to the Planning Office.

**c) State Planning Office**

The State Planning Offices carry out the following key planning functions?

1. Preparation of State Plans;
2. Co-ordination of the programmes of the LGA's in line with the Plan Guidelines and the Call Circulars;
3. Project monitoring at State and Local Government levels and preparation of quarterly and annual progress reports

**d) Local Government Councils**

1. Preparation of LGA plan programmes and projects in line with the Plan Guidelines and Call Circulars
2. Submission of LGA plans to the States agency for planning and economic development;
3. Programme monitoring and preparation of quarterly and annual progress reports

**The Joint Planning Board (JPB)**

This is a technical body charged with the responsibility/for reviewing and vetting the draft development plan. It is chaired by the Director-General in charge of Planning in the Planning Office and comprises the Director-General responsible for planning in all the States of the Federation and representatives of the Nigerian National Petroleum Corporation (NNPC), the Central Bank of Nigeria, the Office of the Secretary to the Government of the Federation (SGF), Federal Ministry of Finance, Nigerian Institute of Social and Economic Research (NISER) and Federal Office of Statistics.

**Conference of Minister and Commissioners (of Economic Planning)**

The CMCEP has as Chairman, the Minister of Budget and Planning and includes all Commissioners responsible for economic planning in all the States of the Federation. It is the body that reviews the draft Plan as submitted by the JPB and transmit same to the National Council of States through the Federal Cabinet.

**National Council of States**

The National Council of States which comprises the thirty six States of the Federation and the Governor of Central Bank is chaired by the Vice President and is responsible for considering the draft Rolling Plan after deliberations by the Federal Cabinet. The Council also deliberates on matters pertaining to the state of the economy and problems of plan implementation and co-ordination.



#### 4.4.1 The Planning Process in Nigeria

The planning process usually starts with the preparation of Guidelines that are expected to form the basis for preparing projects for an ensuing medium term plan. With the adoption of the Rolling Plan strategy from 1990 the guidelines were expected to be prepared at intervals of three years. The Guidelines are generally based on policy recommendations and views from all segments of the society and the various government organs on what should be the objectives, strategies and priorities of the medium term development plan. It also includes in broad orders the magnitude of resources that are likely to be available for the implementation of programmes and projects during the plan period. The Call Circular is usually forwarded to all Federal and State Agencies and Local Government Councils together with the Guidelines. The Call Circulars specifies in details the set of information that must be provided for each project. These include, the objectives, physical targets and cost implications of such project so as to facilitate adequate project analysis and appraisal. A sample, of such Call Circular: is attached as an Annex., The Planning Office holds bilateral discussions with every Federal Agency and the State Ministries of Economic Planning. In discussing the admissibility and relevance of a project for the plan, the following criteria are usually applied among others:

- a. relevance of projects to the plan
- b. Objectives; strategy and priorities.;
- c. the feasibility/viability of the project as measured by return on investment or cost/benefit, implications and :the extent to which this can be accommodated within the overall allocations to the sector of activity;
- d. Stage of completion, if it is an on-going project.
- e. Impact of project on foreign exchange and employment.

#### 4.4.2 Planning Methodology

Planning methodology at all levels of .government may: be outlined as follows:

- Steps 1** Identifying the potential constraints and problems of the economy and its main activity sector:
- Step 2** Identifying the objectives, strategy and programme priorities of the Plan at macro level and for each sector of the economy as contained in the Guidelines to the Plan.
- Step 3** Identifying the problems and potential areas in each sector to the objectives strategy priorities and goals of the plan in order to identify, critical projects. This is the Pre-Identification stage for projects.
- Step 4** Investigate the identified projects further through feasibility studies on the objectives, costs output, return to investments,

.etc. of the projects. This can be done by providing the information required in the Call Circular in respect of each project.

**Step 5** Make projects for the size of the capital programme over the plan period as follows;

- a. Make projections of the resources likely to be available over each year of the plan taking account of statutory allocation, internally generated revenue etc.
- b. assess existing commitments to projects;
- c. define the strategy of the plan and its implementation mode in terms of sectoral emphasis;
- d. Phase the implementation of the programmes.

**Step 6** Derive final resource allocation to each project taking due cognizance of implementation targets, programme priorities and resource position.

