

International Development Projects: Peculiarities and Managerial Approaches

Ruggero Golini and Paolo Landoni
Politecnico di Milano, Italy

ABSTRACT

KEY WORDS

International Development Projects
Uncertainty and Risk Management
Requirements Management
Stakeholder Management

This research presents the distinct characteristics of International Development (ID) projects, the methodologies and tools that can be applied, as well as the standards used by the development agencies, and their use by NGOs. This work will interest both project managers who are contemplating careers in international development and experienced professionals eager to deepen their knowledge about specific project management standards, methodologies, and tools available for ID projects.

THE PROBLEM

Despite their importance, little attention has been devoted in the literature to the peculiarities of ID projects and to the best practices, approaches, and techniques of management.

International development (ID) projects aim to improve living conditions in emerging countries by enhancing agricultural, health, or educational systems, among others. ID projects are becoming increasingly important in the field of international aid to developing countries. During 2008, the Organization for Economic Cooperation and Development (OECD) members of the Development Assistant Committee (DAC) alone contributed around US \$510 million to such projects.

Despite their importance, little attention has been devoted in the literature to the peculiarities of ID projects and to the best practices, approaches, and techniques of management. So far, limited insights have been produced about the extent to which project management standards are utilized among companies and other organizations. This may be particularly true for ID projects that have very unique characteristics.

ID projects involve a large number of different stakeholders, and these participants usually have a diversity of perspectives as a consequence of their national culture and values. In addition to the complex relationships of the stakeholders involved, these projects are peculiar due to their social and not-for-profit nature and the intangibility of the developmental results.

This work presents the peculiarities of ID projects, the methodologies and tools that can be applied, the standards used by the development agencies and their use by NGOs. An extensive survey of project managers working in NGOs worldwide has been conducted in order to understand the diffusion of the methodologies and tools.

This research is suited for project managers who are considering work in the international development field, and for project managers and other professionals currently working in ID who are interested in deepening their knowledge about project management methodologies and tools.

THE FINDINGS

Peculiarities:

- *Weak or undefined customers*
- *Many stakeholders*
- *Risky environment*
- *Resource scarcity*
- *Difficulty in using PM techniques*
- *Intangible outputs*

ID projects have several distinct characteristics that distinguish them from other projects:

- **Lack of a defined and/or powerful customer.** The target “customer,” or beneficiary, is usually a community located in a developing country whose borders and requirements can be difficult to assess.
- **High number of stakeholders.** The presence of a large array of key stakeholders requires their strong commitment to the project; in fact, the lack of involvement and communication might lead to incorrectly defined project objectives, and thus, to almost certain project failure. This consideration highlights the importance of stakeholder management in ID projects.
- **Difficult, complex, and risky environment.** First, developing countries are often characterized by scarcity of resources, lack of infrastructure, and complex supply networks. Second, political and institutional factors are important to consider. Corruption is an endemic problem, and therefore monitoring and ensuring transparency can be difficult. Administrative bureaucracies are often very intricate and frequently cause delays in the projects. Third, an array of social factors must be taken into account, including, among others, workforce availability, social instability, and the presence of different communities with conflicting interests. Finally, technological factors can create challenges, among them, difficulties finding local suppliers and adapting the technology to local resources.
- **Resource scarcity.** NGOs often have limited and non-extendable budgets and tend to rely on volunteer work for their projects. Moreover, in the areas where projects are delivered, there can be lack of skilled resources, technology, and infrastructure. Finally, a critical ethical dilemma arises when decisions regarding administrative costs and those associated with other non-value-adding but necessary activities, compete for funds with the intended beneficiaries of the project.
- **Difficulty in using project management techniques in the context of other cultures.** The diversity in culture and values can create considerable challenges, the most frequent of which revolve around assumptions, expectations, language, and managerial processes and knowledge.
- **Intangible project outputs.** Objectives of development projects concern poverty alleviation, living standards improvement, and basic human rights protection. These humanitarian and social objectives are usually intangible, not visible, and difficult to measure.

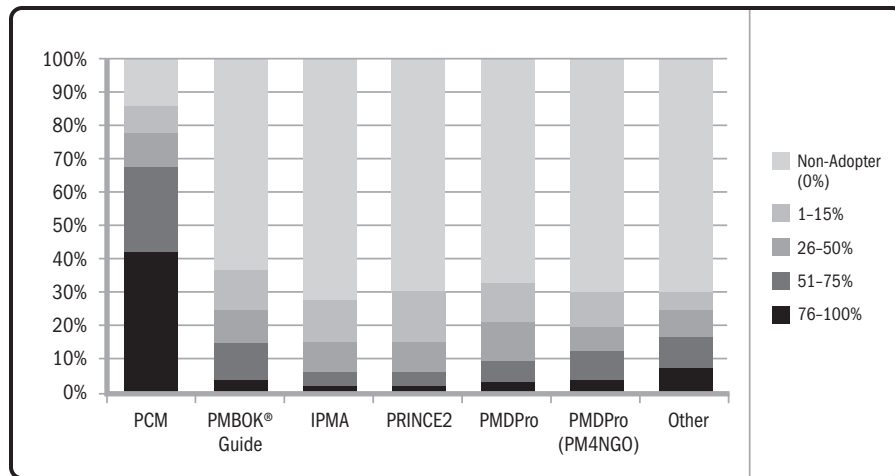
Despite the numerous benefits and advantages of state of the art methodologies and tools, their use in the context of ID is still limited.

