

PROJECT INDICATORS ESSENTIAL FACTOR IN THE DESIGN OF THE PROJECT PROPOSALS OF THE STRUCTURAL FUNDS

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Rezumat. *Sunt analizate principalele greșeli în redactarea propunerilor de proiecte din Fondurile Structurale și se prezintă soluții de remediere a acestora. Este evidențiată importanța indicatorilor în diferitele faze ale ciclului de proiect și se face o prezentare, cu exemple, a acestora și a modului lor de utilizare. Sunt prezentate principalele aspecte practice privind alegerea indicatorilor de proiect și se trag concluzii legate de utilizarea indicatorilor în redactarea proiectelor.*

Abstract. *The main mistakes in drafting project proposals from the Structural Funds are analyzed and solutions are presented to remedy them. Importance of indicators in various stages of project design cycle is shown and a presentation of the utilization, with examples, of key indicators of project is made. Practical aspects of the main indicators of project selection and drawing conclusions about the use of indicators in the drafting of projects are presented.*

Keywords: Structural Funds, Evaluation, Project indicators, Project

1. Introduction

Many of the project proposals for Structural Funds which have passed the stage of checking the eligibility does not obtain a favorable technical assessment. The reasons are diverse and mainly are based on a number of misconceptions:

Ignorance of basic concepts of Structural Funds. The design of a project proposal is reduced to the completion of the application data fields and not to demonstrate the project's contribution to the operational objectives of the program.

SF project proposal must persuade all the evaluators, the promoter has understood and demonstrated that implementation of the project will contribute primarily to the program objectives and social development of the region to which it belongs and not for other purposes. EU cohesion policy goal is to provide financial assistance to the regions having a per capita income, below 75 percent of the EU average in order to overcome structural weaknesses to reduce economic disparities, social and territorial cohesion and to enable them to strengthen the competitiveness and increase the employment rate.

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Cloning of the approved projects. Copying a project (method used by some consulting firms) that has already been approved in another call for proposals or in another program, or replacing only the recipient identification data without many changes, is a guarantee of success.

Collaboration between consultant and customer is essential in developing a project proposal. Projects without consultation and collaboration of the two parties are leading in most cases, to projects lack without real support which can not be achieved. There are many examples of this type.

Cloning of an approved project in which was provided to purchase a particular type of equipment, the beneficiary having already some components of the equipment.

Selection for funding a cloned project led the new beneficiary is in a position to have approval to acquire a production line incomplete and inoperable.

Important is the idea of the project. If your proposal falls within the programme priorities, is relevant and valuable in itself, it is important to pay attention only to certain sections of the application form such as financial plan and activities plan and less to items considered irrelevant to the project, such as, for example, in the POSDRU projects:

- target group,
- outcomes and indicators,
- background and project justification,
- project management,
- sustainability,
- equality,
- and other horizontal objectives.

The main criteria underlying the assessment of Structural Funds are relevance, effectiveness, efficiency, sustainability and impact of the project, Fig.1.

The assessment of each project proposal is made pursuant a detailed selection grid. For each selection criteria separately, the evaluator should made comments based on strengths and weaknesses identified in the sections of the project proposal, and to motivate score granted to each criteria.

Often, some of the criteria are treated lightly or general data is entered, no direct in connection with the proposed project, leading to a severe depunctuation by the evaluators.

Successful project proposals, which passed the evaluation stage with high scores compared to their competitors, were always proposals based not only on a good idea but they treated equally all custom fields in the application form [1, 2].