#### **4.4.3 The Three-Year Rolling Plan Strategy**

The three-year rolling plan strategy was adopted to enable the planning body keep track of major developments in the economy and to respond in a coherent and timely manner to some changes. The three-year rolling plan is therefore prepared every year, while allocations for the first year of the : plan are expected to constitute the capital budget of that year. The draft capital budget for the second year of the plan is based on proportion of the plan earmarked for implementation that year. Before finalization, programme priorities are reassessed, the resource profile re-established and the stage of project/programme implementation evaluated. It is this procedure that provides for the flexibility of the Rolling Plan Under the previous five year plans, such programme revision took place once in five years' time too long, to cope with the realities of an economy that has a dominant and volatile oil sector. The instrument of rolling plans therefore makes it possible to take account of the past the present and the future that is near enough to be more closely captured. This process was well facilitated with the merger of the agencies responsible for planning and budgeting, a reform which most of the States adopted. The establishment of the National Planning Commission which has among its functions preparation and coordination of the annual capital budget and preparation of guidelines for the recurrent budget was expected to forge a very close linkage between the planning and budgeting functions. The States and Local Government Councils were expected to take a cue from this. Furthorm6res every Local Government Council was expected to create a Department of Planning, Research and Statistics that would be responsible for planning, budgeting and project monitoring.

### Self-Assessment Exercise

1. What is the difference between a medium term plan and a rolling plan?
2. What had been the philosophy behind development plan formulation and implementation right from the colonial era?

#### 4.4.4 The Budget Framework

The annual budget is the key instrument for the implementation of the medium term plans or rolling plans. The budget may be defined as an aggregation of various requirements, properly articulated and critically related to the volume of resources that are expected to be available within a given time frame, usually one year, Government budgets usually have the following components| i.e. revenues, expenditure, estimates and a set of fiscal, monetary and other policies that are designed to support the estimates and move the economy towards a chosen direction. Since the advent of the 'oil era in the mid-70s, the major source of revenue for all levels of government has been from: this source and on an average, accounts for well over 80% of the total 'revenue accruing to the Federation Account. Other Major sources of revenue include Custom and Excise Duties, and Company Income Tax. The Federation Account comprises revenue accruing from petroleum profits Taxes Royalties, Companies Income Tax and Customs and Excise Duties. The Revenue Allocation formula in Nigeria varies from year to year depending on economic and political situations in the country that determines what goes to the three tiers of government - Federal Government, the State Governments and the Local Governments. For example the Federation Account allocation to these levels of government at a time was as follows:

Government - 50%,  
 State Governments - 25% and  
 Local Governments - 20%

The remaining balance of 5% was shared between Ecological Fund (1.0%) and Federal Capital Territory (.1 = 0%), mineral producing Areas (1,5%), Derivation (1. 0%) and Stabilization.(0.5%). As from 2004, however, the mineral producing areas receive 13 % for derivation. The items of Recurrent Expenditures include;

- a. Personnel
- b. Overhead Cost
- c. Consolidated revenue fund charges (debt repayment, pensions etc.)

Plan previsions are usually grouped by sectors and projects while the capital budget allocates by projects,, expenditure Heads and sub-heads. The major sectoral groupings for plan programmes is as follows:

**Economic Sectors**

- a. Agriculture and Rural Development,
- b. Livestock
- c. Fisheries
- d. Electrification
- e. Commerce and Co-operatives
- f. Transport

**Social Sector**

- a. Education
- b. Health
- c. Information and Culture
- d. Social Development, Youth and Sports

**Regional Planning and Environmental Sanitation**

- a. Environmental Sanitation/Drainage
- b. Housing
- c. Town and Country Planning

General Administration

**4.5 Budgeting Process and Methodology**

The budgeting process at the Federal level starts with a pre-budget review. This includes an estimate of the key macro-economic parameters of the economy for the ensuing fiscal period including the growth rate of the economy; the balance of payments situation debt-service allocations, anticipated draw down on external loans and grants, exchange rate development, trend in the level of general prices money supply etc. The resolution of the key issues surrounding these parameters determined the profile and posture of the budget. For instance, the plan specifies the desirable rate of growth for the period but this is not without due regard to the economic stability. Therefore the level of real investment and maintenance of a stable and conducive investment are very crucial. The Plan therefore focuses on the level of Monetary injection into the economy and its impact on key macro aggregates such as the exchange rates the level of public deficits or surpluses, the rate of inflation. etc. If the objective is to curb inflation; it will be desirable for the budget to move towards tight fiscal and monetary policy including curtailment of credit to the economy. The level of debt service determines the level of resources that would be available for domestic use, while the availability of foreign exchange has impact on the exchange rate. The budget must also be concerned with the performance of the productive sectors of the economy, including the level of agricultural outputs, capacity utilization in industry and overall performance of the real sector. These indices have

to be provided by the Plan and the annual budget. Having determined the posture of the budget, the real budgeting process starts with an estimate of revenues including appropriate fiscal policies that will generate further resources for the public sector and leave more resources in the private sector. The most critical elements in recurrent expenditures are the consolidated expenditures (debts service, pensions and all the charges to the consolidated revenue fund). This is followed by both the Personnel Costs, and Overhead Costs. The current approach is to provide for the various items in the following order:

1. Personnel Costs;
2. Overhead Costs;
3. Debt Service.

In order to determine the size of the capital programme, the recurrent surplus for the year is added to anticipate draw down from external and internal loans and grants to make up the capital budget. Allocation of the Capital Budget among Ministries is generally based on the priorities indicated by the Three-Year Rolling Plan and modified with respect to the on-going programmes of the government and at times various sociopolitical considerations. On the overall, the key policy objective of the budget is to have a balanced budget.. States and local governments are made to restrict their programmes to the level of available treasury resources and programmes that can be funded through the existing pipeline of external loan facilities. The Federal Government is also restricted from taking new loans unless under exceptional circumstances. Under the current guidelines, no government is allowed to resort to external or internal loans to finance budget deficit.

#### **4.5.1 Issues in Planning and Budgeting**

One of the most significant developments in the institutional framework for planning in the country in recent years is the establishment of a Directorate of Planning, Research and Statistics in every Ministry or Agency in line with the provision of 1988 Public Service Reforms. A major function of the PRS Department in 1992 was to ensure that the programme proposals of agencies for the Rolling Plan were well prepared and were in line with the national objectives and priorities. The Department is expected to clearly articulate the existing problems and programme priorities and relate these to the strategy and objectives of the Rolling Plan. It also had to ensure that the proposals were adequately supported with background-information as required relevant Guidelines and Call Circulars. For projects in the economic sector, feasibility or pre-feasibility report is a "sine: qua non". This is required to enable projects to be properly evaluated and ranked in order of their superiority. Besides the preparation of the Rolling Plan the DPRS is expected to monitor the progress of implementation of the various

projects of the Agency and thereby ensure timely intervention. To perform these functions effectively, the DPRS was expected to collect and analyze from time to time relevant data on the operations of the Ministry or agency and also organize studies into problem areas. The information collected should provide the basis for assessment of sector performance, and project preparation for the subsequent plan and budget. The issue of large shortfalls in budgetary allocations vis-a-vis the resource demands of critical government projects became pervasive since the beginning of the Structural Adjustment Programme or since the end of the oil boom era of the 1970s. The reality of resource scarcity has therefore made it imperative for agencies to prioritize their needs in order to ensure that critical projects were not neglected while less important ones were being pushed forward for admission into the plan and the budget. In line with the emphasis of the Administration on completion of critical on-going projects, new projects were only admitted into the plan under exceptional circumstances. The highest emphasis was placed on care and Maintenance of existing assets rather than expansion of facilities. A persistent problem area in Nigerian planning efforts over the years has been identified to as the very imprecise information about the plans and programmes of the private sector. For one thing, the private sector operates under various shrouds of business secrets which make it difficult to obtain direct input from it by way of individual investment plans, If this is the case with the organized private sector, it is even more difficult to know precisely the investment plans of the numerous individuals and small scale businesses in the unorganized private sector. What the plans do in this regard therefore is to stipulate the desired level of private investment and to depend on fiscal, monetary and other instruments to induce the required level and structure of investment by the private sector. This makes the private sector plan more of an indicative programme. However, it must be stressed that one could not really expect much more under a free enterprise system.

#### **4.5.2 The Early Experience of Development Planning in Africa**

At the outset, as discussed in the case of Nigeria, it is important to note that Africa's familiarity with development planning dates back to colonial times. The African countries with national development plans in the 1960s and before include: Algeria, Angola, Burundi, Cameroon, Central African Republic (CAR), Chad, Congo (DRC), Congo Republic, Egypt (cited as United Arab Republic), Ethiopia, Guinea, Kenya, Liberia, Libya, Malawi, Mali, Mauritania, Mauritius, Morocco, Niger, Nigeria, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Tunisia, and Zambia (Waterston, 1965: 589-643).

One of the earliest evaluations of the experience of development planning in Africa was based on “a report originally prepared for the World Bank’s African Strategy Review, Accelerated Development in Sub-Saharan Africa: An Agenda for Action” (Killick, 1983: 74). That evaluation report was written to inform the Berg report of SAPs fame noted above. The objective of the evaluation exercise was “to review the literature on plan implementation in Africa, with implementation defined as the ability to achieve specified ends by chosen means. Though highly balanced the eventual evaluation report was constrained by the availability of the relevant literature. In the event, only the experience of Nigeria (1962-69, 1974-78 plans) and Kenya (1966-1970; 1970-74 plans) was reviewed in an in-depth fashion. The planning experience of Chad (1971-80 plan), Ghana (1963-69, and 1975-80 plans), Cote d’Ivoire (at the time Ivory Coast; 1970-75 plan), Senegal (1961-64 and 1965-69 plans), and Tanzania (1964-69 and 1969-74) were briefly considered.