The research found that despite the numerous benefits and advantages of state of the art methodologies and tools, their use in the context of ID is still limited. On the one hand, this could be related to late adoption, and to nescience of its existence and advantages. On the other hand, practitioners and researchers have critiqued the tools and raised questions about their effectiveness. These issues led several NGOs to use a special tool called Logical Framework (LF)¹. However, LF is difficult to apply and many organizations use it simply as a formal tool rather than as guidance and a measure of project success.

Furthermore, international organizations have developed their own standards. Consequently, it can be difficult for project personnel, project managers, stakeholders, and others to become familiar with or fluent in the different standards and terminologies used by a variety of agencies and funding organizations.

¹ The LF is a matrix (normally a 4 × 4 matrix) that summarizes the project's goals, activities, assumptions, indicators, and sources of verification in order to measure and report the achievement of objective.

THE FINDINGS (continued)

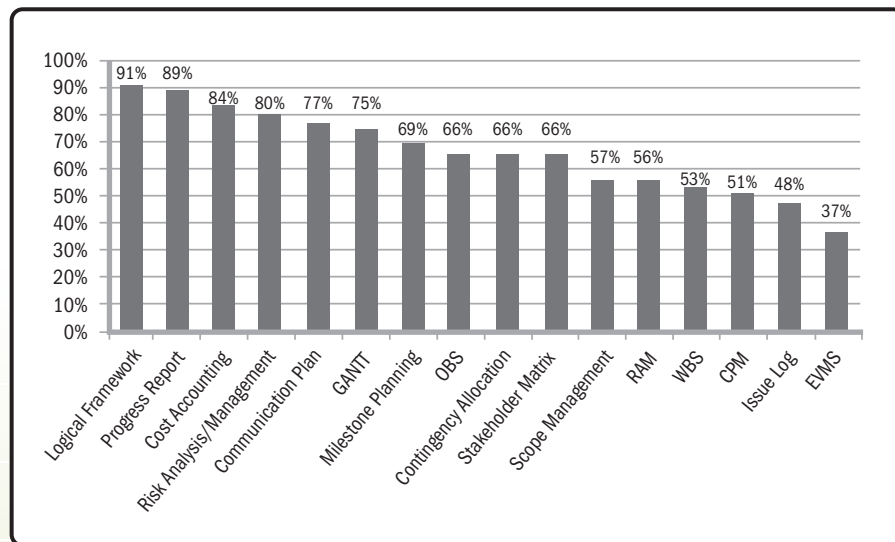


Note: The colored bars represent percentage of projects adopting the methodology.

Figure 1. Percentage of adoption for different methodologies

The analysis shows that Project Cycle Management (PCM) is widely adopted. Almost 85% of the NGOs use this guideline, and almost 30% use it heavily (Fig. 1). This result makes the PCM the frequently adopted methodology in this field. Methodologies and frameworks such as the PMBOK® Guide, PM4DEV, PM4NGOs, IPMA and PRINCE2 are adopted only by around 30% of the NGOs in this study. Essentially, PCM is the only reference currently considered by NGOs.

Figure 2 provides more detail concerning the specific tools applied. The vast majority of the NGOs commonly apply tools, such as logical framework, progress reporting, and cost accounting. This is due to the nature of the projects, which are typically managed by NGOs that usually make mandatory the use of such tools.



Note: Percentage refers to the number of NGOs adopting each tool.

Figure 2. Percentage of tools adoption among NGOs

■ THE FINDINGS *(continued)*

The research found a concentration in the use of PCM, and very limited application of other guidelines. A second consideration regards the use of project management tools. While some tools are significantly adopted (e.g., Gantt charts, progress report), others appear to be somewhat neglected (e.g., WBS, RAM). The results highlight that NGOs are more likely to adopt simple techniques rather than focusing their attention on more structured and analytical methodologies. However, high performers are more likely to adopt all the tools considered.

■ RESEARCH IMPLICATIONS

Scholars and professional project managers of other sectors can significantly contribute to the diffusion of project management standards and to the development and dissemination of specific tools for ID projects.

Every year, international cooperation provides significant support to developing countries. Projects are crucial for both profit and nonprofit organizations working on international development. However, despite the relevance of the projects and the proper management of them, there is increasing evidence that additional information is still needed on the structure and function of international development projects from organizations, practitioners, and scholars.

Scholars and professional project managers in other sectors can significantly contribute to the diffusion of project management standards and to the development and dissemination of specific tools for ID projects. But above all, a change is needed in the international development organizations and in NGOs in particular. Further research in the use of formal methodologies, and risk and stakeholder's management by NGOs issues is required.

■ FULL CITATION

Golini R, Landoni P. *International Development Projects: Peculiarities and Managerial Approaches*. Newtown Square: Project Management Institute, Inc., 2013.

FOR MORE INFORMATION

- PMJ articles and Sponsored Research monographs are available to members for free download.
- Monographs can also be purchased at the PMI Store on PMI.org.



From Academia: Summaries of New Research for the Reflective Practitioner | October 2014

This material has been reproduced with the permission of the copyright owner. Unauthorized reproduction of this material is strictly prohibited. For permission to reproduce this material, please contact PMI.