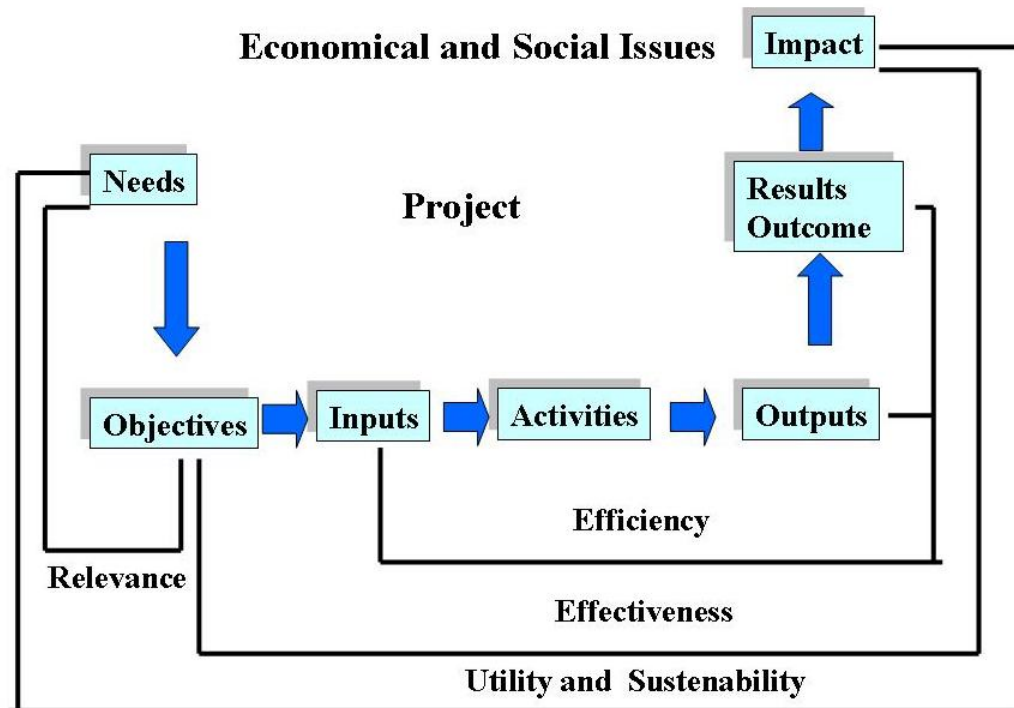


Fig. 1. Evaluation criteria for project proposals.

Overestimated the performance. In the project proposal, in order to meet the rating scale, the promoter may introduce unrealistic major achievements indicators, only to pass the evaluation phase of the project proposals and the project to be selected.

It is a rule that when the project pass the selection phase and is selected, the project proposal is a legal document attached to the FS funding contract and absolutely everything was set to achieve has to be achieved and this will be closely monitored during the project and at its end. Failure to overestimate indicators will be detected at mid term evaluation of the project.

2. Project Indicators

In the guides and the handbooks the indicators are mainly treated in terms of evaluation and monitoring of operational programs by specialized agencies and less in terms of project design.

We shall try to present the project indicators in terms of their use in formulating project proposals and evaluation and monitoring them during project cycle of life development.

Indicators of a project should be the starting point in drafting successful project proposals.

Specification of the project indicators will be helpful to consider the feasibility of the project and provide the monitoring and evaluation of the project with valuable tools. We have always to correlate the indicators with the objectives, activities, target group and project resources.

An indicator can be defined as an objective measurement to be performed, a resource used, the effect obtained as a quality indicator. An indicator contains quantified information to help stakeholders assess a project proposal and project management to communicate, negotiate or make decisions.

A good indicator should provide a simple information that can be use and understand both who establish the indicator as one who uses it. Indicators describe the operational and measurable terms (quantity, quality, time) of the project objectives. The indicators assess the feasibility of the objectives and results and provide the basis for monitoring and evaluation system design.

Each indicator must be specific (to measure exactly what he proposes to measure), measured (to be and to be quantified), achievable, relevant. One of the essential conditions to be met by the indicators is that information resulting from the use of the same indicators should be the same, whether collected by different individuals [3-5].

3. System indicators and project cycle

The indicators should be used at the beginning of the project cycle in the project initiation phase to help identify areas where Structural Funds can provide financial assistance grant, to analyze the regional context, to diagnose the social and economic problems and to assess the project needs to respond. At this stage, indicators often play a decisive role to determine whether the proposed project is relevant and can be successful implemented.

Choice and validation of the project intervention strategy is the second stage of the project cycle. At this stage, the beneficiary must precisely define and quantify the objectives and results. The indicators depend on measuring outcomes and are very useful for clarifying the objectives.

In the implementation phase, the project is monitored and evaluated. At this stage, the indicators are essential to allow the circulation of information in a simple and condensed way, both for the internal management of the project as well as between the project and the implementing agency.