Despite the literature constraint it was concluded that “the available evidence on plan execution in Africa has been negative” (Killick, 1983:57). The facets over which the negative performance is recorded include: over-ambitious formulation of targets; limited success in meeting planned targets; wide dispersions about target levels; failure to modify the impact of market forces; and failure to put development plans into effect. The sources of these weaknesses in plan implementation are identified as deficiencies in the plan documents; institutional and bureaucratic weaknesses (including inadequate planning resources); exogenous shocks; and political factors (Killick, 1983:58).

Examples of deficient plan documents include those for Chad (absence of financial programming), Ghana (serious technical flaws in the seven-year plan), Kenya (internal inconsistencies in the third and fourth plans), and Tanzania (insufficient provision for an implementation machinery for all plans). Published evaluation of the planning experience are to be found in Maipose (2003) for Botswana, Adeniyi et al (1988) for Nigeria, and Mureithi (1988) for Kenya.

The institutional and bureaucratic weaknesses relate not only to the then obvious grave shortages of trained and experienced African personnel and the paucity of required

data, but also to weaknesses of governmental structures. Examples of these institutional deficiencies include poor-coordination between government agencies and ministries, inefficient distribution of tasks and weak incentives for civil service. Not surprisingly, given the production structure of most African countries at the time of independence and their reliance on agricultural exports, exogenous shocks in the form of

changes in world economic conditions and the vagaries of weather are identified as having played important roles in the poor implementation of African development plans.

The fourth source of weakness in plan implementation in Africa relates to political factors. Needless to note that this category of factors is also closely related to that of institutions listed above. Most, if not all, of the factors mentioned in the literature can be understood as relating to the nascent nature of the post-colonial state that emerged in various African countries in the early 1960s<sup>7</sup>. In this respect it is conjectured that there may have been “a mix-match between the received concept of development planning and the political realities of political decision-making processes. Most African societies are marked by actually or potentially grave social divisions. Institutional capacities for expressing and resolving these conflicts within a constitutional framework are still limited, so that society is prone to upheaval and political instability” (Killick,1983:62). Such a reality, which undermines the rule of law feature of modern government, “often results in a large gulf between the intentions of governments and what actually happens on the ground, and to a de facto dispersion of decision-making power through society” (Killick,1983). For an emerging state the overarching objective becomes the avoidance of social unrest and the maintenance of power. In the event the development objectives of the government are not given the explicit statement, and the required stability to be incorporated in a properly formulated plan (Killick, 1983:62).

### **4.5.3 Failure or Success of Development Planning in Africa**

In addition to the overall assessment noted above a systematic way of answering the question would be to compare the growth performance of African countries for two periods: 1960-1973 during which comprehensive planning was used as an approach to manage the economies, and 1980-2000 during which a SAPs approach was used. Needless to note that the period 1973-1979 was the transition period during which the external economic environment for the development of African economies deteriorated. The origins of the deteriorating external economic environment are traced, from an African perspective, to the 1973 and 1979 oil price increases which precipitated, among other external factors, recession in the developed countries, declining demand for raw materials, and high interest rates (Mkandawire and Soludo, 1999). Such conditions eventually ushered in the SAPs approach to development of 1980-2000.

It is worth repeating that the central message of SAPs was "get the prices right, unleash the markets and rein in the state" (Mkandawire and Soludo, 1999). The principal components of the SAPs approach to the



management of African economies included anti-industrial policy stance liberalization of agricultural markets, financial liberalization, opening-up of economies and the liberalization of trade regimes, allocation of budget resources to education on the basis of the rate of return, and, administrative reforms to enable technocrats to initiate and implement market-based economic reforms" (Mkandawire and Soludo, 1999). Thus, despite the involvement of the World Bank the implementation of SAPs was dominated by the macroeconomic stabilization agenda of the IMF38 context of which economic growth is hoped for as a result of a hoped for an optimal re-allocation of resources in the static sense: after all, in the famous IMF programming model real output is assumed exogenous.

Next, consider the "poor policies", under comprehensive planning, designed to address the question of equity, both vertical and horizontal, in the development process. Such development policies were conspicuously absent under SAPs. Only in 2006 was concern expressed about the importance of such policies by a leading international financial institution. Thus, for example, in a recent World Bank report three areas of public policy interventions are identified from an equity focus: investment in human capacity (early childhood development, schooling, health, safety nets, and taxes for equity), expanding access to justice, land, and infrastructure (building equitable justice systems, greater equity in access to land, equitable provision of infrastructure), and promoting fairness in markets (financial, labour, and products) (World Bank, 2006). However, when discussing "greater equity in access to land" the report was quick to note that broader "access to land does not necessarily have to come through ownership" (e.g. land reforms), expressing a preference for working through the land market. Similarly, for the equitable provision of infrastructure, it is admitted that while "the public sector will in many cases remain the main source of funds for infrastructure investments aimed at broadening. The Commission for Africa was established by the British Prime Minister, Tony Blair, in 2004. Mr. Blair chaired the Commission, the members of which included 16 people invited on their "individual and personal capacities" with a majority of Africans. "The task we were set was this: to define the challenges facing Africa, and to provide clear recommendations on how to support the changes needed to reduce poverty" (Commission for Africa (2005); emphasis not in the original). It is perhaps interesting to note that the title of the report of the Commission seems to have been coined as a response to the title of the book by Mkandawire and Soludo (1999): "Our Continent, Our Future: African Perspectives on Structural Adjustment" opportunities for those who have the fewest, the efficiency of the private sector can also be harnessed".

In the context of comprehensive planning "poor policies" regarding the creation of jobs are integrated in the planning process. Such creation of jobs is entrusted to the public sector in recognition of the embryonic nature of the private sector. Planners were cognizant of the budget implications of such policies. However, the concern was not solely the achievement of static efficiency of resource allocation but the dynamic path of the economy and society.

Unfortunately, neither under SAPs nor under the PRSP process, has the development relevance of such policies been seriously considered<sup>17</sup>. In this respect it should be noted that the simple average unemployment rate in Africa is estimated at about 22 per cent of the total labour force, higher in sub-Saharan Africa than in North Africa, and higher than the world average of 9.3 percent and the average for low income countries of 7.3 per cent. Though problematic, there is evidence that such unemployment rates are increasing over time. More problematic is that there is also evidence that the unemployment rate among the youth (15-24 years of age) is higher than the national average. Despite this state of affairs there is no indication that the advocates of market oriented development, inclusive of the SAPs approach and PRSP process, have concrete policy proposals in this regard. To their credit, however, it is recognized that "achieving productive employment and work for young people entails long-term action covering a range of economic and social policies focusing on labour demand and supply... Such policies need to be integrated in broader development frameworks", that is they are better formulated in the context of planned development (World Bank, 2009)

#### **4.5.4 Challenges and Prospects of Development Planning in Africa**

At this stage of identifying the challenges and prospects facing the continent in planning its development, there is a need to emphasize the obvious: that development planning is a continuous process and that a development plan is just one product of such a process. "Development planning is not the same thing as a development plan. Planning as a process is an indispensable precondition for the formulation of effective development policies and measures." (Waterstone, 1965:107). A careful reading of the evidence on the early planning experience on the continent would show that the major weaknesses have to do with the implementation aspects of development plans. The most important among these sources are the political and institutional factors. Despite the diversity of the continent, however, it can be argued that these two sets of factors continue to define the main challenges facing African countries in returning to development planning to effect meaningful development.

Before proceeding to comment on these challenges it is perhaps instructive to note that from a development perspective the term "institutional factors" can be understood to refer to " a set of rules to organize people into the functional body", as well as to a "functional body organized by a set of rules" (Hayami and Godo, 2005:242). Such an understanding will facilitate the appreciation of the close relationship of the two challenges identified, as well as the Organisational nature of the discussion that will follow.

### **1. The Challenge on the Political Dimension**

A major challenge facing the continent is the commitment of political leaders to development planning. The required commitment is not only expressing verbal announcements on the issues involved, but announcements backed by appropriate action. In this respect it is noted that in many countries of the continent political leaders accord other matters higher priority than they do to development planning. While it is recognized such priority settings are dependent on the socio-economic and political stage of development of various countries, it must be recognized that the relegation of development to a subordinate place in the scale of values of a country's political leaders cannot help but depress development efforts and, hence, the results of development planning, while also sowing the seeds of discontent and potential social unrest (Waterstone, 1965:341).

An obvious example of the importance of political commitment to "development" is given by the Millennium Development Goals. A careful reading of these goals will show that they are based on a broad definition of development as a process of expanding the real freedoms that people enjoy. Five instrumental freedoms that have immediate policy relevance are identified to include political freedoms, embracing "the political entitlements associated with democracies in the broadest sense"; economic facilities, in the sense of the "opportunities that individuals respectively enjoy to utilize economic resources for the purpose of consumption, or production, or exchange"; social opportunities in the sense of "the arrangements that society makes for education, health care and so on"; transparency guarantees in the sense of "the freedom to deal with one another under guarantees of disclosure and lucidity"; and, protective security in the sense of the provision of a "social safety net for preventing the vulnerable sections of society from being reduced to abject misery, and in some cases even starvation and death" (Sen, 1999:38). These "instrumental freedoms tend to the general capability of a person to live more freely, but they also serve to complement one another" (Sen, 1999:38). Such a broad understanding of the development process encompasses almost all of the narrow concerns of various political players in the different countries in such a

way as to facilitate the expression of serious minded political commitment to development.