Typically, at this stage, the indicators used to monitor, for example, as the program baseline is respected, how budgets are spent, the proportion of target group reached, the rate of satisfaction of beneficiaries, the number of jobs created, etc. Project cycle ends with an ex post or impact phase, which aims primarily to report on program outcomes and on the extent to which objectives have been met.

The use of indicators is recommended at this stage, since it allows communication of simple information that is readily understood by a wide audience, for example, cost per job created or placement rate of assisted persons without jobs

4. Types of indicators

Indicators of a project can be classified according to several criteria:

- Phases of project implementation and performance: Indicators of resources, output, outcome and impact
- Project evaluation criteria: relevance, effectiveness, efficiency and performance indicators

Key indicators

Key indicators are used to compare similar measures and public policies. They are simple indicators, easily measured and monitored for longer periods of time. Key indicators reflect priorities and provide information on direct and indirect consequences of a particular policy.

In Romania there are two main types of basic indicators: administrative indicators and performance indicators [6]

- **Administrative indicators:**

The administrative indicators present government action its management and capacity planning to meet deadlines, ability to use available resources to achieve programmes goals.

- **Performance indicators**

Performance indicators are formulated to assess the real impact of public policy in the project at the economic, political, social, environmental level. For example, to evaluate the success of a tourism project, the project indicators include: number of clients at hotels, number of days spent in tourist facilities, etc.

Performance indicators measure the relationship between objectives and results in a monitoring and evaluation system based on results and impact, while administrative indicators measure the resources and the administrative activities of the funding authorities. Performance indicators are useful both when assessing the project results - the effects of the project and when assessing its impact - long term effects of the project and how the goals were achieved in the application.

Most used performance indicators are:

Indicators of resources and activities (inputs).

Resources and activity indicators (input) - measure resources allocated to each project. The role of such indicators is to provide information about resources

(human, financial, material, organizational or regulatory) mobilized during the project.

Monitoring of indicators of resources is necessary to have a fair picture of the situation the resources in each phase of the project. Examples of resources indicators are: number of people necessary to implement the project, the amount of material resources allocated to achieve the results.

Resources are the joint responsibility of funding authorities, which allocate, and beneficiary who implement them.

Output indicators,

Output indicators are indicators of efficiency of the project and represent the way to measure goods and services produced within the project in relation to resources used, Fig.1. Output indicators represent the product of the project activities and are correlated with them. Outputs are normally the responsibility of project manager who should report regularly on their achievement through the monitoring project system.

Output indicators can be measured in physical (number of students whose training was paid by the project, number of unemployed retrained, kilometers of roads constructed) or monetary units.

Outcome indicators

Outcome indicators are result indicators is show how to measure the effectiveness and impact of the project, direct and immediate benefits and advantages for the project target group and are related to the project objectives. Fig1.

These indicators can provide information about changes in behavior, ability or performance of direct beneficiaries. They can be physical (time reduction to produce goods and transport times) or may be economic / financial (decrease of the production costs and transport).

Outcome indicators are generally quantified during monitoring and provide information on changes that occur for the direct beneficiaries, such as number of new skills acquired through training courses organized under the project activities or usability share of newly developed production capacity.

In the strategic plans of the ministries they are indicators for policy results [6].

Impact indicators (impact)

Impact indicators present the indirect and long-term consequences of the project and represent the consequences of the project beyond the direct and immediate interaction with the beneficiaries of the project [4].

There are two types of impact indicators.

- **Specific impact indicators** relating to the impact that occurs after a medium period and which is directly related to the project activities, examples of indicators: sustainable jobs created by the acquisition of technological equipment, the number of graduates of training courses who were employed.
- **General impact indicators** are referring to a long-term effect. Examples of indicators: placement rate of graduates of training courses after two years of their graduation or the traffic on a road built through a project of the SF one year after it is opened.

Due to the time after which the impact effects occur, impact indicators can be checked, only in time and especially during the evaluations. One way of determining the impact is to make an impact study at a certain period after the end of the project.

5. Indicators selection

Purpose of the indicators. One of the most common problems is the purpose of the indicators is not clearly defined, in which case the selection or the imposition of indicators can lead to inappropriate indicators, to the purpose for which they were intended. It is possible to choose among several indicators for a particular purpose, each with advantages and disadvantages. It is not enough, for example, to state that is necessary "to improve the quality indicator, but rather should be defined the quality issues to be improved, and only then, to design the best indicators useful to prepare and support effective decision making to improve quality.