As noted earlier, the MDG process, like the PRSP process, marked a return to development planning albeit at the global level. The overarching objective of development is the reduction of poverty broadly defined and the goals are to be achieved over a 25 year period, with quantitative targets and indicators to facilitate monitoring the achievements made. World leaders, including those from Africa, expressed their commitment to these goals and went about taking action to achieve them in the specified horizon. Since their adoption in September 2000 two Summits were held at the UN for assessing progress made based on national, regional and global monitoring reports.

Along the lines of the above global example, meeting the challenge of political commitment to development can be facilitated by the further pursuit of the principles upon which the New Partnership for Africa's Development (NEPAD) is based<sup>19</sup>. According to its website NEPAD was initiated by the Heads of State of Algeria, Egypt, Nigeria, Senegal and South Africa on a mandate from the Organisation of African Unity (OAU). The 37th Summit of the OAU, held in July 2001, formally adopted the strategic framework document. NEPAD is now a programme of the African Union (AU), the successor Organisation to OAU. The inaugural Summit of AU was held in July 2002 in Durban, South Africa. NEPAD is operationalised through the NEPAD Planning and Coordinating Agency (NPCA), which has been integrated into the structures and processes of the AU and serves as a technical body of the AU, replacing the former NEPAD Secretariat. The NPCA has the mandate to: facilitate and coordinate the implementation of the continental and E/ECA/COE/30/8AU/CAMEF/EXP/8(VI)a "vision and a strategic framework" for Africa's renewal. Without getting involved in details, it is interesting to note that the original NEPAD framework document adopted the then International Development Goals (IDGs; which became the MDGs later on), as part of its goals (see paragraph 68). These goals are to be achieved under the long-term objective, stated in paragraph 67, of eradicating "poverty in Africa and to place African countries, both individually and collectively, on a path of sustainable growth and development and thus halt the marginalization of Africa in the globalization process, and to promote the role of women in all activities".

The above objectives and goals came to be formulated after the new political will of African leaders had been expressed in terms of a joint responsibility for, among other things, "promoting and protecting democracy and human rights in their respective countries and regions" (paragraph 49).

To ensure that the above political commitment to development at the regional level is backed by actions, NEPAD created the African Peer Review Mechanism (APRM) as an “instrument voluntarily acceded to by member states of the AU as an African self-monitoring mechanism”. The primary purpose of APRM is to “foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and continental economic integration through sharing of experiences and reinforcement of successful and best practice, including identifying deficiencies and assessing the needs of capacity building”. The policies, standards and practices that are to be adopted are supposed to cover the four major priority areas identified in the base document of the APRM and the Declaration on Democracy, Political, Economic and Corporate Governance adopted by the inaugural Summit of the AU. The four priority areas are: “democracy and political governance”; “economic governance and management”; “corporate governance”; and, “socio-economic development”.

The overall objective of the priority area on democracy and political governance is to “consolidate a constitutional political order in which democracy, respect for human rights, the rule of law, the separation of powers, and effective, responsive public service are realized”. It is the achievement of this objective that will eventually facilitate the commitment of political leaders to the development of their countries.

### **The Institutional Challenge**

Most African countries inherited an institutional structure that was largely designed to perform minimalist functions of modern states relating to revenue collection, provision of public services and maintenance of law and order. However, an “organized attempt to plan a country’s development introduces new and unfamiliar entrepreneurial and managerial tasks on an unprecedented scale. Few countries can cope with the administrative problems which development planning brings. These problems are so complex that in most less developed regional priority programmes and projects; mobilize resources and partners in support of the implementation of Africa’s priority programmes and projects; conduct and coordinate research and knowledge management; monitor and evaluate the implementation of programmes and projects; and advocate on the AU and NEPAD vision, mission and core principles/values. The highest authority of NEPAD Planning and Coordinating Agency (NPCA) is the AU Assembly of Heads of State and Government. There is a Heads of State and Government Orientation Committee (3states per region, plus the Chair of the AU) which is a sub-committee of the AU Assembly that provides political leadership and strategic guidance on the NEPAD Programme and reports its recommendations to the AU Assembly for endorsement; There is a

steering committee intermediary body to interface between the HSGOC and the new Agency. As observed in most African countries the limitation in implementing plans is not financial resources, but administrative capacity” (Waterstone, 1965:289). The administrative capacity of the African state, weak as it may have been at the time of independence, has been further weakened over time. It is, therefore, no wonder that there are multiple initiatives, and repeated emphasis on the need for building the capacity of the state on the continent. While these initiatives are commendable, they need to be carefully assessed from the perspective of enhancing domestic capacity compared to substituting it by foreign expertise. In this respect it was noted that sub-Saharan Africa “had about 100,000 foreign technical assistance staff costing about 4 billion USD per annum. In most cases, this staff substitutes for local capacity, but all current assessments of the impacts of this on SSA development are ostensibly negative” (Mkandawire and Soludo, 1999:137).

Inevitably, the proliferation of capacity building initiatives on the continent was closely related to the narrow concern with the capacity to implement various policy reform agenda of the donor community as represented by the IMF and the World Bank. Such agenda was not concerned with the long-term development of the continent, let alone being concerned with planning such development. The time of the proliferation of the capacity building initiatives coincided with a policy direction of massive retrenchment of African public servants and a “deluge of foreign advisors, consultants, and representatives of multilateral agencies who took over key policy analysis and policy-making institutions in many African states” (Mkandawire and Soludo, 1999:135). In addition to retrenching African civil servants, a large number of planning ministries and agencies were dismantled. On the basis of this experience in building the capacity of the African state, the challenge facing the continent in reasserting the importance of planning is to embark on a different path to recreate, and enhance existing, capacity for effecting development. Such a path would include in a fundamental sense reversing the trend of declining government employment with the aim of creating a skilled and efficient government work force. From a planning perspective this will require arrangements for constant retraining of civil servants to acquaint them with the changing development challenges facing their countries and familiarizing them with relevant planning techniques and methodologies. Such training arrangements are not to be confined only to those civil servants attached to planning agencies for obvious reasons relating to the coordination of plan implementation.

From an institutional point of view African countries need to create modernized planning agencies, and/or rehabilitating existing ones. The

challenge facing the countries in this respect include vital considerations relating to:

- a. clearly defining the priorities for the planning machinery including the creation of programming units at the level of operating government units;
- b. building a consensus that the core responsibilities of the planning agency are the formulation and revision of national development plans; the preparation of annual operational plans; recommendation of policies, measures and modalities required to implement the plan; reporting on the evaluation and implementation of the plan; and, coordination of national efforts relating to plan implementation;
- c. appropriate distribution of planning functions inclusive of responsibility for annual operational plans, relations to the budget office and the statistical agency, coordination of foreign technical assistance, the negotiation of foreign financing, responsibility for foreign loans, responsibility for development projects and programs, and coordination of plan implementation; and,
- d. consensus building on the preferred location of the planning agency with appropriate legal and constitutional safeguards to ensure its efficiency. For details and evidence on these, and other institutional aspects, see Waterstone (1965).



## 4.6 Summary

In Nigeria as well as in many African countries, planning is seen as paraphernalia to several years of backwardness. However, these countries realized that comprehensive planning for the whole economy was not feasible at the early years of independence. Hence, many resorted to sector planned economy with gradual adoption of other models in later years. Comprehensive planning involves a continuous process of rational, deliberate, consistent and coordinated economic policy making which were lacking in many of the African countries coupled with myriads of other problems of plan implementation. The role of the state became eminent to turn the market driven economy of the colonial days to centrally planned economy. However the major problems being faced include lack of comprehensive data with our porous borders, lack of political will to commit plans to action, politico-ethnic and technical factors.

In this study unit we have been able to see the picture of the experience of development plan implementation in Nigeria right from the colonial era. After independence, Nigeria needed to have her own plan prepared

and implemented by her. However, being a developing nation, there are a lot of problems of plan implementation in Nigeria. These include political unrest of series of military interventions in the 1970s, 1980s and 1990s. A plan initiated by one regime would be abandoned by the next regime. There is also the problem of resource constraint as well as paucity of data and poor quality of information. Technical competency is yet another problem of designing and implementing meaningful plan. The study unit also gave us the experience Nigeria had in shifting from a medium term plan of five years to a three year rolling plan from 1992 to 1994 under the belief that evaluation period is too long in the five year plan while it takes only one year in the rolling plan and that gives room for early adjustment. We also saw in the unit the institutional framework for planning in Nigeria as well as the general problems confronting many African countries in plan implementation that lead to many plan failures in these countries including Nigeria. These problems include the political dimension where many political leaders accord other matters higher priority than they do to development planning. It is this relegation of development to a subordinate place in the scale of values of the political leaders that lead to many plan failures while also sowing the seeds of discontent and potential social unrest.



#### **4.7 References/Further Readings/Web Resources**

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## 4.8 Possible answer to self-assessment exercise (s)

### Self-Assessment Exercise 1

What is the difference between a medium term plan and a rolling plan?