Indicators, end in it. A dangerous trend is that the indicators to become an end in itself rather than a tool of the project. Performance indicators and quality can lead to expensive data collection process which does not contain relevant information. This is, for example, the case when value indicators undergone important changes over time.

Small number of indicators. Selection of a small number of indicators can lead to undesirable effects such as those that target group to choose to work on the project only in those activities for which there are indicators. A known example is the trainees who focus in particular on the results of the examination usually represented by indicators in the project, rather than on learning and acquiring knowledge and skills. Another example relates to the potential impact of performance indicators on the relationship between a qualification program for the unemployed and the unemployment rate. Although high unemployment rates could involve efforts to adapt the program qualifications, an easier way to increase the "performance" of the project is to refuse admission to courses for people with the highest risk (elderly, long-term unemployed, disabled, women, etc.) to fill a job after graduation rate.

Comprehensive set of indicators. Another type of problem can occur when trying to create a comprehensive set of indicators which are supposed to cover all key aspects of a project. This may not be possible in all cases for reasons of cost or because of certain factors that are not directly measurable. Sometimes it tries to evaluate complex projects through a limited number of indicators. This may be true for quality improvement, since quality characteristics tend to be correlated with each other [7].

Level set of indicators is incorrect. Another design problem can be indicators that were not set to an appropriate level. Level may be too high, which implies that some useful information are highlighted (for example, when students are appreciated for all the curricula and not on every subject it will not be possible to show the remarkable results in certain subjects, but only an average performance which can be irrelevant for the project). If the level of indicators is too low it could be created an impression of high quality diversity or of quick change trend, while in fact, the differences can be largely attributed to statistical or seasonal fluctuations.

Data manipulation. It should be recalled that statistical indicators can "hide" information, if designed in a special way. By creating certain types of indicators, some organizations may present project achievements in a positive way, and some very important and serious problems may go unnoticed. Indicators designers must take responsibility in order to justify the choice of indicators and the type of information that indicators can present or disclose.

Economic indicators. For reasons of cost effectiveness, indicators are often built on existing data collection systems. The projects funded by the Structural Funds, tend to use indicators in relation to expenditure. These indicators focus on efficiency and performance rather than effectiveness and quality.

Specific indicators and general indicators. Sometimes, the indicators can not easily be compared with each other (in time or for different organizations). From the quality management perspective, the most appropriate indicators are those related to specific problems and adapted to the organization's mission. As the indicator is more specific, it will allow valid comparisons with the organization.

Conversely, if the primary purpose is the comparison between organizations, broad indicators at the system level are needed.

Another external factor on the usefulness of quality indicators in education projects and training is that the project beneficiary may not be very clear what he wants or needs. Therefore, designing training programs may be based partly on false assumptions and outcome indicators may be irrelevant because there is no control over the project training needs analysis.

Conclusions

A first conclusion is that designing a successful project proposal is not simple and repetitive task. It should first take account of how the project proposal evaluation it's made, with the personalized and equal treatment to all fields of the application.

The projects must show proper use of indicators and those to show change the project brings. The indicators are intended only to indicate, and not to provide "proof" or detailed explanations about change. Avoid the temptation to make the measurement of change in a major exercise with a burdensome workload of the project. Change must be the leading issue of the project not its measurement by different-indicators.

Indicators aim is to support planning, management and reporting of the project. Indicators enabling project track record and can help to produce results by providing benchmarks for monitoring, decision making, stakeholder consultation and project evaluation. Using indicators is an integral part of good management. An indicator that provides relevant data on progress is very useful. It's useful to have approximate information about important issues than to have accurate information about what is not important in a project.

Desire to increase project performance, especially through good management, has increased the number of the indicators utilized. These indicators focus on results and effects achieved, unlike the older forms of management based on resource allocation and monitoring the results.

In Romania, the administrative culture in many places remained reluctant to the performance management and development projects based on the result. Monitoring and evaluation of programs co-financed by the European Union is a factor encouraging performance management projects in terms of results and impact.

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