#### Answer

The three-year rolling plan strategy was adopted to enable the planning body keep track of major developments in the economy and to respond in a coherent and timely manner. Manner to some changes. The three-year rolling plan is therefore prepared every year, while allocations for the first year of the plan are expected to constitute the capital budget of that year. The draft capital budget for the second year of the plan is based on proportion of the plan earmarked for implementation that year. Before finalization, programme priorities are reassessed, the resource profile re-established and the stage of project/programme implementation evaluated. It is this procedure that provides for the flexibility of the Rolling Plan Under the previous five year plans, such programme revision took place once in five years' time too long, to cope with the realities of an economy that has a dominant and volatile oil sector. The instrument of rolling plans therefore makes it possible to take account of the past the present and the future that is near enough to be more closely captured. This process was well facilitated with the merger of the agencies responsible for planning and budgeting, a reform which most of the States adopted. The establishment of the National Planning Commission which has among its functions preparation and coordination of the annual capital budget and preparation of guidelines for the recurrent budget was expected to forge a very close linkage between the planning and budgeting functions. The States and Local Government Councils were expected to take a cue from this. Furthorm6res every Local Government Council was expected to create a Department of Planning, Research and Statistics that would be responsible for planning, budgeting and project monitoring.

**Self-Assessment Exercise 2**

What had been the philosophy behind development plan formulation and implementation right from the colonial era?

**Answer**

Since the colonial masters came to exploit resources of the land through the extorted labour of the people, it was rational to ensure that the people from whose labour the exploitation is made are healthy. Hence the first development plan in the country was the Ten Year Plan for Development and Welfare for Nigeria, 1946. The target of this plan was to improve the general health and mental conditions of the people and to provide those physical facilities which may be regarded as the minimum necessary for the general improvements of the country and its populations. The priority then was placed accordingly on social services – water supplies, education and health and on transport and communication; small amounts were to be expended upon agriculture and forestry development. It was felt that the prevailing conditions in Nigeria then had no plan for balanced development and that this could only succeed if the people were put in a position where they could participate in and take advantage of economic activities. Emphasis was thereafter placed on the provision of water supply and health with about 25% capital expenditure earmarked for it and only 6.4% to industry and agricultural development. With rapid economic growth becoming a primary objective in subsequent plans, the emphasis in investment programmes was shifted from social services towards industrialization and modernization of the economy. Thus the ground was laid for the 1962-68 National Development Plan. The National Development 1962-68 constituted the first attempt in Nigeria at comprehensive, integrated planning. For the first time projections were made and targets were formulated for the performance of the entire Nigerian economy both public and private sectors, capital and current needs. Since there were a lot of political suspicions and mistrusts among Nigerians in the midst of economic backwardness at independence, the plan had as its objectives, a united, strong and self-reliant nation; a great and dynamic economy; an egalitarian society; a free and democratic society.

National Development Plan 1970-74 was launched as a 4 years Development Plan. It was launched shortly after the end of the Civil war as a means of reconstructing the facilities damaged by war and promoting economic expenditure. The country was saddled with the problems of Reconciliation, Reconstruction and Rehabilitation, popularly known as “The Three Rs”. This necessitated the growing dominance of building and construction as an item of capital formation in the plan. This was due mainly to the extensive reconstruction of

facilities damaged by war and the implementation of the large road programmes of the Federal Government. This second national development plan after independence also projected the contribution of agriculture, mining and manufacturing. Since reasonable level of stability had been attained in the country, the National Development Plan from 1975-80 had objectives to be geared towards increase in per capita income (to raise standard of living); more even distribution of income, reduction in the level of unemployment, increase in supply of manpower, diversification of the economy, balanced development and indigenization of economic activity.

By 1979, all arrangements had been made to hand over power to civilians by the military which was eventually fulfilled. Hence the fourth national development plan of 1981-85 was launched in 1981 and had as her main objective the building of a strong, dynamic and a democratic culture. The plan was aimed at increasing real income, even and equitable distribution of income, increased supply of skilled manpower and attainment of national self-reliance. Agriculture was given also given high priority complemented with the Green Revolution programme of the government. The government was directly involved in food production. Manufacturing was laid emphasis on a projected growth at annual rate of 15%. At the Federal level, manufacturing projects include; iron and steel, LNG, sugar, cement etc. Power was to provide adequate and uninterrupted supply nationwide and to generate additional 3000 megawatts to bring the capacity to 4600 by the previous year. The major problem of this plan was related to other problems the previous plans had been experiencing with yet another problem which was so pronounced this plan period, it was corruption at the highest scale through inflation and duplication of contracts.